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

FORM 10-K

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED MARCH 31, 2013**

OR

o **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.)

660 White Plains Road
Tarrytown, New York 10591
(914) 524-6800

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	**Name of each exchange on which registered:**
Common Stock, par value $.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No o

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

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

Indicate by check mark whether the registrant 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 x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. 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	x		Accelerated filer	o
Non-accelerated filer	o	(Do not check if a smaller reporting company)	Smaller reporting company	o

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

The aggregate market value of voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the Registrant's most recently completed second fiscal quarter ended September 30, 2012 was $850.6 million.

As of May 6, 2013, the Registrant had 51,147,329 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Definitive Proxy Statement for the 2013 Annual Meeting of Stockholders (the "2013 Proxy Statement") are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent described herein.

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TRADEMARKS AND TRADE NAMES

Trademarks and trade names used in this Annual Report on Form 10-K 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 Annual Report on Form 10-K.

Part I.

ITEM 1. BUSINESS

Note About Forward-Looking Statements

Certain statements in this report, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may appear throughout this Annual Report on Form 10-K, including without limitation, in the following sections: “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “plan,” "seek," “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements is included in the section entitled “Risk Factors” in Part I, Item 1A of this Annual Report on Form 10-K. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

Overview

Unless otherwise indicated by the context, all references in this Annual Report on Form 10-K to “we,” “us,” “our,” “Company” or “Prestige” refer to Prestige Brands Holdings, Inc. and our subsidiaries. Similarly, reference to a year (e.g., “2013”) refers to our fiscal year ended March 31 of that year.

We sell well-recognized, brand name, over-the-counter (“OTC”) healthcare and household cleaning products largely in North America. We use the strength of our brands, our established retail distribution network, a low-cost operating model and our experienced management team to our competitive advantage in these categories. Our ultimate success is dependent on several factors, including our ability to:

- Develop effective sales, advertising and marketing programs;
- Integrate our acquired brands;
- Grow our existing product lines;
- Develop innovative new products;
- Respond to the technological advances and product introductions of our competitors; and
- Continue to grow our presence in the United States and international markets.

2013 Divestiture

In 2013, we divested the *Phazyme* gas treatment brand, which was a non-core OTC brand that we acquired from GlaxoSmithKline plc ("GSK") in January 2012. We received $21.7 million from the divestiture on October 31, 2012 and the remaining $0.6 million on January 4, 2013. The proceeds were used to repay debt. No significant gain or loss was recorded as a result of the sale.

2012 Acquisitions

In 2012, we acquired 17 brands, which we believe are key to our growth strategy in the OTC Healthcare category and complementary to our existing OTC Healthcare brands. On January 31, 2012, we completed the acquisition of the first 15 North American OTC Healthcare brands, including the related contracts, trademarks and inventory from GSK and its affiliates (the “GSK Brands I”) for $615.0 million in cash, subject to a post-closing inventory and apportionment adjustment. The GSK Brands I include *BC*®, *Goody's*® and *Ecotrin*® brands of pain relievers; *Beano*®, *Gaviscon*®, *Phazyme*®, *Tagamet*® and *Fiber Choice*® gastrointestinal brands; and the *Sominex*® sleep aid brand. On March 30, 2012, we completed the acquisition of the *Debrox*® and *Gly-Oxide*®

brands in the United States from GSK (the “GSK Brands II" and together with the GSK Brands I, the "GSK Brands”), including the related contracts, trademarks and inventory, for $45.0 million in cash, subject to a post-closing inventory and apportionment adjustment. In April 2012, we received the post-closing inventory and apportionment adjustments, attributable to both GSK Brands I and GSK Brands II, which required us to pay an additional $2.8 million to GSK, and in May 2012, we received a revised post-closing inventory and apportionment adjustment, attributable to GSK Brands II, which required us to pay an additional $0.2 million, for a total of $3.0 million, to GSK.

2011 Acquisitions

In 2011, we acquired six brands, which we believe are also key to our growth strategy in the OTC Healthcare category and complementary to our existing OTC Healthcare brands. On November 1, 2010, we acquired 100% of the capital stock of Blacksmith Brands Holdings, Inc. (“Blacksmith”), which owned five brands: *Efferdent*®, *Effergrip*®, *PediaCare*®, *Luden's*® and *NasalCrom*®. On January 6, 2011, we completed the acquisition of certain assets comprising the *Dramamine*® brand in the United States.

Major Brands

Our major brands, set forth in the table below, have strong levels of consumer awareness and retail distribution across all major channels. These brands accounted for approximately 93.0%, 92.0%, and 93.0% of our net revenues for 2013, 2012 and 2011, respectively, during the period the respective brands were owned by us.

Major Brands	Market Position(1)	Market Segment(2)	Market Share(3) (%)	ACV(4) (%)
Over-the-Counter Healthcare:				
Chloraseptic®	#1	Sore Throat Liquids/Lozenges	42.5	93.7
Clear Eyes®	#2	Eye Allergy/Redness Relief	19.9	94.6
Compound W®	#1	Wart Removal	37.5	91.8
Dramamine®	#1	Motion Sickness	38.8	94.4
Efferdent®	#2	Denture Cleanser Tablets	31.6	96.0
Little Remedies®	#5	Pediatric Healthcare	4.7	86.3
Luden's®	#3	Cough Drops	5.5	96.8
PediaCare®	#2	Pediatric Healthcare	5.6	89.9
The Doctor's® *NightGuard*®	#1	Bruxism (Teeth Grinding)	32.3	50.4
The Doctor's® *Brushpicks*®	#2	Disposable Dental Picks	15.0	46.5
BC®*/Goody's*®	#1	Analgesic Powders	99.0	70.9
Beano®	#1	Gas Prevention	93.8	89.0
Debrox®	#1	Ear Wax Removal	47.9	89.0
Gaviscon® (5)	#2	Upset Stomach Remedies	15.2	94.0
Dermoplast®	#3	Pain Relief Sprays	16.3	66.4
Murine®	#2	Ear Wax Removal	11.0	65.6
New-Skin®	#1	Liquid Bandages	63.8	84.6
Wartner®	#3	Wart Removal	2.6	10.3
Fiber Choice®	#3	Fiber Laxative Supplements	5.6	81.3
Ecotrin®	#2	Aspirin	3.9	81.7
Household Cleaning:				
Chore Boy®	#2	Soap Free Metal Scrubbers	11.7	14.5
Comet®	#1	Abrasive Tub and Tile Cleaner	37.2	94.8
Spic and Span®	#6	Dilutable All Purpose Cleaner	1.4	55.7

(1) We have prepared the information included in this Annual Report on Form 10-K with regard to the market share and ranking for our brands based in part on data generated by Information Resources, Inc., an independent market research firm ("IRI"). IRI reports Total U.S. Multi-Outlet retail sales data in the food, drug, mass merchandise markets (including Walmart), Dollar Stores, selected Warehouse Clubs (BJ's and Sam's) and DeCA military commissaries, representing approximately 90% of Prestige Brands categories for retail sales.

(2) "Market segment" is defined by us and is either a standard IRI category or a segment within a standard IRI category and is based on our product offerings and the categories in which we compete.

(3) "Market share" is based on sales dollars in the United States, as calculated by IRI for the 52 weeks ended March 24, 2013.

(4) "ACV" refers to the All Commodity Volume Food Drug Mass Index, as calculated by IRI for the 52 weeks ended March 24, 2013. ACV measures the ratio of the weighted sales volume of stores that sell a particular product to all the stores that sell products in that market segment generally. For example, if a product is sold by 50% of the stores that sell products in that market segment, but those stores account for 85% of the sales volume in that market segment, that product would have an ACV of 85%. We believe that a high ACV evidences a product's attractiveness to consumers, as major national and regional retailers will carry products that are attractive to their customers. Lower ACV measures would indicate that a product is not as available to consumers because the major retailers generally would not carry products for which consumer demand is not as high. For these reasons, we believe that ACV is an important measure for investors to gauge consumer awareness of the Company's product offerings and of the importance of those products to major retailers.

(5) *Gaviscon* is distributed by us in Canada only and the market information was obtained from an independent third party market research firm for the period ending November 17, 2012.

Our products are sold through multiple channels, including mass merchandisers and drug, grocery, dollar and club stores, which reduces our exposure to any single distribution channel.

We have developed our brand portfolio through the acquisition of strong and well-recognized brands from larger consumer products and pharmaceutical companies, as well as growth brands from smaller private companies. While the brands we have purchased from larger consumer products and pharmaceutical companies have long histories of support and brand development, we believe that at the time we acquired them they were considered "non-core" by their previous owners. Consequently, these brands did not benefit from the focus of senior level personnel or strong marketing support. We also believe that the brands we have purchased from smaller private companies were constrained by the limited financial resources of their prior owners. After adding a core brand to our portfolio, we seek to increase its sales, market share and distribution in both new and existing channels through our established retail distribution network. We pursue this growth through increased advertising and promotion, new sales and marketing strategies, improved packaging and formulations, and innovative new products. Our business, business model, competitive strengths and growth strategy face various risks that are described in "Risk Factors" in Part I, Item 1A of this Annual Report on Form 10-K.

Competitive Strengths

Diversified Portfolio of Well-Recognized and Established Consumer Brands

We own and market well-recognized consumer brands, many of which were established over 60 years ago. Our diverse portfolio of products provides us with multiple sources of growth and minimizes our reliance on any one product or category. Our five legacy core OTC Healthcare brands are *Chloraseptic*, *Clear Eyes*, *Compound W*, *Little Remedies* and *The Doctor's*. As a result of our fiscal 2011 acquisitions, we added four brands to our core OTC Healthcare brands (*Efferdent*, *PediaCare*, *Luden's*, and *Dramamine*). In fiscal 2012, we added five brands to our core OTC Healthcare brands (*BC*, *Goody's*, *Beano*, *Gaviscon* and *Debrox*). We provide significant marketing support to our core brands that is designed to enhance our sales growth and our long-term profitability. The markets in which we sell our products, however, are highly competitive and include numerous national and global manufacturers, distributors, marketers and retailers. Many of these competitors have greater research and development and financial resources than us and may be able to spend more aggressively on sales, advertising and marketing programs and research and development, which may have an adverse effect on our competitive position.

Strong Competitor in Attractive Categories

We compete in product categories that address recurring consumer needs. We believe we are well positioned in these categories due to the long history and consumer awareness of our brands, our strong market positions, and our low-cost operating model. However, a significant increase in the number of product introductions or increased advertising, marketing and trade

support by our competitors in these markets could have a material adverse effect on our business, financial condition and results from operations.

Proven Ability to Develop and Introduce New Products

We focus our marketing and product development efforts on the identification of under-served consumer needs, the design of products that directly address those needs, and the ability to extend our highly recognizable brand names to other products. As an example of this philosophy, in 2013, we launched *PediaCare Nighttime Multi-Symptom Cold* reliever, *Little Remedies Soothing Syrup*, *Luden's Moisture Drops*, *Chloraseptic Warming Spray* for sore throat, *BC Powder* in a new cherry flavor and *Fiber Choice Fruity Bites* fiber gummies. In 2012, we launched four new *PediaCare* Infant Formula products, *PediaCare* 24 Hour Allergy Relief, *Dramamine* for Kids, *Efferdent* Crystals, *Efferdent PM* overnight denture cleanser, and *Comet* Stainless Steel, among other product introductions. In 2011, we launched *Little Fevers*® Fever Reducer and *Little Colds*® Honey Elixir under our *Little Remedies* line in addition to *Clear Eyes* Cooling Comfort Redness Relief and Itchy Eye Relief. Although line extensions and new product introductions are important to the overall growth of a brand, our efforts may reduce sales of existing products within that brand. In addition, certain of our product introductions may not be successful.

Efficient Operating Model

To gain operating efficiencies, we oversee the production planning and quality control aspects of the manufacturing, warehousing and distribution of our products, while we outsource the operating elements of these functions to well-established third-party providers. This approach allows us to benefit from their core competencies and maintain a highly variable cost structure, with low overhead, limited working capital requirements, and minimal investment in capital expenditures as evidenced by the following:

	Gross Margin %	G&A % To Total Revenues	CapEx % To Total Revenues
2013	55.7	8.3	1.6
2012	51.6	12.9	0.1
2011	50.8	12.5	0.2

In 2013, our gross margin percentage increased 4.1%. In 2012, our gross margin percentage increased 0.8%. Both increases were due primarily to the brands we acquired from GSK, as such brands have higher gross margins. General and administrative costs, as a percentage of total revenues, decreased 4.6% in 2013 versus 2012, primarily as a result of higher costs associated with the acquisition of the GSK Brands, which were incurred in 2012 and increased revenues in 2013. General and administrative costs, as a percentage of total revenues, increased 0.4% in 2012 versus 2011, primarily as a result of costs associated with the acquisition of GSK Brands I. In 2013, our capital expenditures as a percentage of revenues increased 1.5% versus 2012. This was due to an increase in capital expenditures for leasehold improvements associated with our new corporate office lease, as well as higher equipment purchases primarily resulting from the increased personnel and systems requirements associated with the acquisition of the GSK Brands.

Management Team with Proven Ability to Acquire, Integrate and Grow Brands

Our business has grown through acquisition, integration and expansion of the many brands we have purchased. Our management team has significant experience in consumer product marketing, sales, legal and regulatory compliance, product development and customer service. Unlike many larger consumer products companies, which we believe often entrust their smaller brands to successive junior employees, we dedicate experienced managers to specific brands. We seek more experienced personnel to bear the substantial responsibility of brand management and to effectuate our growth strategy. These managers nurture the brands to allow the brands to grow and evolve.

Growth Strategy

In order to continue to enhance our brands and drive growth, we focus our growth strategy on our core competencies:

- Effective Marketing and Advertising;
- Sales Excellence;
- Extraordinary Customer Service; and
- Innovation and Product Development.

We execute this strategy through the following efforts:

- ***Investments in Advertising and Promotion***

We invest in advertising and promotion to drive the growth of our core brands. Our marketing strategy is focused primarily on consumer-oriented programs that include media advertising, targeted coupon programs and in-store advertising. While the absolute level of marketing expenditures differs by brand and category, we have often increased the amount of investment in our brands after acquiring them. For example, in 2011, after acquiring *Efferdent*, *Effergrip*, *PediaCare*, *Luden's*, *NasalCrom* and *Dramamine*, we spent approximately 28.4% of the revenues associated with these combined brands in order to drive future growth. In 2013 and 2012, the advertising and promotion spend related to these brands was 18.6% and 16.0% of revenue, respectively. Additionally, advertising and promotion spend for our five legacy core OTC Healthcare products was approximately 16.3%, 15.0%, and 15.8% of revenue in 2013, 2012 and 2011, respectively. In 2013, advertising and promotional spend on the core brands acquired from GSK was approximately 18.4% of the revenues associated with these brands. Given the competition in our industry and the contraction of the U.S. economy, there is a risk that our marketing efforts may not result in increased sales and profitability. Additionally, no assurance can be given that we can maintain any increased sales and profitability levels once attained.

- ***Growing our Categories and Market Share with Innovative New Products***

One of our strategies is to broaden the categories in which we participate and increase our share within those categories through ongoing product innovation. In 2013, we launched *PediaCare Nighttime Multi-Symptom Cold* reliever, *Little Remedies Soothing Syrup*, *Luden's Moisture Drops*, *Chloraseptic Warming Spray* for sore throat, *BC Powder* in a new cherry flavor and *Fiber Choice Fruity Bites* fiber gummies. In 2012, we launched four new *PediaCare* Infant Formula products, *PediaCare* 24 Hour Allergy Relief, *Dramamine* for Kids, *Efferdent* Power Clean Crystals, *Efferdent PM*, *Luden's* with Vitamin C, *Clear Eyes* All Season Outdoor Eye Drop, *New Skin* Anti-Chafing Spray and *Comet* Stainless Steel Cleanser line. In addition, we introduced a new *AccuSafe*® dosing system across our *Little Remedies* and *PediaCare* infant analgesics products. In 2011, we launched *Little Fevers* Fever Reducer and *Little Colds* Honey Elixir under our *Little Remedies* line in addition to *Clear Eyes* Cooling Comfort Redness Relief and Itchy Eye Relief. While there is always a risk that sales of existing products may be reduced by new product introductions, our goal is to grow the overall sales of our brands.

- ***Increasing Distribution Across Multiple Channels***

Our broad distribution base attempts to ensure that our products are well positioned across all available channels and that we are able to participate in changing consumer retail trends. In an effort to ensure continued sales growth, we have altered our focus by expanding our reliance on direct sales while reducing our reliance on brokers. We believe this philosophy allows us to better:

- Know our customer;
- Service our customer; and
- Support our customer.

While we make great efforts to both maintain our customer base and grow in new markets, there is a risk that we may not be able to maintain or enhance our relationships across distribution channels, which could adversely impact our business, financial condition and results from operations.

- ***Growing Our International Business***

International sales beyond the borders of North America represented 2.7%, 3.5% and 4.2% of revenues in 2013, 2012, and 2011, respectively. International sales beyond the borders of North America also grew 10.6% and 7.5% in 2013 and 2012, respectively. We have designed and developed both products and packaging for specific international markets and expect that our international revenues will continue to grow. As a percentage of total revenues, international sales have decreased as a result of increased domestic sales, attributable mostly to the acquired GSK Brands, specifically *BC* and *Goody's*, which are sold exclusively in the United States. In addition to *Clear Eyes*, *Murine* and *Chloraseptic*, which are currently sold internationally, we license a large multinational company to market the *Comet* brand in Eastern

Europe. Since a number of our other brands have previously been sold internationally, we seek to expand the number of brands sold through our existing international distribution network and continue to identify additional distribution partners for further expansion into other international markets.

- ***Pursuing Strategic Acquisitions***

Acquisitions are an important part of our overall strategy for growing revenue. We have a history of growth through acquisition (see "Our History and Accomplishments" below). In 2012, we acquired 17 OTC Healthcare brands from GSK. In 2011, we acquired five brands from Blacksmith and acquired *Dramamine*. Prior to these three acquisitions, our last acquisition was the *Wartner* brand of OTC wart treatment products in 2006. While we believe that there will continue to be a pipeline of acquisition candidates for us to investigate, strategic fit and relative cost are of the utmost importance in our decision to pursue such opportunities. We believe our business model allows us to integrate acquisitions in an efficient manner, while also providing opportunities to realize significant cost savings. However, there is a risk that our operating results could be adversely affected in the event we (i) do not realize all of the anticipated operating synergies and cost savings from acquisitions, (ii) do not successfully integrate acquisitions or (iii) pay too much for these acquisitions. In the past, we utilized various debt offerings to help us acquire certain brands or businesses. For example, in 2010, we refinanced our long-term debt and significantly improved our liquidity position, debt maturities and covenants, all of which better positioned us to pursue the Blacksmith and *Dramamine* acquisitions and potential future acquisition targets. In 2012, we completed an offering of senior notes, entered into new senior secured term loan and revolving credit facilities and ratably secured our existing senior notes with the new term loan facility. We used the net proceeds from the senior notes offering, together with borrowings under the new senior secured term loan facility, to finance the acquisition of the 17 OTC brands acquired from GSK, to repay our existing senior secured credit facilities, to pay fees and expenses incurred in connection with these transactions and for general corporate purposes. In 2013, we sold one of the acquired GSK Brands, *Phazyme*, and used the proceeds to repay debt.

Market Position

During 2013, approximately 77.0% of our net revenues were from brands with a number one or number two market position, compared with approximately 67.0% and 73.0% during 2012 and 2011, respectively. These brands were *Chloraseptic*, *Clear Eyes*, *Chore Boy*, *Comet*, *Compound W*, *The Doctor's*, *Murine* and *New-Skin* for each of the above periods, as well as *Dramamine* and *Efferdent* in 2011 and 2012, *BC/Goody's*, *Beano*, *Debrox* and *Gaviscon* in 2012, and *PediaCare*® and *Ecotrin*® in 2013.

See “Major Brands” above for information regarding market share and ACV calculations.

Our History and Accomplishments

We were originally formed in 1996 as a joint venture of Medtech Labs and The Shansby Group (a private equity firm), to acquire certain OTC drug brands from American Home Products. Since 2001, our portfolio of brand name products has expanded from OTC brands to include household cleaning products. We have added brands to our portfolio principally by acquiring strong and well-recognized brands from larger consumer products and pharmaceutical companies. In February 2004, GTCR Golder Rauner II, LLC (“GTCR”), a private equity firm, acquired our business from the owners of Medtech Labs and The Shansby Group. In addition, we acquired the *Spic and Span* business in March 2004.

In April 2004, we acquired Bonita Bay Holdings, Inc. (“Bonita Bay”), the parent holding company of Prestige Brands International, Inc., which conducted its business under the “Prestige” name. After we completed the Bonita Bay acquisition, we began to conduct our business under the “Prestige” name as well. The Bonita Bay brand portfolio included *Chloraseptic*, *Comet*, *Clear Eyes* and *Murine*.

In October 2004, we acquired the *Little Remedies* brand of pediatric OTC products through our purchase of Vetco, Inc. Products offered under the *Little Remedies* brand included *Little Noses*® nasal products, *Little Tummys*® digestive health products, *Little Colds*® cough/cold remedies, and *Little Remedies* New Parents Survival Kit.

In February 2005, we raised $448.0 million through an initial public offering of 28.0 million shares of common stock. We used the net proceeds of the offering ($416.8 million), plus $3.0 million from our revolving credit facility and $8.8 million of cash on hand to (i) repay $100.0 million of our existing senior indebtedness, (ii) redeem $84.0 million in aggregate principal amount of our existing 9.25% senior subordinated notes, (iii) repurchase an aggregate of 4.7 million shares of our common stock held by the investment funds affiliated with GTCR and TCW/Crescent Mezzanine, LLC (“TWC/Crescent”) for $30.2 million, and (iv) redeem all outstanding senior preferred units and class B preferred units of one of our subsidiaries for $199.8 million.

In October 2005, we acquired the *Chore Boy* brand of metal cleaning pads, scrubbing sponges, and non-metal soap pads. The brand has over 84 years of history in the scouring pad and cleaning accessories categories.

In November 2005, we acquired Dental Concepts LLC ("Dental Concepts"), a marketer of therapeutic oral care products sold under *The Doctor's* brand. The business is driven primarily by two niche segments, bruxism (nighttime teeth grinding) and interdental cleaning. Products marketed under *The Doctor's* brand include *The Doctor's NightGuard* Dental Protector, the first Food and Drug Administration ("FDA") cleared OTC treatment for bruxism, and *The Doctor's BrushPicks*, disposable interdental toothpicks.

In September 2006, we acquired Wartner USA B.V. ("Wartner"), the owner of the *Wartner* brand of OTC wart treatment products in the United States and Canada. The *Wartner* brand, which is the number three brand in the U.S. OTC wart treatment category, has enhanced and we expect will continue to enhance our market position in the category, complementing *Compound W*.

On October 28, 2009, we sold our three shampoo brands - *Prell* Shampoo, *Denorex* Dandruff Shampoo and *Zincon* Dandruff Shampoo. The terms of the sale included an upfront receipt of $8.0 million in cash, with a subsequent receipt of $1.0 million in cash on October 28, 2010. We used the proceeds from the sale to reduce outstanding bank indebtedness.

In March 2010, we refinanced our outstanding long-term indebtedness through entry into a $150.0 million senior term loan facility due April 1, 2016 (the "2010 Senior Term Loan"), and the issuance of $150.0 million in senior notes with an 8.25% interest rate due 2018. Proceeds from the new indebtedness were used to retire our senior term loan facility originally due April 1, 2011 and 9.25% senior subordinated notes originally due April 15, 2012. Additionally, our new credit agreement included a $30.0 million revolving credit facility due April 1, 2015. The refinancing and new credit facility improved our liquidity, extended maturities, and improved covenant ratios, all of which better positioned us to pursue strategic acquisitions.

On September 1, 2010, we sold certain assets related to the *Cutex* nail polish remover brand for $4.1 million. The operating results of *Cutex* are presented as discontinued operations in the Consolidated Financial Statements for the year ended March 31, 2011.

On November 1, 2010, we acquired 100% of the capital stock of Blacksmith for $190.0 million in cash, plus a working capital adjustment of $13.4 million. Additionally, we paid $1.1 million on behalf of Blacksmith for the sellers' transaction costs. As a result of this acquisition, we acquired five OTC brands: *Efferdent*, *Effergrip*, *PediaCare*, *Luden's* and *NasalCrom*. In connection with the acquisition of Blacksmith, in November 2010, we (i) executed an Increase Joinder to our existing credit agreement pursuant to which we entered into an incremental term loan in the amount of $115.0 million and increased our revolving credit facility by $10.0 million to $40.0 million; and (ii) issued an additional $100.0 million aggregate principal amount of 8.25% senior notes due 2018. The purchase price for Blacksmith was funded from the incremental term loan and the issuance of the 8.25% senior notes and cash on hand.

On January 6, 2011, we completed the acquisition of certain assets comprising the *Dramamine* brand in the United States for $77.1 million in cash, including transaction costs incurred in the acquisition of $1.2 million. The purchase price was funded by cash on hand. The *Dramamine* brand is complementary to our existing OTC brands.

On January 31, 2012, we completed the acquisition of the 15 GSK Brands I, including the related contracts, trademarks and inventory, for $615.0 million in cash, subject to a post-closing inventory and apportionment adjustment. The GSK Brands I include *BC*, *Goody's* and *Ecotrin* brands of pain relievers; *Beano*, *Gaviscon*, *Phazyme*, *Tagamet* and *Fiber Choice* gastrointestinal brands; and the *Sominex* sleep aid brand. On March 30, 2012, we completed the acquisition of *Debrox* and *Gly-Oxide*, the two GSK Brands II, in the United States, including the related contracts, trademarks and inventory, for $45.0 million in cash, subject to a post-closing inventory and apportionment adjustment.

On January 31, 2012, in connection with the completed acquisition of the GSK Brands I, we (i) issued 8.125% senior notes due in 2020 in an aggregate principal amount of $250.0 million (the "2012 Senior Notes"), and (ii) entered into a new senior secured credit facility, which consists of a $660.0 million term loan facility with a seven-year maturity (the "2012 Term Loan") and a $50.0 million asset-based revolving credit facility with a five-year maturity (the "2012 ABL Revolver"). In September 2012, we utilized a portion of our accordion feature to increase the amount of our borrowing capacity under the 2012 ABL Revolver by $25.0 million to $75.0 million. Additionally, in connection with the entry into the new senior secured credit facilities, we repaid the outstanding balance of and terminated our 2010 Senior Term Loan.

On October 31, 2012, we divested the *Phazyme* gas treatment brand, which was a non-core OTC brand that we acquired from GSK in January 2012. We received $21.7 million from the divestiture on October 31, 2012 and the remaining $0.6 million on January 4, 2013. The proceeds were used to repay debt. No significant gain or loss was recorded as a result of the sale.

On February 21, 2013, we entered into Amendment No. 1 (the "Amendment") to the 2012 Term Loan. The Amendment provides for the refinancing of all of our existing Term B Loans with new Term B-1 Loans. The interest rate on the Term B-1 Loans is based, at our option, on a LIBOR rate plus a margin of 2.75% per annum, with a LIBOR floor of 1.00%, or an alternate base rate, plus a margin. The new Term B-1 Loans will mature on the same date as the Term B Loans original maturity date. In addition, the Amendment provides us with certain additional capacity to prepay subordinated debt, the 2012 Senior Notes and certain other unsecured indebtedness permitted to be incurred under the credit agreement.

Products
We conduct our operations through two principal business segments:

- Over-the-Counter Healthcare; and
- Household Cleaning.

Over-the-Counter Healthcare Segment

Our portfolio of OTC Healthcare products includes 14 core brands, including five from the GSK acquisitions. Our core OTC brands are: *Chloraseptic* sore throat remedies, *Clear Eyes* eye drops, *Compound W* wart removers, *Little Remedies* pediatric healthcare products, *The Doctor's* brand of oral care products, *Efferdent* and *Effergrip* denture products, *Luden's* cough drops, *PediaCare* pediatric healthcare products, *Dramamine* motion sickness products, *BC* and *Goody's* analgesic powders, *Beano* gas prevention, *Gaviscon* antacids, and *Debrox* ear drops. Our other significant brands include *Dermoplast* first-aid products, *Murine* eye and ear care products, *NasalCrom* allergy relief product, *New-Skin* liquid bandage, *Wartner* wart removers, *Fiber Choice* fiber laxative supplements, and *Ecotrin* aspirin. In 2013, the OTC Healthcare segment accounted for 86.1% of our net revenues compared to 78.2% and 69.7% in 2012 and 2011, respectively.

Chloraseptic
Chloraseptic was originally developed by a dentist in 1957 to relieve sore throats and mouth pain. *Chloraseptic's* 6 oz. cherry liquid sore throat spray is the number one selling product in the sore throat liquids/sprays segment. The *Chloraseptic* brand has an ACV of 93.7% and is number one in Sore Throat Liquids/Lozenges with a 42.5% market share.

Clear Eyes
Clear Eyes, with an ACV of 94.6%, has been marketed as an effective eye care product that helps eliminate redness and helps moisturize the eye. *Clear Eyes* is among the leading brands in the OTC personal eye care category. *Clear Eyes* is the number two brand in the Eye Allergy/Redness Relief category with 19.9% market share.

Compound W
Compound W has a long heritage, with its wart removal products having been introduced almost 50 years ago. *Compound W* products are specially designed to provide relief from common and plantar warts and are sold in multiple forms of treatment depending on the consumer's need, including Fast-Acting Liquid, Fast-Acting Gel, One Step Pads for Kids, One Step Pads for Adults and *Freeze Off*®, a cryogenic-based wart removal system. We believe that *Compound W* is one of the most trusted names in wart removal. *Compound W* is the number one wart removal brand in the United States with a 37.5% market share and an ACV of 91.8%.

Dramamine
Dramamine is the number one brand in the $72.3 million Motion Sickness Tablets category with a 38.8% market share and distribution of over 94.4% ACV. The product line includes the new *Dramamine* for Kids, and a Less Drowsy formula and Chewable form in addition to the top selling *Dramamine* original product.

Efferdent and Effergrip
Efferdent Denture Cleanser holds a 31.6% share and the number two position in the $148.0 million Denture Cleanser Tablets category. The January 2011 introduction of *Efferdent PM* extended the brand into the growing overnight cleanser segment. In 2012, we introduced *Efferdent* Power Clean Crystals denture cleanser. In its introductory year, Power Clean Crystals has garnered a 2.3% share of the market and has successfully brought new consumers into the *Efferdent* franchise. *Efferdent* enjoys distribution of over 96.0% ACV. *Effergrip* denture adhesive competes in the $296.4 million adhesives category and holds a 0.4% share of the market.

Little Remedies
Little Remedies is a full line of pediatric OTC products that contain no alcohol, saccharin, artificial flavors or coloring dyes, including: (i) *Little Noses*, a product line consisting of an assortment of nasal saline products; (ii) *Little Colds*, a product line

consisting of a multi-symptom cold relief formula, sore throat relief products, a cough relief formula, a decongestant and a combined decongestant plus cough relief formula; (iii) *Little Tummys*, a product line consisting of gas relief drops, laxative drops and gripe water, an herbal supplement used to ease discomfort often associated with colic and hiccups; and (iv) *Little Teethers*, a product line offering teething relief. Little Remedies holds a 4.7% market share of the competitive Pediatric Healthcare market, and ACV of 86.3%.

Luden's
Luden's throat drops heritage spans more than 120 years. Among the fastest growing brands in the $612.0 million Cough Drops category, *Luden's* has a 5.5% share of the market and distribution of more than 96.8% ACV. *Luden's* Wild Cherry is the number two selling item in the Cough Drop category, and a Sugar Free line extension was launched in 2011.

PediaCare
PediaCare is a full line of pediatric multi-symptom cough, cold and allergy products. In 2011, we launched a comprehensive line of pain relievers and fever reducers for both children and infants in addition to a new 24 Hour Allergy Relief offering. In 2013, we launched improved flavor profiles for the *PediaCare* pain reliever and fever reducers for children and infants and *PediaCare* Nighttime Multi-Symptom Cold reliever. *PediaCare* currently holds a 5.6% share of the market and the number three position in the $1,100.0 million Pediatric Healthcare market. All *PediaCare* products combined have distribution of 89.9% ACV.

The Doctor's
The Doctor's is a line of products designed to help consumers maintain good oral hygiene in between dental office visits. The market is driven primarily by two niche segments: bruxism (nighttime teeth grinding) and interdental cleaning. *The Doctor's NightGuard* dental protector was the first FDA cleared OTC treatment for bruxism. The *Doctor's NightGuard* currently holds a 32.3% share of the market and the number one position in the Teeth Grinding market. *The Doctor's NightGuard* also has a distribution of 50.4% ACV.

BC/Goody's
BC and *Goody's* compete in the $3.0 billion Adult Analgesic category (excluding convenience stores). They are the number one OTC pain relievers in a powder form. Developed in the Southeast region over 80 years ago, their unique form delivers fast pain relief. The combined brands have a 2.6% share of the Adult Analgesic category nationally according to IRI, but are the number one adult analgesic in Southeast Convenience stores according to IRI. *BC* is available in Original and Arthritis formulas as well as newly introduced *BC* Cherry Powder. *Goody's* includes Extra Strength, Back & Body, PM and Cool Orange and the new *Goody's* Caplets. We expect to introduce *Goody's* Headache Relief Shot in Fiscal Year 2014.

Beano
Beano commands a 93.8% share and the number one position in the Gas Prevention segment and the number two overall position in the $245.0 million anti-gas category. The product is formulated with a unique digestive enzyme that works naturally with the body to prevent gas symptoms before they start. In 2010, the brand developed a proprietary delivery system and launched *Beano* Meltaways, a dissolvable tablet that fills the consumer need for a more discreet way to manage the condition.

Debrox
Debrox is the number one brand of OTC ear wax removal aids, with a 47.9% share of the Ear Wax Removal segment. The product line consists of two items: an ear wax removal kit containing liquid drops and an ear washer bulb, and a second item containing just the liquid drops as a refill. With *Debrox*, consumers have a safe, gentle method for removing ear wax build up while in the privacy of their homes. *Debrox* is the number one trusted brand with doctors and pharmacists according to Encuity Research LLC and Pharmacy Times, and is their number one choice for a recommended treatment to their patients with ear wax build up.

Gaviscon
Gaviscon is currently the number two brand in the $134.6 million Canadian Upset Stomach Remedy category with a 15.2% market share. The brand grew 8.0% in 2013, outperforming the category which grew 2.0%. *Gaviscon*'s success is attributed to a differentiated method of action versus traditional antacid products, as it creates a foam barrier to keep stomach acid from backing up into the esophagus.

Dermoplast
Dermoplast is currently the number three brand in the $34.5 million Pain Relief Sprays market. *Dermoplast* is sold to hospitals and institutions in addition to retail stores. The brand holds a 16.3% market share and a distribution of 66.4% ACV.

Murine
Murine is currently the number two brand in the $40.8 million Ear Wax Removal category with an 11.0% market share. The brand has a distribution of 65.6% ACV.

New-Skin
New-Skin holds a 63.8% market share and the number one position in the $23.4 million Liquid Bandages market. *New-Skin* has a distribution of 84.6% ACV.

Wartner
Wartner is currently the number three brand in the Wart Removal market with a 2.6% market share. The brand has a distribution of 10.3% ACV.

Fiber Choice
Fiber Choice currently holds the number three position in the $400.8 million Fiber Laxative Supplements category with a 5.6% market share. The brand has a distribution of 81.3% ACV.

Ecotrin
Ecotrin currently holds the number two position in the $525.0 million Aspirin category with a 3.9% market share. The brand has a distribution of 81.7% ACV.

Household Cleaning Segment

Our portfolio of Household Cleaning brands includes the *Chore Boy*, *Comet* and *Spic and Span* brands. During 2013, the Household Cleaning segment accounted for 13.9% of our revenues, compared with 21.8% and 30.3% in 2012 and 2011, respectively.

Chore Boy
Chore Boy scrubbing pads and sponges were initially launched in the 1920s. Over the years, the line has grown to include metal and non-metal scrubbers that are used for a variety of household cleaning tasks. *Chore Boy* holds an 11.7% share of the market and a number two position in the Soap Free Metal Scrubbers market.

Comet
Comet was originally introduced in 1956 and is one of the most widely recognized Household Cleaning brands with an ACV of 94.8%. *Comet* competes in the abrasive tub and tile cleaner sub-category of the Household Cleaning category that includes abrasive powders, creams, liquids and non-abrasive sprays. *Comet* products include several varieties of cleaning powders, spray and cream, both abrasive and non-abrasive.

Spic and Span
Spic and Span was introduced in 1925 and is marketed as the complete home cleaner, with three product lines consisting of (i) dilutables, (ii) an anti-bacterial hard surface spray for counter tops and (iii) glass cleaners. Each of these products can be used for multi-room and multi-surface cleaning.

For additional information concerning our business segments, please refer to Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Note 19 to the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K.

Marketing and Sales

Our marketing strategy is based upon the acquisition and the rejuvenation of established consumer brands that possess what we believe to be significant brand value and unrealized potential. Our marketing objective is to increase sales and market share by developing innovative new products and line extensions and executing professionally designed, creative and cost-effective advertising and promotional programs. After we acquire a brand, we implement a brand building strategy that uses the brand’s existing consumer awareness to maximize sales of current products and provides a vehicle to drive growth through product innovation. This brand building process involves the evaluation of the existing brand name, the development and introduction of innovative new products, and the execution of professionally designed support programs. Recognizing that financial resources are limited, we allocate our resources to focus on our core brands, which we believe have the greatest opportunities for growth and financial success. Brand priorities vary from year to year and generally revolve around new product introductions.

Customers

Our senior management team and dedicated sales force strive to maintain long-standing relationships with our top 50 domestic customers, which accounted for approximately 46.7%, 69.5% and 74.4% of our combined gross sales for 2013, 2012 and 2011, respectively. Our sales management team has grown to 44 people in order to focus on our key customer relationships. We also

contract with third-party sales management enterprises that interface directly with our remaining customers and report directly to members of our sales management team.

We enjoy broad distribution across each of the major retail channels, including mass merchandisers, drug, food, dollar, convenience and club stores. The following table sets forth the percentage of gross sales across our six major distribution channels during each of the past three years ended March 31:

	Percentage of Gross Sales(1)		
Channel of Distribution	**2013**	**2012**	**2011**
Mass	32.2	33.2	33.0
Food	19.4	21.1	21.8
Drug	22.7	25.8	25.0
Dollar	9.3	9.4	9.8
Convenience	5.9	2.8	2.6
Club	3.1	2.3	2.3
Other	7.4	5.4	5.5

(1) Includes estimates for some of our wholesale customers that service more than one distribution channel.

Due to the diversity of our product lines, we believe that each of these channels is important to our business and we continue to seek opportunities for growth in each channel.

Our principal customer relationships include Walmart, Walgreens, CVS, Target and Dollar Tree. Sales to our top five and ten customers accounted for approximately 26.9% and 33.8% of total gross sales, respectively, in 2013 compared with approximately 40.0% and 50.1% of total gross sales, respectively, in 2012 and approximately 41.7% and 53.0% of total gross sales, respectively, in 2011. No single customer other than Walmart accounted for more than 10% of our gross sales in any of those years. During 2013, 2012 and 2011, Walmart accounted for approximately 15.9%, 18.9% and 20.3%, respectively, of our gross revenues. In 2012 and 2011, none of our other top five customers accounted for less than 3% of our gross sales. However, in 2013, two of our top five customers accounted for less than 3% of our gross sales. Sales to our top customers decreased as a percentage of our gross sales in 2013 due to a shift in our channels of distribution from mass merchandisers and food and drug stores to convenience stores. For the majority of our convenience store sales, we use distributors to manage brand and product distribution to that channel.

Our strong customer relationships and product recognition allow us to attempt to capitalize on a number of important strategic opportunities, including (i) minimization of slotting fees, (ii) maximization of new product introductions, (iii) maximization of shelf space prominence, and (iv) minimization of cash collection days. We believe that our emphasis on strong customer relationships, speed and flexibility and leading sales technology capabilities, combined with consistent marketing support programs and ongoing product innovation, will continue to maximize our competitiveness in the increasingly complex retail environment.

The following table sets forth a list of our primary distribution channels and our principal customers for each channel:

Distribution Channel	Customers	Distribution Channel	Customers
Mass	Kmart	***Drug***	CVS
	Meijer		Rite Aid
	Target		Walgreens
	Walmart		
		Dollar	Dollar General
Food	Ahold		Dollar Tree
	Kroger		Family Dollar
	Publix		
	Safeway	***Club***	BJ's Wholesale Club
	Supervalu		Costco
			Sam's Club
Convenience	McLane		
	HT Hackney		
	Core Mark		

Outsourcing and Manufacturing

In order to maximize our competitiveness and efficiently allocate our resources, third-party manufacturers fulfill all of our manufacturing needs. We have found that contract manufacturing maximizes our flexibility and responsiveness to industry and consumer trends while minimizing the need for capital expenditures. We select contract manufacturers based on their core competencies and our perception of the best overall value, including factors such as (i) depth of services, (ii) professionalism and integrity of the management team, (iii) manufacturing agility and capacity, (iv) regulatory compliance, and (v) competitive pricing. We also conduct thorough reviews of each potential manufacturer's facilities, quality standards, capacity and financial stability. We generally purchase only finished products from our manufacturers.

Our primary contract manufacturers provide comprehensive services from product development through the manufacturing of finished goods. They are responsible for such matters as (i) production planning, (ii) product research and development, (iii) procurement, (iv) production, (v) quality testing, and (vi) almost all capital expenditures. In most instances, we provide our contract manufacturers with guidance in the areas of (i) product development, (ii) performance criteria, (iii) regulatory guidance, (iv) sourcing of packaging materials, and (v) monthly master production schedules. This management approach results in minimal capital expenditures and maximizes our cash flow, which allows us to reinvest to support our marketing initiatives, fund brand acquisitions or repay outstanding indebtedness.

At March 31, 2013, we had relationships with 66 third-party manufacturers. Of those, we had long-term contracts with 22 manufacturers that produced items that accounted for approximately 75.3% of our gross sales for 2013 compared to 20 manufacturers with long-term contracts that accounted for approximately 70.6% of our gross sales in 2012. The fact that we do not have long-term contracts with certain manufacturers means that they could cease manufacturing our products at any time and for any reason or initiate arbitrary and costly price increases which could have a material adverse effect on our business, financial condition and results from operations.

At March 31, 2013, suppliers for our key brands included (i) GlaxoSmithKline, (ii) Fitzpatrick Bros. Inc., (iii) Aspen Pharmacare, (iv) Pharma Tech Industries, (v) BestSweet, Inc., and (vi) Aaron Industries, Inc. We enter into manufacturing agreements for a majority of our products by sales volume, each of which vary based on the capabilities of the third-party manufacturer and the products being supplied. These agreements explicitly outline the manufacturer's obligations and product specifications with respect to the brand or brands being produced. The purchase price of products under these agreements is subject to change pursuant to the terms of these agreements due to fluctuations in raw material, packaging and labor costs. Other products are manufactured on a purchase order basis, which is generally based on batch sizes and results in no long-term obligations or commitments.

Warehousing and Distribution

We receive orders from retailers and/or brokers primarily by electronic data interchange, which automatically enters each order into our computer systems and then routes the order to our distribution center. The distribution center will, in turn, send a confirmation that the order was received, fill the order and ship the order to the customer, while sending a shipment confirmation to us. Upon receipt of the confirmation, we send an invoice to the customer.

We manage product distribution in the continental United States primarily through one facility located in St. Louis, which is owned and operated by a third-party provider. Our warehouse provider provides warehouse services with respect to our full line of products, including storage, handling and shipping, as well as transportation services with respect to our full line of products, including (i) complete management services, (ii) claims administration, (iii) proof of delivery, (iv) procurement, (v) report generation, and (vi) automation and freight payment services.

If our warehouse provider abruptly stopped providing warehousing or transportation services to us, our business operations could suffer a temporary disruption while we engage new service providers. We believe this process could be completed quickly and any resulting temporary disruption would not be likely to have a significant effect on our business, operating results or financial condition. However, a serious disruption, such as a flood or fire, to our distribution center could damage our inventory and could materially impair our ability to distribute our products to customers in a timely manner or at a reasonable cost. We could incur significantly higher costs and experience longer lead times associated with the distribution of our products to our customers during the time required to reopen or replace our distribution center. As a result, any such serious or prolonged disruption could have a material adverse effect on our business, financial condition and results from operations.

Competition

The business of selling brand name consumer products in the OTC Healthcare and Household Cleaning categories is highly competitive. These markets include numerous national and global manufacturers, distributors, marketers and retailers that actively compete for consumers' business both in the United States and abroad. In addition, like most companies that market products in these categories, we are experiencing increased competition from "private label" products introduced by major retail chains. While we believe that our branded products provide superior quality and benefits, we are unable to predict the extent to which consumers will purchase "private label" products as an alternative to branded products.

Our principal competitors vary by industry category. Competitors in the OTC Healthcare category include: Johnson & Johnson, maker of Visine®, which competes with our *Clear Eyes* and *Murine* brands; McNeil-PPC (owned by Johnson & Johnson), maker of Children's Tylenol®, and Novartis Consumer Healthcare, maker of Triaminic®, each of which competes with our *PediaCare* and *Little Remedies* brands; The Procter & Gamble Company, maker of Vicks®, and Reckitt Benckiser, maker of Cepacol®, each of which competes with our *Chloraseptic* brand; Kraft Foods, maker of Halls®, which competes with our *Luden's* brand; The Procter & Gamble Company, maker of Fixodent®, and GlaxoSmithKline, maker of Polident®, each of which competes with our *Efferdent* brand; and Insight Pharmaceuticals, Inc., maker of Bonine®, which competes with our *Dramamine* brand. Sunstar America, Inc., maker of the GUM® line of oral care products, as well as DenTek® Oral Care, Inc., which markets a dental protector for nighttime teeth grinding and interdental toothpicks, compete with our *The Doctor's* oral care brand.

Top competitors of our newly acquired GSK Brands categories include: McNeil-PPC (owned by Johnson & Johnson), maker of Tylenol®, Pfizer, maker of Advil®, and Novartis Consumer Healthcare, maker of Excedrin®, each of which competes with our *BC*, *Goody's* and *Ecotrin* brands. The Procter & Gamble Company, maker of Metamucil®, which competes with our *Fiber Choice* brand; Novartis Consumer Healthcare, maker of Gas X®, which competes with our *Beano* brand; and GSK, maker of Tums®, which competes with our *Gaviscon* and *Tagamet* brands.

Competitors in the Household Cleaning category include: Henkel AG & Co., maker of Soft Scrub®, Colgate-Palmolive Company, maker of Ajax® Cleanser, and The Clorox Company, maker of Tilex®, each of which competes with our *Comet* brand. Additionally, Clorox's Pine Sol® and The Procter & Gamble Company's Mr. Clean® compete with our *Spic and Span* brand, while 3M Company, maker of Scotch-Brite®, O-Cel-O® and Dobie® brands, and Clorox's SOS® compete with our *Chore Boy* brand.

We compete on the basis of numerous factors, including brand recognition, product quality, performance, price and product availability at the retail level. Advertising, promotion, merchandising and packaging, the timing of new product introductions, and line extensions also have a significant impact on customers' buying decisions and, as a result, on our sales. The structure and quality of our sales force, as well as sell-through of our products, affect in-store position, wall display space and inventory levels in retail outlets. If we are unable to maintain the inventory levels and in-store positioning of our products in retail stores, our sales and operating results will be adversely affected. Our markets are also highly sensitive to the introduction of new products, which may rapidly capture a significant share of the market. An increase in the amount of new product introductions and the levels of advertising spending by our competitors could have a material adverse effect on our business, financial condition and results from operations.

Many of the competitors noted above are larger and have substantially greater research and development and financial resources than we do, and may therefore have the ability to spend more aggressively and consistently on research and development, advertising and marketing, and to respond more effectively to changing business and economic conditions. See "Competitive Strengths"

above for additional information regarding our competitive strengths and "Risk Factors" below for additional information regarding competition in our industry.

Regulation

Product Regulation

The formulation, manufacturing, packaging, labeling, distribution, importation, sale and storage of our products are subject to extensive regulation by various federal agencies, including the FDA, the Federal Trade Commission ("FTC"), the Consumer Product Safety Commission ("CPSC"), and the Environmental Protection Agency ("EPA"), and various agencies of the states, localities and foreign countries in which our products are manufactured, distributed and sold. Our Regulatory Team is guided by a senior member of management and staffed by individuals with appropriate legal and regulatory experience. Our Regulatory and Operations teams work closely with our third-party manufacturers on quality-related matters, while we monitor their compliance with FDA regulations and perform periodic audits to ensure compliance. This continual evaluation process is designed to ensure that our manufacturing processes and products are of the highest quality and in compliance with known regulatory requirements. If the FDA chooses to audit a particular manufacturing facility, we require the third-party manufacturer to notify us immediately and update us on the progress of the audit as it proceeds. If we or our manufacturers fail to comply with applicable regulations, we could become subject to significant claims or penalties or be required to discontinue the sale of the non-compliant product, which could have a material adverse effect our business, financial condition and results from operations. In addition, the adoption of new regulations or changes in the interpretations of existing regulations may result in significant additional compliance costs or discontinuation of product sales and may also have a material adverse effect on our business, financial condition and results from operations.

Most of our OTC drug products are regulated pursuant to the FDA's monograph system. The monographs set out the active ingredients and labeling indications that are permitted for certain broad categories of OTC drug products. When the FDA has finalized a particular monograph, it has concluded that a properly labeled product formulation is generally recognized as safe and effective and not misbranded. A tentative final monograph indicates that the FDA has not made a final determination about products in a category to establish safety and efficacy for a product and its uses. However, unless there is a serious safety or efficacy issue, the FDA typically will exercise enforcement discretion and permit companies to sell products conforming to a tentative final monograph until the final monograph is published. Products that comply with either final or tentative final monograph standards do not require pre-market approval from the FDA.

Certain of our OTC drug products are New Drug Applications ("NDA") and Abbreviated New Drug Applications ("ANDA") products and are manufactured and labeled in accordance with an FDA-approved submission. These products are subject to reporting requirements as set forth in FDA regulations.

Certain of our OTC Healthcare products are medical devices regulated by the FDA through a system which usually involves pre-market clearance. During the review process, the FDA makes an affirmative determination as to the sufficiency of the label directions, cautions and warnings for the medical devices in question.

In accordance with the Federal Food, Drug and Cosmetic Act ("FDC Act") and FDA regulations, the Company and its drug and device manufacturers must also comply with the FDA's current Good Manufacturing Practices ("GMPs"). The FDA inspects our facilities and those of our third-party manufacturers periodically to determine that both the Company and our third-party manufacturers are complying with GMPs.

A number of our products are regulated by the CPSC under the Federal Hazardous Substances Act (the "FHSA"), the Poison Prevention Packaging Act of 1970 (the "PPPA") and the Consumer Products Safety Improvement Act of 2008 (the "CPSIA"). Certain of our household products are considered to be hazardous substances under the FHSA and therefore require specific cautionary warnings to be included in their labeling for such products to be legally marketed. In addition, a small number of our products are subject to regulation under the PPPA and can only be legally marketed if they are dispensed in child-resistant packaging or labeled for use in households where there are no children. The CPSIA requires us to make available to our customers certificates stating that we are in compliance with any applicable regulation administered by the CPSC.

Certain of our Household Cleaning products are considered pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA"). Generally speaking, any substance intended for preventing, destroying, repelling, or mitigating any pest is considered to be a pesticide under FIFRA. We market and distribute certain household products under our *Comet* and *Spic and Span* brands that make antibacterial and/or disinfectant claims governed by FIFRA. Due to the antibacterial and/or disinfectant claims on certain of the *Comet* and *Spic and Span* products, such products are considered to be pesticides under FIFRA and are required to be registered with the EPA and contain certain disclosures on the product labels. In addition, the contract manufacturers from which we source these products must be registered with the EPA. Our *Comet* and *Spic and Span* products that make

antibacterial and/or disinfectant claims are also subject to state regulations and the rules and regulations of the various jurisdictions where these products are sold.

Other Regulations

We are also subject to a variety of other regulations in various foreign markets, including regulations pertaining to import/export regulations and antitrust issues. To the extent we decide to commence or expand operations in additional countries, we may be required to obtain an approval, license or certification from the country's ministry of health or comparable agency. We must also comply with product labeling and packaging regulations that may vary from country to country. Government regulations in both our domestic and international markets can delay or prevent the introduction, or require the reformulation or withdrawal, of some of our products. Our failure to comply with these regulations can also result in a product being removed from sale in a particular market, either temporarily or permanently. In addition, we are subject to FTC and state regulations, as well as foreign regulations, relating to our product claims and advertising. If we fail to comply with these regulations, we could be subject to enforcement actions and the imposition of penalties, which could have a material adverse effect on our business, financial condition and results from operations.

Intellectual Property

We own a number of trademark registrations and applications in the United States, Canada and other foreign countries. The following are some of the most important registered trademarks we own in the United States and/or Canada: *Chloraseptic*, *Chore Boy*, *Cinch®*, *Clear Eyes*, *Comet*, *Compound W*, *Dermoplast*, *Dramamine*, *Efferdent*, *Effergrip*, *Freeze Off*, *Little Remedies*, *Longlast®*, *Luden's*, *Momentum®*, *Murine*, *NasalCrom*, *New-Skin*, *PediaCare*, *Percogesic®*, *Spic and Span*, *The Doctor's Brushpicks*, *The Doctor's NightGuard*, *Wartner*, *BC*, *Goody's*, *Ecotrin*, *Beano*, *Gaviscon*, *Tagamet*, *Fiber Choice*, *Sominex*, *Debrox* and *Gly-Oxide*.

Our trademarks and trade names are how we convey that the products we sell are "brand name" products. Our ownership of these trademarks and trade names is very important to our business, as it allows us to compete based on the value and goodwill associated with these marks. We may also license others to use these marks. Additionally, we own or license patents on innovative and proprietary technology. The patents evidence the unique nature of our products, provide us with exclusivity, and afford us protection from the encroachment of others. None of the patents that we own or license, however, is material to us on a consolidated basis. Enforcing our rights, or the rights of any of our licensors, represented by these trademarks, trade names and patents is critical to our business but is expensive. If we are not able to effectively enforce our rights, others may be able to dilute our trademarks, trade names and patents and diminish the value associated with our brands and technologies, which could have a material adverse effect on our business, financial condition and results from operations.

We do not own all of the intellectual property rights applicable to our products. In those cases where our third-party manufacturers own patents that protect our products, we are dependent on them as a source of supply for our products. Unless other non-infringing technologies are available, we must continue to purchase patented products from our suppliers who sell patented products to us. In addition, we rely on our suppliers for their enforcement of their intellectual property rights against infringing products.

We have licensed to The Procter & Gamble Company the right to use the *Comet*, *Spic and Span* and *Chlorinol®* trademarks in the commercial/institutional/industrial segment in the United States and Canada until 2019. We have also licensed to The Procter & Gamble Company the *Comet* and *Chlorinol* brands in Russia and specified Eastern European countries until 2015.

Seasonality

The first quarter of our fiscal year typically has the lowest level of revenue due to the seasonal nature of certain of our brands relative to the summer and winter months. In addition, the first quarter generally is the least profitable quarter due to the increased advertising and promotional spending to support those brands with a summer selling season, such as *Clear Eyes* products, *Compound W*, *Wartner* and *New-Skin*. The level of advertising and promotional campaigns in the third quarter influences sales of our cough/cold products such as *Chloraseptic*, *Little Remedies*, *Luden's* and *PediaCare* during the fourth quarter cough/cold winter months. Additionally, the fourth quarter typically has the lowest level of advertising and promotional spending as a percent of revenue.

Employees

We employed approximately 117 full time individuals at March 31, 2013. None of our employees is a party to a collective bargaining agreement. Management believes that our relations with our employees are good.

Backlog Orders

We had no backlog orders at March 31, 2013 or 2012.

Available Information

Our Internet address is www.prestigebrands.com. We make available free of charge on or through our Internet website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports, as well as the Proxy Statement for our annual stockholders' meetings, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (the "SEC"). Information on our Internet website does not constitute a part of this Annual Report on Form 10-K and is not incorporated herein by reference, including any general statement incorporating by reference this Annual Report on Form 10-K into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

You may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

We have adopted a Code of Conduct Policy, Code of Ethics for Senior Financial Employees, Complaint Procedures for Accounting and Auditing Matters, Corporate Governance Guidelines, Audit Committee Pre-Approval Policy, and Charters for our Audit, Compensation and Nominating and Governance Committees, as well as a Related Persons Transaction Policy and Stock Ownership Guidelines. We will provide to any person without charge, upon request, a copy of the foregoing materials. Any requests for the foregoing documents from us should be made in writing to:

Prestige Brands Holdings, Inc.
660 White Plains Road
Tarrytown, New York 10591
Attention: Secretary

We intend to disclose future amendments to the provisions of the foregoing documents, policies and guidelines and waivers therefrom, if any, on our Internet website and/or through the filing of a Current Report on Form 8-K with the SEC, to the extent required under the Exchange Act.

ITEM 1A. RISK FACTORS

The high level of competition in our industry, much of which comes from competitors with greater resources, could adversely affect our business, financial condition and results from operations.

The business of selling brand name consumer products in the OTC Healthcare and Household Cleaning categories is highly competitive. These markets include numerous manufacturers, distributors, marketers and retailers that actively compete for consumers' business both in the United States and abroad. Many of these competitors are larger and have substantially greater resources than we do, and may therefore have the ability to spend more aggressively on research and development, advertising and marketing, and to respond more effectively to changing business and economic conditions. If this were to occur, it could have a material adverse effect on our business, financial condition and results from operations.

Certain of our product lines that account for a large percentage of our sales have a small market share relative to our competitors. For example, while *Clear Eyes* has a number two market share position of 19.9% within the Allergy/Redness Relief segment, its top competitor, Visine®, has a market share of 24.1% in the same segment. In contrast, certain of our brands with number one market positions have a similar market share relative to our competitors. For example, *Compound W* has a number one market position of 37.5% of the Wart Removal segment and its top competitor, Dr. Scholl's®, has a market position of 37.0% in the same category. Finally, while our *New-Skin* liquid bandage product has a number one market position and a market share of 63.8%, the size of the Liquid Bandages market is relatively small, particularly when compared to the much larger bandage category. See "Part I, Item 1. Business - Major Brands" of this Annual Report on Form 10-K for information regarding market share calculations.

We compete for customers' attention based on a number of factors, including brand recognition, product quality, performance, price and product availability at the retail level. Advertising, promotion, merchandising and packaging and the timing of new product introductions and line extensions also have a significant impact on consumer buying decisions and, as a result, on our sales. The structure and quality of our sales force, as well as sell-through of our products affect the continued offering of our products, in-store position, wall display space and inventory levels in retail stores. If we are unable to maintain our current distribution network, product offerings in retail stores, inventory levels and in-store positioning of our products, our sales and operating results will be adversely affected. Our markets also are highly sensitive to the introduction of new products, which may rapidly capture a significant share of the market. An increase in the number of product innovations by our competitors or the failure of a new product launch by the Company could have a material adverse effect on our business, financial condition and results from operations.

In addition, competitors may attempt to gain market share by offering products at prices at or below those typically offered by us. Competitive pricing may require us to reduce prices, which may result in lost sales or a reduction of our profit margins. Future price adjustments, product changes or new product introductions by our competitors or our inability to react with price adjustments, product changes or new product introductions of our own could result in a loss of market share, which could have a material adverse effect on our business, financial condition and results from operations.

We depend on a limited number of customers with whom we have no long-term agreements for a large portion of our gross sales and the loss of one or more of these customers could reduce our gross sales and have a material adverse effect on our business, financial condition and results of operations.

For 2013, our top five and ten customers accounted for approximately 26.9% and 33.8%, respectively, of our sales, compared with approximately 40.0% and 50.1%, respectively, for 2012 and 41.7% and 53.0%, respectively, for 2011. Walmart, which itself accounted for approximately 15.9%, 18.9% and 20.3% of our sales in 2013, 2012 and 2011, respectively, is our only customer that accounted for 10% or more of our sales. We expect that for future periods, our top five and ten customers, including Walmart, will, in the aggregate, continue to account for a large portion of our sales. The loss of one or more of our top customers, any significant decrease in sales to these customers, or a significant decrease in our retail display space in any of these customers' stores, could reduce our sales and have a material adverse effect on our business, financial condition and results from operations.

In addition, our business is based primarily upon individual sales orders. We typically do not enter into long-term contracts with our customers. Accordingly, our customers could cease buying products or reduce the number of items they buy from us at any time and for any reason. The fact that we do not have long-term contracts with our customers means that we have no recourse in the event a customer no longer wants to purchase products from us or reduces the number of items purchased. If a significant number of our smaller customers, or any of our significant customers, elect not to purchase products from us, our business, financial condition and results from operations could be adversely affected.

Our business has been and could continue to be adversely affected by the slow economic recovery in the United States.

The uncertainty surrounding the current slow economic recovery in the United States recession has affected and could continue to materially affect our business because such economic challenges could adversely affect consumers, our customers and suppliers. Specifically:

- Consumer spending may continue to be curtailed, resulting in downward pressure on our sales;
- Our customers may continue to ration the number of products that reach store shelves resulting in a reduction of the number of products that are carried at retail, particularly those that are not number one or two in their category;
- Our customers may continue to reduce overall inventory levels to strengthen their working capital positions which could result in additional sales reductions for us during those periods that our customers implement such strategies;
- Our customers may continue to increase the number and breadth of products that are sold via their "private label" to the detriment of our branded products;
- Our customers may continue to reduce store count by closing additional marginally performing stores resulting in sales reductions, and an inability to repay amounts owed to us; and
- Our suppliers may suffer from sales reductions which could diminish their working capital, impede their ability to provide product to us in a timely manner or in sufficient quantities, and result in an increase in prices.

We depend on third-party manufacturers to produce the products we sell. If we are unable to maintain these manufacturing relationships or fail to enter into additional relationships, as necessary, we may be unable to meet customer demand and our sales and profitability could suffer as a result.

All of our products are produced by third-party manufacturers. Our ability to retain our current manufacturing relationships and engage in and successfully transition to new relationships is critical to our ability to deliver quality products to our customers in a timely manner. Without adequate supplies of quality merchandise, sales would decrease materially and our business would suffer. In the event that our primary third-party manufacturers are unable or unwilling to ship products to us in a timely manner, we would have to rely on secondary manufacturing relationships or identify and qualify new manufacturing relationships. We might not be able to identify or qualify such manufacturers for existing or new products in a timely manner, and such manufacturers may not allocate sufficient capacity to us in order that we may meet our commitments to customers. In addition, identifying alternative manufacturers without adequate lead times can compromise required product validation and stability protocol, which may involve additional manufacturing expense, delay in production or product disadvantage in the marketplace. In general, the consequences of not securing adequate, high quality and timely supplies of merchandise would negatively impact inventory levels, sales and gross margins, and could have a material adverse effect on our business, financial condition and results from operations.

The manufacturers we use may also increase the cost of the products we purchase which could adversely affect our margins in the event we are unable to pass along these increased costs to our customers. A situation such as this could also have a material adverse effect on our business, financial condition and results from operations.

At March 31, 2013, we had relationships with 66 third-party manufacturers. Of those, we had long-term contracts with 22 manufacturers that produced items that accounted for approximately 75.3% of our gross sales for 2013, compared to 20 manufacturers with long-term contracts that produced approximately 70.6% of gross sales in 2012. The fact that we do not have long-term contracts with certain manufacturers means that they could cease manufacturing these products at any time and for any reason or initiate arbitrary and costly price increases, either of which could have a material adverse effect on our business, financial condition and results from operations.

Price increases for raw materials, labor, energy and transportation costs could have an adverse impact on our margins.

The costs to manufacture and distribute our products are subject to fluctuation based on a variety of factors. Increases in commodity raw material (including resins) and packaging component prices and labor, energy and fuel costs could have a significant impact on our financial condition and results from operations. If we are unable to increase the price for our products or continue to achieve cost savings in a rising cost environment, such cost increases would reduce our gross margins and could have a material adverse effect on our financial condition or results from operations. If we increase the price for our products in order to maintain our current gross margins for our products, such increase may adversely affect demand for, and sales of, our products, which could have a material adverse effect on our business, financial condition and results of operations.

Disruption in our St. Louis distribution center may prevent us from meeting customer demand, and our sales and profitability may suffer as a result.

We manage our product distribution in the continental United States through one primary distribution center in St. Louis, Missouri. A serious disruption, such as a flood or fire, to our primary distribution center could damage our inventory and could materially impair our ability to distribute our products to customers in a timely manner or at a reasonable cost. We could incur significantly higher costs and experience longer lead times during the time required to reopen or replace our primary distribution center. As a result, any serious disruption could have a material adverse effect on our business, financial condition and results from operations.

Achievement of our strategic objectives requires the acquisition, or potentially the disposition, of certain brands or product lines. Efforts to effect and integrate such acquisitions or dispositions may divert our managerial resources away from our business operations.

The majority of our growth has been driven by acquiring other brands and companies. At any given time, we may be engaged in discussions with respect to possible acquisitions that are intended to enhance our product portfolio, enable us to realize cost savings and further diversify our category, customer and channel focus. Our ability to successfully grow through acquisitions depends on our ability to identify, negotiate, complete and integrate suitable acquisition candidates and to obtain any necessary financing. These efforts could divert the attention of our management and key personnel from our business operations. If we complete acquisitions, we may also experience:

- Difficulties achieving, or an inability to achieve, our expected returns;
- Difficulties in integrating any acquired companies, suppliers, personnel and products into our existing business;
- Delays in realizing the benefits of the acquired company or products;
- Higher costs of integration than we anticipated;
- Difficulties in retaining key employees of the acquired business who are necessary to manage the business;
- Difficulties in maintaining uniform standards, controls, procedures and policies throughout our acquired companies; or
- Adverse customer or stockholder reaction to the acquisition.

In addition, any acquisition could adversely affect our operating results as a result of higher interest costs from the acquisition-related debt and higher amortization expenses related to the acquired intangible assets. The diversion of management’s attention to pursue acquisitions, or our failure to successfully integrate acquired companies into our business, could have a material adverse effect on our business, financial condition and results from operations.

In the event that we decide to divest of a brand or product line, we may encounter difficulty finding, or be unable to find, a buyer on acceptable terms in a timely manner. The pursuit of divestitures could also divert management's attention from our business operations and result in a delay in our efforts to achieve our strategic objectives.

Our risks associated with doing business internationally increase as we expand our international footprint.

During 2013, 2012 and 2011, approximately 2.7%, 3.5% and 4.2%, respectively, of our total revenues were attributable to our international business. International sales beyond the borders of North America grew 10.6% and 7.5% in 2013 and 2012, respectively. We generally rely on brokers and distributors for the sale of our products in foreign countries. In addition to the risks associated with political instability, changes in the outlook for economic prosperity in these countries could adversely affect the sales of our products in these countries. Other risks of doing business internationally include:

- Changes in the legislative or regulatory requirements of the countries or regions where we do business;
- Currency controls that restrict or prohibit the payment of funds or the repatriation of earnings to the United States;
- Fluctuating foreign exchange rates could result in unfavorable increases in the price of our products or cause increases in the cost of certain products purchased from our foreign third-party manufacturers;

- Regulatory oversight and its impact on our ability to get products registered for sale in certain markets;
- Potential trade restrictions and exchange controls;
- Inability to protect our intellectual property rights in these markets; and
- Increased costs of compliance with general business and tax regulations in these countries or regions.

Regulatory matters governing our industry could have a significant negative effect on our sales and operating costs.

In both our United States and foreign markets, we are affected by extensive laws, governmental regulations, administrative determinations, court decisions and similar constraints. Such laws, regulations and other constraints exist at the federal, state and local levels in the United States and at analogous levels of government in foreign jurisdictions.

The formulation, manufacturing, packaging, labeling, distribution, importation, sale and storage of our products are subject to extensive regulation by various federal agencies, including the FDA, the FTC, the CPSC, the EPA, and by various agencies of the states, localities and foreign countries in which our products are manufactured, distributed, stored and sold. If we or our third-party manufacturers or distributors fail to comply with those regulations, we could become subject to enforcement actions, significant penalties or claims, which could materially adversely affect our business, financial condition and results from operations. In addition, the adoption of new regulations or changes in the interpretations of existing regulations may result in significant compliance costs or the cessation of product sales and may adversely affect the marketing of our products, of revenues which could have a material adverse effect on our business, financial condition and results from operations.

The FDC Act and FDA regulations require that the manufacturing processes of our third-party manufacturers must also comply with the FDA's GMPs. The FDA inspects our facilities and those of our third-party manufacturers periodically to determine if we and our third-party manufacturers are complying with GMPs. A history of general compliance in the past is not a guarantee that future GMPs will not mandate other compliance steps and associated expense.

If we or our third-party manufacturers fail to comply with applicable federal, state, local or foreign regulations, we could be required to:

- Suspend manufacturing operations;
- Modify product formulations or processes;
- Suspend the sale of products with non-complying specifications; or
- Change product labeling, packaging or advertising or take other corrective action.

In addition, we could be required for a variety of reasons to initiate product recalls, which we have recently done on several occasions. Any of the foregoing actions could have a material adverse effect on our business, financial condition and results from operations.

In addition, our failure to comply with FTC or any other federal and state regulations, or with similar regulations in foreign markets, that cover our product claims and advertising, including direct claims and advertising by us, may result in enforcement actions and imposition of penalties or otherwise materially adversely affect the distribution and sale of our products, which could have a material adverse effect on our business, financial condition and results from operations.

Product liability claims and product recalls and related negative publicity could adversely affect our sales and operating results.

We may be required to pay for losses or injuries purportedly caused by our products. From time to time we are subjected to various product liability claims. Claims could be based on allegations that, among other things, our products contain contaminants, include inadequate instructions or warnings regarding their use or inadequate warnings concerning side effects and interactions with other substances. Any product liability claims may result in negative publicity that may adversely affect our sales and operating results. Also, if one of our products is found to be defective, we may be required to recall it, which we have done on several recent occasions. Recalls may result in substantial costs and negative publicity, as well as negatively impact inventory levels, which may adversely affect our business, sales and operating results.

Although we maintain, and require our suppliers and third-party manufacturers to maintain, product liability insurance coverage, potential product liability claims may exceed the amount of insurance coverage or may be excluded under the terms of the policy, which could have a material adverse effect on our financial condition and results from operations. In addition, in the future we may not be able to obtain adequate insurance coverage or we may be required to pay higher premiums and accept higher deductibles in order to secure adequate insurance coverage.

If we are unable to protect our intellectual property rights, our ability to compete effectively in the market for our products could be negatively impacted.

The market for our products depends to a significant extent upon the goodwill associated with our trademarks, trade names and patents. Our trademarks and trade names convey that the products we sell are "brand name" products. We believe consumers ascribe value to our brands, some of which are over 100 years old. We own or license the material trademarks, trade names and patents used in connection with the packaging, marketing and sale of our products. These rights prevent our competitors or new entrants to the market from using our valuable brand names and technologies. Therefore, trademark, trade name and patent protection is critical to our business. Although most of our material intellectual property is registered in the United States and in applicable foreign countries, we may not be successful in asserting protection. If we were to lose the exclusive right to use one or more of our intellectual property rights, the loss of such exclusive right could have a material adverse effect on our business, financial condition and results from operations.

Other parties may infringe on our intellectual property rights and may thereby dilute the value of our brands in the marketplace. Brand dilution or the introduction of competitive brands could cause confusion in the marketplace and adversely affect the value that consumers associate with our brands, and thereby negatively impact our sales. Any such infringement of our intellectual property rights would also likely result in a commitment of our time and resources, financial or otherwise, to protect these rights through litigation or other means. In addition, third parties may assert claims against our intellectual property rights, and we may not be able to successfully resolve those claims, which would cause us to lose the right to use the intellectual property subject to those claims. Such loss could have a material adverse effect on our financial condition and results from operations. Furthermore, from time to time, we may be involved in litigation in which we are enforcing or defending our intellectual property rights which could require us to incur substantial fees and expenses and have a material adverse effect on our financial condition and results from operations.

We license certain of our trademarks to third party licensees, who are bound by their respective license agreement to protect our trademarks from infringement and adhere to defined quality requirements. If a licensee of our trademarks fails to adhere to the contractually defined quality requirements, our business and financial results could be negatively impacted if one of our brands suffers a substantial impairment to its reputation due to real or perceived quality issues. Further, if a licensee fails to protect one of our licensed trademarks from infringement, we might be required to take action, which could require us to incur substantial fees and expenses.

Virtually all of our assets consist of goodwill and intangibles.

As our financial statements indicate, virtually all of our assets consist of goodwill and intangibles, principally the trademarks, trade names and patents that we have acquired. We recorded charges in 2010 and 2009 for impairment of certain assets and in the event that the value of those assets become further impaired or our financial condition is materially adversely affected in any way, we would not have tangible assets that could be sold to repay our liabilities. As a result, our creditors and investors may not be able to recoup the amount of the indebtedness that they have extended to us or the amount they have invested in us.

We depend on third parties for intellectual property relating to some of the products we sell, and our inability to maintain or enter into future license agreements may result in our failure to meet customer demand, which would adversely affect our operating results.

We have licenses or manufacturing agreements with third parties that own intellectual property (e.g., formulae, copyrights, trademarks, trade dress, patents and other technology) used in the manufacture and sale of certain of our products. In the event that any such license or manufacturing agreement expires or is otherwise terminated, we will lose the right to use the intellectual property covered by such license or agreement and will have to develop or obtain rights to use other intellectual property. Similarly, our rights could be reduced if the applicable licensor or third-party manufacturer fails to maintain or protect the licensed intellectual property because, in such event, our competitors could obtain the right to use the intellectual property without restriction. If this were to occur, we might not be able to develop or obtain replacement intellectual property in a timely or cost effective manner. Additionally, any modified products may not be well-received by customers. The consequences of losing the right to use or having reduced rights to such intellectual property could negatively impact our sales due to our failure to meet consumer demand for the affected products or require us to incur costs for development of new or different intellectual property, either of

which could have a material adverse effect on our business, financial condition and results from operations. In addition, development of replacement products may be time-consuming and ultimately may not be feasible.

We depend on our key personnel, and the loss of the services provided by any of our executive officers or other key employees could harm our business and results of operations.

Our success depends to a significant degree upon the continued contributions of our senior management, many of whom would be difficult to replace. These employees may voluntarily terminate their employment with us at any time. We may not be able to successfully retain existing personnel or identify, hire and integrate new personnel. While we believe we have developed depth and experience among our key personnel, our business may be adversely affected if one or more of these key individuals were to leave. We do not maintain any key-man or similar insurance policies covering any of our senior management or key personnel.

Our indebtedness could adversely affect our financial condition, and the significant amount of cash we need to service our debt will not be available to reinvest in our business.

At March 31, 2013, our total indebtedness, including current maturities, is approximately $978.0 million.

Our indebtedness could:

- Increase our vulnerability to general adverse economic and industry conditions;
- Limit our ability to engage in strategic acquisitions;
- Require us to dedicate a substantial portion of our cash flow from operations toward repayment of our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes;
- Limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate;
- Place us at a competitive disadvantage compared to our competitors that have less debt; and
- Limit, among other things, our ability to borrow additional funds on favorable terms or at all.

The terms of the indentures governing the 2010 Senior Notes and the 2012 Senior Notes, and the credit agreement governing the 2012 Term Loan and 2012 ABL Revolver allow us to issue and incur additional debt upon satisfaction of conditions set forth in the respective agreements. If new debt is added to current debt levels, the related risks described above could increase.

At March 31, 2013, we had $42.0 million of borrowing capacity available under the 2012 ABL Revolver to support our operating activities.

Our operating flexibility is limited in significant respects by the restrictive covenants in our senior credit facility and the indentures governing our senior notes.

Our senior credit facility and the indentures governing our senior notes impose restrictions that could impede our ability to enter into certain corporate transactions, as well as increase our vulnerability to adverse economic and industry conditions, by limiting our flexibility in planning for, and reacting to, changes in our business and industry. These restrictions limit our ability to, among other things:

- Borrow money or issue guarantees;
- Pay dividends, repurchase stock from, or make other restricted payments to, stockholders;
- Make investments or acquisitions;
- Use assets as security in other transactions;
- Sell assets or merge with or into other companies;
- Enter into transactions with affiliates;

- Sell stock in our subsidiaries; and

- Direct our subsidiaries to pay dividends or make other payments to us.

Our ability to engage in these types of transactions is generally limited by the terms of the senior credit facility and the indenture governing the senior notes, even if we believe that a specific transaction would positively contribute to our future growth, operating results or profitability. However, if we are able to enter into these types of transactions under the terms of the senior credit facility and the indentures, or if we obtain a waiver with respect to any specific transaction, that transaction may cause our indebtedness to increase, may not result in the benefits we anticipate, or may cause us to incur greater costs or suffer greater disruptions in our business than we anticipate, and could therefore, have a material adverse effect on our business, financial condition and results from operations.

In addition,our senior credit facility requires us to maintain certain leverage, interest coverage and fixed charge ratios. Although we believe we can continue to meet and/or maintain the financial covenants contained in our credit agreement, our ability to do so may be affected by events outside our control. Covenants in our senior credit facility also require us to use 100% of the proceeds we receive from debt issuances to repay outstanding borrowings under our senior credit facility. Any failure by us to comply with the terms and conditions of the credit agreement and the indentures governing the senior notes could have a material adverse effect on our financial condition.

The senior credit facility and the indentures governing the senior notes contain cross-default provisions that could result in the acceleration of all of our indebtedness.

The senior credit facility and the indentures governing the senior notes contain provisions that allow the respective creditors to declare all outstanding borrowings under one agreement to be immediately due and payable as a result of a default under the other agreement. Consequently, under the senior credit facility, failure to make a payment required by the indentures governing the senior notes, among other things, may lead to an event of default under the senior credit facility. Similarly, an event of default or failure to make a required payment at maturity under the senior credit facility, among other things, may lead to an event of default under the indentures governing the senior notes. If the debt under the senior credit facility and indentures governing the senior notes were to both be accelerated, the aggregate amount immediately due and payable as of March 31, 2013 would have been approximately $970.9 million. We presently do not have sufficient liquidity to repay these borrowings in the event they were to be accelerated, and we may not have sufficient liquidity in the future to do so. Additionally, we may not be able to borrow money from other lenders to enable us to refinance our indebtedness. At March 31, 2013, the book value of our current assets was $164.2 million. Although the book value of our total assets was $1,739.8 million, approximately $1,540.8 million was in the form of intangible assets, including goodwill of $167.5 million, a significant portion of which may not be available to satisfy our creditors in the event our debt is accelerated.

Any failure to comply with the restrictions of the senior credit facility, the indentures governing the senior notes or any other subsequent financing agreements may result in an event of default. Such default may allow the creditors to accelerate the related debt, as well as any other debt to which the cross-acceleration or cross-default provisions apply. In addition, the lenders may be able to terminate any commitments they had made to supply us with additional funding. As a result, any default by us under our credit agreement, indentures governing the senior notes or any other financing agreement could have a material adverse effect on our financial condition.

Litigation may adversely affect our business, financial condition and results of operations.

Our business is subject to the risk of, and from time to time in the ordinary cause of business we are involved in, litigation by employees, customers, consumers, suppliers, stockholders or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. The outcome of litigation, particularly class action lawsuits and regulatory actions, is difficult to assess or quantify. Plaintiffs in these types of lawsuits may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. The cost to defend current and future litigation may be significant. There may also be adverse publicity associated with litigation that could decrease customer acceptance of our products, regardless of whether the allegations are valid or whether we are ultimately found liable. Conversely, we may be required to initiate litigation against others to protect the value of our intellectual property and the goodwill associated therewith or enforce an agreement or contract that has been breached. These matters are extremely time consuming and expensive, but may be necessary to maintain enterprise value, protect our assets and realize the benefits of the agreements and contracts that we have negotiated and safeguard our future. As a result, litigation may adversely affect our business, financial condition and results of operations.

The trading price of our common stock may be volatile.

The trading price of our common stock could be subject to significant fluctuations in response to several factors, some of which are beyond our control, including (i) general stock market volatility, (ii) variations in our quarterly operating results, (iii) our leveraged financial position, (iv) potential sales of additional shares of our common stock, (v) perceptions associated with the identification of material weaknesses in internal control over financial reporting, (vi) general trends in the consumer products industry, (vii) changes by securities analysts in their estimates or investment ratings, (viii) the relative illiquidity of our common stock, (ix) voluntary withdrawal or recall of products, (x) news regarding litigation in which we are or become involved, and (xi) general marketplace conditions brought on by economic recession.

We have no current intention of paying dividends to holders of our common stock.

We presently intend to retain our earnings, if any, for use in our operations, to facilitate strategic acquisitions, or to repay our outstanding indebtedness and have no current intention of paying dividends to holders of our common stock. In addition, our debt instruments limit our ability to declare and pay cash dividends on our common stock. As a result, your only opportunity to achieve a return on your investment in our common stock will be if the market price of our common stock appreciates and you sell your shares at a profit.

Our annual and quarterly results from operations may fluctuate significantly and could fall below the expectations of securities analysts and investors due to a number of factors, many of which are beyond our control, resulting in a decline in the price of our securities.

Our annual and quarterly results from operations may fluctuate significantly because of numerous factors, including:

- Increases and decreases in average quarterly revenues and profitability;
- The rate at which we make acquisitions or develop new products and successfully market them;
- Our inability to increase the sales of our existing products and expand their distribution;
- Adverse regulatory or market events in the United States or in our international markets;
- Litigation matters;
- Changes in consumer preferences, spending habits and competitive conditions, including the effects of competitors' operational, promotional or expansion activities;
- Seasonality of our products;
- Fluctuations in commodity prices, product costs, utilities and energy costs, prevailing wage rates, insurance costs and other costs;
- Our ability to recruit, train and retain qualified employees, and the costs associated with those activities;
- Changes in advertising and promotional activities and expansion to new markets;
- Negative publicity relating to us and the products we sell;
- Unanticipated increases in infrastructure costs;
- Impairment of goodwill or long-lived assets;
- Changes in interest rates; and
- Changes in accounting, tax, regulatory or other rules applicable to our business.

Our quarterly operating results and revenues may fluctuate as a result of any of these or other factors. Accordingly, results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for any year, and revenues for any

particular future period may decrease. In the future, operating results may fall below the expectations of securities analysts and investors. In that event, the market price of our outstanding securities could be adversely impacted.

We can be adversely affected by the implementation of new, or changes in the interpretation of existing, accounting principles generally accepted in the United States of America ("GAAP").

Our financial reporting complies with GAAP, which is subject to change over time. If new rules or interpretations of existing rules require us to change our financial reporting, our financial condition and results from operations could be adversely affected.

Identification of a material weakness in internal controls over financial reporting may adversely affect our financial results.

We are subject to the ongoing internal control provisions of Section 404 of the Sarbanes-Oxley Act of 2002 and the regulations promulgated thereunder. Those provisions provide for the identification and reporting of material weaknesses in our system of internal controls over financial reporting. If such a material weakness is identified, it could indicate a lack of controls adequate to generate accurate financial statements. We routinely assess our internal controls over financial reporting, but we cannot assure you that we will be able to timely remediate any material weaknesses that may be identified in future periods, or maintain all of the controls necessary for continued compliance. Likewise, we cannot assure you that we will be able to retain sufficient skilled finance and accounting personnel, especially in light of the increased demand for such personnel among publicly-traded companies.

Provisions in our amended and restated certificate of incorporation and Delaware law may discourage potential acquirers of our company, which could adversely affect the value of our securities.

Our amended and restated certificate of incorporation provides that our Board of Directors is authorized to issue from time to time, without further stockholder approval, up to five million shares of preferred stock in one or more series of preferred stock issuances. Our Board of Directors may establish the number of shares to be included in each series of preferred stock and determine, as applicable, the voting and other powers, designations, preferences, rights, qualifications, limitations and restrictions for such series of preferred stock. The shares of preferred stock could have preferences over our common stock with respect to dividends and liquidation rights. We may issue additional preferred stock in ways which may delay, defer or prevent a change in control of the Company without further action by our stockholders. The shares of preferred stock may be issued with voting rights that may adversely affect the voting power of the holders of our common stock by increasing the number of outstanding shares having voting rights, and by the creation of class or series voting rights.

Our amended and restated certificate of incorporation, as amended, contains additional provisions that may have the effect of making it more difficult for a third party to acquire or attempt to acquire control of our company. In addition, we are subject to certain provisions of Delaware law that limit, in some cases, our ability to engage in certain business combinations with significant stockholders.

These provisions, either alone, or in combination with each other, give our current directors and executive officers the ability to significantly influence the outcome of a proposed acquisition of the Company. These provisions would apply even if an acquisition or other significant corporate transaction was considered beneficial by some of our stockholders. If a change in control or change in management is delayed or prevented by these provisions, the market price of our outstanding securities could be adversely impacted.

Interruptions and breaches of computer and communications systems, including computer viruses, "hacking" and "cyber-attacks," could impair our ability to conduct business.

Increased IT security threats and more sophisticated computer crime, including advanced persistent threats, pose a potential risk to the security of our IT systems, networks, and services, as well as the confidentiality, availability, and integrity of our data. If the IT systems, networks, or service providers we rely upon fail to function properly, or if we suffer a loss or disclosure of business or stakeholder information, due to any number of causes, ranging from catastrophic events to power outages to security breaches, and our business continuity plans do not effectively address these failures on a timely basis, we may suffer interruptions in our ability to manage operations and reputational, competitive and/or business harm, which may adversely impact our results of operations and/or financial condition.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our corporate headquarters is located in Tarrytown, New York, a suburb of New York City. Primary functions performed at the Tarrytown facility include senior management, marketing, sales, operations, quality control and regulatory affairs, finance and legal. We believe our Tarrytown facility is adequate for these functions, and the lease expires on March 31, 2018. We also have an administrative center in Jackson, Wyoming which we also believe is adequate for our needs there. Primary functions performed at the Jackson facility include back office functions, such as invoicing, credit and collection, general ledger and customer service. The lease on the Jackson facility expires on December 31, 2018; however, we have the option to renew the lease on an annual basis. In May 2012, we also entered into a three-year office lease in Rogers, Arkansas. All of our facilities serve the OTC Healthcare and Household Cleaning segments.

ITEM 3. LEGAL PROCEEDINGS

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

ITEM 4. MINE SAFETY DISCLOSURES

None.

Part II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is listed on The New York Stock Exchange ("NYSE") under the symbol "PBH." The high and low sales prices of our common stock as reported by the NYSE for the two most recently completed fiscal years on a quarterly basis and the current year through April 30, 2013 are as follows:

	High	Low
Year Ending March 31, 2014		
April 1, 2013 - April 30, 2013	$ 27.42	$ 25.51
Year Ended March 31, 2013		
Quarter Ended:		
June 30, 2012	$ 17.84	$ 12.50
September 30, 2012	17.16	15.05
December 31, 2012	21.92	16.30
March 31, 2013	26.35	19.48
Year Ended March 31, 2012		
Quarter Ended:		
June 30, 2011	$ 13.00	$ 10.68
September 30, 2011	13.62	8.35
December 31, 2011	11.74	8.15
March 31, 2012	17.86	11.07

Unregistered Sales of Equity Securities and Use of Proceeds

There were no equity securities sold by us during the year ended March 31, 2013 that were not registered under the Securities Act.

There were no purchases of shares of our common stock made during the quarter ended March 31, 2013, by or on behalf of us or any "affiliated purchaser," as defined by Rule 10b-18(a)(3) of the Exchange Act.

Holders

As of April 30, 2013, there were 31 holders of record of our common stock. The number of record holders does not include beneficial owners whose shares are held in the names of banks, brokers, nominees or other fiduciaries.

Dividend Policy

Common Stock

We have not in the past paid, and do not expect for the foreseeable future to pay, cash dividends on our common stock. Instead, we anticipate that all of our earnings in the foreseeable future will be used in our operations, to facilitate strategic acquisitions, or to pay down our outstanding indebtedness. Any future determination to pay dividends will be at the discretion of our Board of Directors and will depend upon, among other factors, our results from operations, financial condition, capital requirements and contractual restrictions limiting our ability to declare and pay cash dividends, including restrictions under our 2012 Term Loan and the indentures governing our senior notes, and any other considerations our Board of Directors deems relevant.

Preferred Stock Dividend

On February 26, 2012, we declared a dividend of one preferred share purchase right (a “Right”), payable on March 8, 2012, for each share of our common stock, par value $0.01 per share, outstanding as of March 8, 2012 to the stockholders of record on that date. Each Right entitles the registered holder to purchase from us one one-thousandth of a share of Series A Preferred Stock, par value $0.01 per share (the “Preferred Shares”), of the Company at a price of $65.00 per one one-thousandth of a Preferred Share subject to a dilution adjustment.

In connection with the distribution of the Rights, we entered into a Rights Agreement (the “Rights Agreement”), dated as of February 27, 2012, between us and Computershare Trust Company, N.A., as Rights Agent. The Rights are in all respects subject to and governed by the provisions of the Rights Agreement.

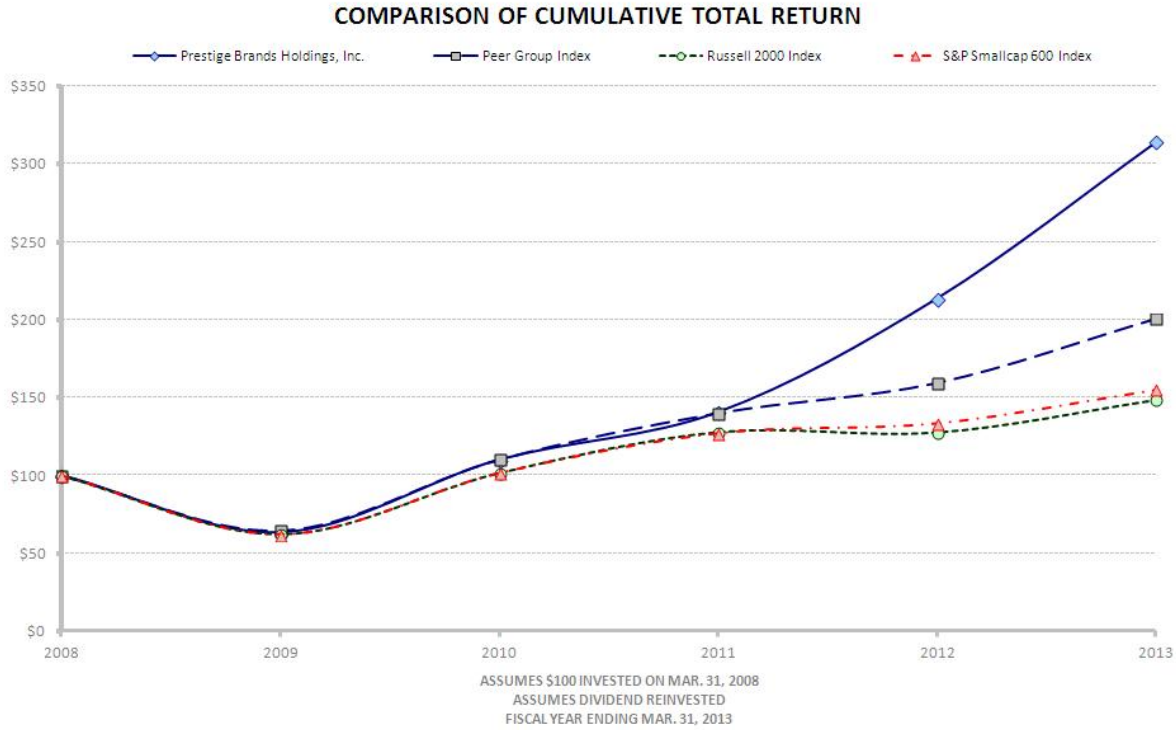
Adjustments to Executive Compensation

On May 14, 2013, the Compensation Committee (the "Compensation Committee") of the Board of Directors approved the following cash bonuses payable pursuant to the Annual Cash Incentive Plan for certain of the Company's named executive officers: (i) Mr. Matthew M. Mannelly, $1,140,000, (ii) Mr. Ronald M. Lombardi, $489,000, and (iii) Mr. Timothy J. Connors, $368,000. The Compensation Committee also approved the following extraordinary equity grants under the Company's 2005 Long-Term Equity Incentive Plan for outstanding performance: (i) Mr. Mannelly, 20,000 restricted stock units, (ii) Mr. Lombardi, 15,000 restricted stock units, and (iii) Mr. Connors, 15,000 restricted stock units, all of which will vest in three approximately equal annual installments beginning on the first anniversary of the date of grant.

Part III, Item 12 of this Annual Report on Form 10-K is incorporated herein by reference.

PERFORMANCE GRAPH

The following graph ("Performance Graph") compares our cumulative total stockholder return since March 31, 2008, with the cumulative total stockholder return for the Standard & Poor's SmallCap 600 Index, the Russell 2000 Index and our peer group index. The Company is included in each of the Standard & Poor's SmallCap 600 Index and the Russell 2000 Index. The Performance Graph assumes that the value of the investment in the Company's common stock and each index was $100.00 on March 31, 2008. The Performance Graph was also prepared based on the assumption that all dividends paid, if any, were reinvested. The peer group index was established in 2011 by the Company in connection with research regarding improvements to our executive compensation program in light of the significant recent growth of the Company. Based on the Company's use of the peer group for executive compensation benchmarking purposes, we believe the peer group should be included in the Performance Graph.



	March 31,					
Company/Market/Peer Group	2008	2009	2010	2011	2012	2013
Prestige Brands Holdings, Inc.	$ 100.00	$ 63.33	$ 110.02	$ 140.59	$ 213.69	$ 314.06
Russell 2000 Index	100.00	62.49	101.70	127.94	127.69	148.49
S&P SmallCap 600 Index	100.00	61.94	101.57	127.23	133.60	155.17
Peer Group Index (1)	100.00	64.74	110.41	140.22	159.69	200.90

(1) The Peer Group Index is a self-constructed peer group consisting of companies in the consumer products industry with comparable revenues and market capitalization, from which the Company has been excluded. The peer group index was constructed in connection with the Company's analysis of its executive compensation program in light of the Company's significant recent growth. The peer group index is comprised of: (i) B&G Food Holdings Corp., (ii) Hain Celestial Group, Inc., (iii) Hi Tech Pharmacal Co. Inc., (iv) Helen of Troy, Ltd., (v) Inter Parfums, Inc., (vi) Lifetime Brands, Inc., (vii) Maidenform Brands, Inc., (viii) Smart Balance, Inc., (ix) USANA Health Sciences, Inc., (x) WD-40 Company, and (xi) Zep, Inc.

The Performance Graph shall not be deemed incorporated by reference by any general statement incorporating by reference this Annual Report on Form 10-K into any filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such Acts.

ITEM 6. SELECTED FINANCIAL DATA

Prestige Brands Holdings, Inc.

(In thousands, except per share data)	Year Ended March 31,				
	2013	**2012**	**2011**	**2010**	**2009**
Income Statement Data					
Total revenues	$ 623,597	$ 441,085	$ 336,510	$ 292,602	$ 294,346
Cost of sales (1)	276,381	213,701	165,632	139,158	138,909
Gross profit	347,216	227,384	170,878	153,444	155,437
Advertising and promotion	90,630	57,127	42,897	30,923	37,376
General and administrative (2)	51,467	56,700	41,960	34,195	31,888
Depreciation and amortization	13,235	10,734	9,876	10,001	8,872
Impairment of goodwill and intangibles	—	—	—	—	249,285
Interest expense, net	84,407	41,320	27,317	22,935	28,436
Gain on settlement	—	(5,063)	—	—	—
Loss on extinguishment of debt	1,443	5,409	300	2,656	—
Income (loss) from continuing operations before income taxes	106,034	61,157	48,528	52,734	(200,420)
Provision (benefit) for income taxes	40,529	23,945	19,349	20,664	(10,876)
Income (loss) from continuing operations	65,505	37,212	29,179	32,070	(189,544)
Discontinued Operations					
Income (loss) from discontinued operations, net of income tax	—	—	591	(112)	2,768
(Loss) gain on sale of discontinued operations, net of income tax	—	—	(550)	157	—
Net income (loss) available to common stockholders	$ 65,505	$ 37,212	$ 29,220	$ 32,115	$ (186,776)
Basic earnings per share:					
Income (loss) from continuing operations	$ 1.29	$ 0.74	$ 0.58	$ 0.64	$ (3.80)
Income (loss) from discontinued operations and gain (loss) from sale of discontinued operations	—	—	—	—	0.06
Net income (loss)	$ 1.29	$ 0.74	$ 0.58	$ 0.64	$ (3.74)
Diluted earnings per share:					
Income (loss) from continuing operations	$ 1.27	$ 0.73	$ 0.58	$ 0.64	$ (3.80)
Income (loss) from discontinued operations and gain (loss) from sale of discontinued operations	—	—	—	—	0.06
Net income (loss)	$ 1.27	$ 0.73	$ 0.58	$ 0.64	$ (3.74)
Weighted average shares outstanding:					
Basic	50,633	50,270	50,081	50,013	49,935
Diluted	51,440	50,748	50,338	50,085	49,935
Other comprehensive (loss) income	(91)	(13)	—	1,334	(335)
Comprehensive income (loss)	$ 65,414	$ 37,199	$ 29,220	$ 33,449	$ (187,111)

Other Financial Data	Year Ended March 31, 2013	2012	2011	2010	2009
Capital expenditures	$ 10,268	$ 606	$ 655	$ 673	$ 481
Cash provided by (used in):					
Operating activities	137,605	67,452	86,670	59,427	66,679
Investing activities	11,221	(662,206)	(275,680)	7,320	(4,672)
Financing activities	(152,117)	600,434	161,247	(60,831)	(32,904)

Balance Sheet Data	March 31, 2013	2012	2011	2010	2009
Cash and cash equivalents	$ 15,670	$ 19,015	$ 13,334	$ 41,097	$ 35,181
Total assets	1,739,799	1,758,276	1,056,918	791,412	801,381
Total long-term debt, including current maturities	978,000	1,135,000	492,000	328,087	378,337
Stockholders' equity	477,943	402,728	361,832	329,059	294,385

(1) For 2012 and 2011, cost of sales included $1.8 million and $7.3 million, respectively, of charges related to the step-up of inventory associated with acquisitions.

(2) General and administrative expense included $13.8 million of costs related to the GSK Brands acquisition and $1.7 million of unsolicited offer defense costs in 2012, and $7.7 million of costs related to the acquisitions of Blacksmith and *Dramamine* in 2011.

ITEM 7. 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 "Selected Financial Data" and the Consolidated Financial Statements and related notes included elsewhere in this Annual Report on Form 10-K. 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 this Annual Report on Form 10-K, as well as those described in future reports filed with the SEC.

General

We are engaged in the marketing, sales and distribution of brand name OTC healthcare and household cleaning products to mass merchandisers, drug stores, supermarkets and dollar and club stores primarily in the United States and Canada. We continue to use the strength of our brands, our established retail distribution network, a low-cost operating model, and our experienced management team as a competitive advantage to grow our presence in these categories and, as a result, grow our sales and profits.

We have grown our brand portfolio both organically and through acquisitions. We develop our existing brands by investing in new product lines, brand extensions and strong advertising support. Acquisitions of OTC brands have also been an important part of our growth strategy. We have acquired strong and well-recognized brands from consumer products and pharmaceutical companies. While many of these brands have long histories of brand development and investment, we believe that, at the time we acquired them, most were considered "non-core" by their previous owners. As a result, these acquired brands did not benefit from adequate management focus and marketing support during the period prior to their acquisition, which created significant opportunities for us to reinvigorate these brands and improve their performance post-acquisition. After adding a core brand to our portfolio, we seek to increase its sales, market share and distribution in both existing and new channels through our established retail distribution network. We pursue this growth through increased spending on advertising and promotional support, new sales and marketing strategies, improved packaging and formulations, and innovative development of brand extensions.

Acquisitions

Acquisition of GlaxoSmithKline OTC Brands

On December 20, 2011, we entered into two separate agreements with GSK to acquire a total of 17 North American OTC Healthcare brands for $660.0 million in cash (the "GSK Agreement").

On January 31, 2012, we completed, subject to a post-closing inventory and apportionment adjustment, as defined in the GSK Agreement, the acquisition of the GSK Brands I for $615.0 million in cash, including the related contracts, trademarks and inventory. The GSK Brands I include, among other brands, *BC*, *Goody's* and *Ecotrin* brands of pain relievers; *Beano*, *Gaviscon*, *Phazyme*, *Tagamet* and *Fiber Choice* gastrointestinal brands; and the *Sominex* sleep aid brand.

On March 30, 2012, we completed, subject to a post-closing inventory and apportionment adjustment, as defined in the GSK Agreement, the acquisition of the *Debrox* and *Gly-Oxide* brands in the United States for $45.0 million in cash, including the related contracts, trademarks and inventory.

Both the GSK Brands I and GSK Brands II are complementary to our existing OTC healthcare portfolio.

These acquisitions were accounted for in accordance with the Business Combinations topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("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 purchase price of the GSK Brands I and GSK Brands II was funded by cash provided by the issuance of long-term debt and additional bank borrowings, which are discussed further in Note 11 to the Consolidated Financial Statements in this Annual Report on Form 10-K. In April 2012, we received the post-closing inventory and apportionment adjustments, attributable to both GSK Brands I and GSK Brands II, which required us to pay an additional $2.8 million to GSK, and in May 2012 we received a revised post-closing inventory and apportionment adjustment, attributable to GSK Brands II, which required us to pay an additional $0.2 million, for a total of $3.0 million, to GSK.

Concurrent with the closing of the GSK Brands I transaction, we entered into a Transitional Services Agreement with GSK (the "TSA"), whereby GSK provided us with various services including: marketing, operations, finance and other services from the GSK Brands I acquisition date through June 30, 2012, with additional finance support through August 31, 2012. As part of the TSA, GSK, among other things, shipped products, invoiced customers, collected from customers and paid certain vendors on our behalf. Our initial costs under the TSA were approximately $2.5 million per month for the length of the agreement and were

reduced during the service period as we removed certain services and transitioned those processes to us. We incurred $6.9 million in TSA costs for the year ended March 31, 2013. Pursuant to the TSA, we received on a monthly basis the amount owed to us for revenues and expenses, net of GSK's TSA fees and inventory that GSK purchased on our behalf.

The allocation of the purchase price to assets acquired is based on a valuation which we performed to determine the fair value of such assets as of the acquisition date. The following table summarizes our allocation of the $663.0 million purchase price to the assets we acquired at the GSK Brands I and GSK Brands II acquisition dates:

(In thousands)	GSK Brands I (January 31, 2012)	GSK Brands II (March 30, 2012)	Total
Inventory	$ 14,820	$ 250	$ 15,070
Prepaid expenses	3,575	—	3,575
Trade names	542,892	81,257	624,149
Goodwill	17,401	2,831	20,232
Total purchase price	$ 578,688	$ 84,338	$ 663,026

Transaction and other costs of $13.8 million associated with the GSK Brands acquisition are included in general and administrative expenses in our Consolidated Statements of Income and Comprehensive Income for 2012.

We recorded goodwill based on the amount by which the purchase price exceeded the fair value of assets acquired. The amount of goodwill deductible for tax purposes is $20.2 million.

The fair value of the trade names is comprised of $556.9 million of non-amortizable intangible assets and $67.2 million of amortizable intangible assets. We are amortizing the purchased amortizable intangible assets on a straight-line basis over an estimated weighted average useful life of 19.3 years. The weighted average remaining life for amortizable intangible assets at March 31, 2013 was 18.0 years.

The operating results of the GSK Brands I have been included in our Consolidated Financial Statements from February 1, 2012, while the operating results of the GSK Brands II are included in our Consolidated Financial Statements beginning April 1, 2012. Revenues of the acquired operations for the year ended March 31, 2013 were $211.2 million, and net income was $27.4 million.

Blacksmith Acquisition

On November 1, 2010, we acquired 100% of the capital stock of Blacksmith for $190.0 million in cash, plus a working capital adjustment of $13.4 million, and we paid an additional $1.1 million on behalf of Blacksmith for the seller's transaction costs. In 2011, we brought to arbitration a matter regarding the working capital adjustment related to Blacksmith. On July 20, 2011, we received notification from the arbitrator that we would be awarded a working capital adjustment pending final resolution and distribution from the escrow agent. In September 2011, we received $1.2 million in settlement of this matter, which reduced the amount of recorded goodwill related to Blacksmith.

As a result of this acquisition, we acquired five leading consumer OTC brands: *Efferdent*, *Effergrip*, *PediaCare*, *Luden's*, and *NasalCrom*. We believe the acquisition of the five brands enhances our position in the OTC market and that these 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 11 to the Consolidated Financial Statements in this Annual Report on Form 10-K.

The Blacksmith 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 final allocation of the $203.4 million purchase price to the assets we acquired and liabilities we assumed on the Blacksmith acquisition date:

(In thousands)	November 1, 2010
Cash acquired	$ 2,507
Accounts receivable, net	17,473
Other receivables	1,198
Income taxes receivable	5
Inventories	22,155
Prepaids and other current assets	44
Property, plant and equipment, net	226
Goodwill	42,207
Trademarks	165,346
Other long-term assets	19
Total assets acquired	251,180
Accounts payable	7,060
Accrued expenses	5,212
Income taxes payable	2,031
Deferred income taxes	33,526
Total liabilities assumed	47,829
Total purchase price	$ 203,351

Transaction and other costs of $7.2 million associated with the Blacksmith acquisition are included in general and administrative expenses in our Consolidated Statements of Income and Comprehensive Income for 2011.

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

The fair value of the trademarks is comprised of $158.0 million of non-amortizable intangible assets and $7.3 million of amortizable intangible assets. We are amortizing the purchased amortizable intangible assets on a straight-line basis over an estimated useful life of 15 years. The weighted average remaining life for the amortizable intangible assets at March 31, 2013 was 12.6 years.

The operating results of Blacksmith have been included in our Consolidated Financial Statements from November 1, 2010, the date of acquisition. Revenues of the acquired operations from November 1, 2010 through March 31, 2011 were $34.8 million and the net loss was $4.8 million.

The following table provides our combined unaudited pro forma revenues, income from continuing operations and income from continuing operations per basic and diluted common share as if the acquisitions of Blacksmith and the GSK Brands occurred on April 1, 2010. The pro forma results were prepared from financial information obtained from the sellers of the businesses, as well as information obtained during the due diligence processes associated with the acquisitions. The unaudited pro forma results reflect certain adjustments related to the acquisitions, such as increased depreciation and amortization expense resulting from the stepped-up basis to fair value of the assets acquired and adjustments to reflect the Company's borrowing and tax rates. This pro forma information is not necessarily indicative either of the combined results of operations that actually would have been realized by us had the acquisition of Blacksmith and the GSK Brands 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)	Year Ended March 31, 2012	2011
	(Unaudited)	
Revenues	$ 616,849	$ 599,543
Income from continuing operations	69,989	34,913
Basic earnings per share:		
Income from continuing operations	$ 1.39	$ 0.70
Diluted earnings per share:		
Income from continuing operations	$ 1.38	$ 0.69

Dramamine Acquisition

On January 6, 2011, we acquired certain assets comprising the *Dramamine* brand in the United States. The purchase price was $77.1 million in cash, after a $0.1 million post-closing inventory adjustment and including transaction costs of $1.2 million incurred in the acquisition. We acquired the *Dramamine* brand primarily to expand our brand offerings and complement our existing OTC brands. The purchase price was funded by cash on hand.

In accounting for the acquisition of the *Dramamine* brand, we considered the Business Combinations topic of the ASC. Accordingly, as the *Dramamine* assets acquired do not constitute a business, as defined in the ASC, we have accounted for the transaction as an asset acquisition. The total consideration paid, including transaction costs, have been allocated to the tangible and intangible assets acquired based upon their relative fair values at the date of acquisition.

The allocation of the purchase price to assets acquired is based on valuations we performed to determine the fair value of such assets as of the acquisition date. The following table summarizes our allocation of the $77.1 million purchase price to the assets we acquired comprising the assets of the *Dramamine* brand:

(In thousands)	January 6, 2011
Inventories	$ 1,249
Trademark	75,866
Total purchase price	$ 77,115

The $75.9 million fair value of the acquired *Dramamine* trademark was comprised of non-amortizable intangible assets.

Discontinued Operations and Sale of Certain Assets

On September 1, 2010, we sold certain assets related to the *Cutex* nail polish remover brand for $4.1 million. In accordance with the Discontinued Operations topic of the ASC, we reclassified the related operating results as discontinued operations in the Consolidated Financial Statements and related notes in this Annual Report on Form 10-K for all periods presented. We recognized a loss of $0.9 million on a pre-tax basis and $0.6 million, net of related tax effects of $0.3 million, on the sale in 2011. As a result of the divestiture of *Cutex*, which comprised a substantial majority of the assets in our previously reported Personal Care segment, we reclassified the remaining Personal Care segment assets to the OTC Healthcare segment for all periods presented.

The following table summarizes the results of discontinued operations:

(In thousands)	Year Ended March 31, 2013	2012	2011
Components of Income			
Revenues	$ —	$ —	$ 4,027
Income (loss) from discontinued operations, net of tax	—	—	591

Sale of the Phazyme Brand

On October 31, 2012, we divested the *Phazyme* gas treatment brand, which was a non-core OTC brand that we acquired from GSK in January 2012. We received $21.7 million from the divestiture on October 31, 2012 and the remaining $0.6 million on January 4, 2013. The proceeds were used to repay debt. No significant gain or loss was recorded as a result of the sale.

Concurrent with the completion of the sale of the *Phazyme* brand, we entered into a Transitional Services Agreement with the buyer (the "Phazyme TSA"), whereby we agreed to provide the buyer with various services including: marketing, operations, finance and other services from the date of the acquisition primarily through January 31, 2013, with an option for additional support for the Canadian portion of that business through October 31, 2013, at the buyer's discretion. All Phazyme United States TSA services ended, as agreed, on January 31, 2013. However, the buyer elected to extend the Canadian TSA support on a month to month basis. As part of the ongoing Phazyme TSA, our Canadian distributor will, among other things, ship products, invoice customers, collect from customers and pay certain vendors on the buyer's behalf.

The following table presents the assets sold at October 31, 2012 related to the *Phazyme* brand:

(In thousands)	**October 31, 2012**
Components of assets sold:	
Inventory	$ 220
Prepaid expenses	100
Trade names	15,604
Goodwill	6,382

Critical Accounting Policies and Estimates

Our significant accounting policies are described in the notes to the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K. While all significant accounting policies are important to our Consolidated Financial Statements, certain of these policies may be viewed as being critical. Such policies are those that are both most important to the portrayal of our financial condition and results from operations and require our most difficult, subjective and complex estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses or the related disclosure of contingent assets and liabilities. These estimates are based upon our historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates. The most critical accounting policies 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 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. We have determined that these criteria are met and the transfer of risk of loss generally occurs when product is received by the customer, and, accordingly we recognize revenue at that time. Provision is made for estimated discounts related to customer payment terms and estimated product returns at the time of sale based on our historical experience.

As is customary in the consumer products industry, we participate in the promotional programs of our customers to enhance the sale of our products. The cost of these promotional programs varies based on the actual number of units sold during a finite period of time. 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. Estimates of the costs of these promotional programs are based on (i) historical sales experience, (ii) the current promotional offering, (iii) forecasted data, (iv) current market conditions, and (v) communication with customer purchasing/marketing personnel. We recognize the cost of such sales incentives by recording an estimate of such cost as a reduction of revenue, at the later of (a) the date the related revenue is recognized, or (b) the date when a particular sales incentive is offered. At the completion of the promotional program, these estimated amounts are adjusted to actual amounts. Our related promotional expense for 2013, 2012, and 2011 was $35.6 million, $32.2 million, and $21.3 million, respectively. In 2013, 2012, and 2011 we participated in over 9,000, 7,000, and 6,000 promotional campaigns, respectively. For all three years, the average cost per campaign was less than $5,000. Of such amount, approximately 1,400, 1,000, and 1,000 payments were in excess of $5,000 in 2013, 2012, and 2011, respectively. 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 each of 2013, 2012, and 2011, our operating income would have been reduced by approximately $3.6 million, $3.2 million, and $2.1 million, respectively. Net income would have been adversely affected by approximately $2.2 million, $1.9 million, and $1.3 million, respectively.

We also periodically run coupon programs in Sunday newspaper inserts, on our product website, 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 2013, we had 263 coupon events. The amount recorded against revenues and accrued for these events during the year was $8.3 million. Cash settlement of coupon redemptions during the year was $7.3 million.

Allowances for Product Returns

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

We construct our returns analysis by looking at the previous year's return history for each brand. Subsequently, each month, we estimate our current return rate based upon an average of the previous six months' return rate and review that calculated rate for reasonableness, giving consideration to the other factors described above. Our historical return rate has been relatively stable; for example, for the years ended March 31, 2013, 2012 and 2011, returns represented 2.9%, 2.9% and 2.7%, respectively, of gross sales. At March 31, 2013 and 2012, the allowance for sales returns was $6.4 million and $3.3 million, respectively.

While we utilize the methodology described above to estimate product returns, actual results may differ materially from our estimates, causing our future financial results to be adversely affected. Among the factors that could cause a material change in the estimated return rate would be significant unexpected returns with respect to a product or products that comprise a significant portion of our revenues. Based upon the methodology described above and our actual returns experience, management believes the likelihood of such an event remains remote. As noted, over the last three years our actual product return rate has stayed within a range of 2.7% to 2.9% of gross sales. A hypothetical increase of 0.1% in our estimated return rate as a percentage of gross sales would have decreased our reported sales and operating income for 2013 by approximately $1.0 million. Net income would have been reduced by approximately $0.6 million.

Lower of Cost or Market for Obsolete and Damaged Inventory

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

Many of our products are subject to expiration dating. As a general rule, our customers will not accept goods with expiration dating of less than 12 months from the date of delivery. To monitor this risk, management utilizes a detailed compilation of inventory with expiration dating between zero and 15 months and reserves for 100% of the cost of any item with expiration dating of 12 months or less. Inventory obsolescence costs charged to operations for 2013, 2012, and 2011 were $3.2 million, $3.3 million and $0.2 million, respectively, or 0.5%, 0.8% and 0.1%, respectively, of net sales.

Allowance for Doubtful Accounts

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

We establish specific reserves for those accounts which file for bankruptcy, have no payment activity for 180 days, or have reported major negative changes to their financial condition. The allowance for bad debts amounted to 1.1% of accounts receivable at both March 31, 2013 and 2012. Bad debt expense in each of the years 2013, 2012 and 2011 was $0.3 million, representing less than 0.1% of net sales for each of 2013, 2012 and 2011.

While management believes that it is diligent in its evaluation of the adequacy of the allowance for doubtful accounts, an unexpected event, such as the bankruptcy filing of a major customer, could have an adverse effect on our future financial results. A hypothetical increase of 0.1% in our bad debt expense as a percentage of net sales in 2013 would have resulted in a decrease in reported operating income of approximately $0.6 million, and a decrease in our reported net income of approximately $0.4 million.

Valuation of Intangible Assets and Goodwill

Goodwill and intangible assets amounted to $1,540.8 million and $1,574.2 million at March 31, 2013 and 2012, respectively. At March 31, 2013 and 2012, goodwill and intangible assets were apportioned among similar product groups within our two operating segments as follows:

	March 31, 2013			March 31, 2012		
(*In thousands*)	**Over-the-Counter Healthcare**	**Household Cleaning**	**Consolidated**	**Over-the-Counter Healthcare**	**Household Cleaning**	**Consolidated**
Goodwill	$ 160,157	$ 7,389	$ 167,546	$ 166,313	$ 7,389	$ 173,702
Intangible assets, net						
Indefinite-lived:						
Analgesics	341,123	—	341,123	342,164	—	342,164
Cough & Cold	185,453	—	185,453	185,453	—	185,453
Gastrointestinal	213,639	—	213,639	214,060	—	214,060
Eye & Ear Care	172,318	—	172,318	172,552	—	172,552
Dermatologicals	149,927	—	149,927	149,927	—	149,927
Oral Care	61,438	—	61,438	61,438	—	61,438
Other OTC	—	—	—	—	—	—
Household Cleaning	—	119,820	119,820	—	119,820	119,820
Total indefinite-lived intangible assets, net	1,123,898	119,820	1,243,718	1,125,594	119,820	1,245,414
Finite-lived:						
Analgesics	4,341	—	4,341	4,585	—	4,585
Cough & Cold	22,527	—	22,527	17,803	—	17,803
Gastrointestinal	12,805	—	12,805	27,690	—	27,690
Eye & Ear Care	8,573	—	8,573	9,109	—	9,109
Dermatologicals	6,321	—	6,321	7,651	—	7,651
Oral Care	18,551	—	18,551	19,880	—	19,880
Other OTC	28,493	—	28,493	38,734	—	38,734
Household Cleaning	—	27,911	27,911	—	29,656	29,656
Total finite-lived intangible assets, net	101,611	27,911	129,522	125,452	29,656	155,108
Total intangible assets, net	1,225,509	147,731	1,373,240	1,251,046	149,476	1,400,522
	$ 1,385,666	$ 155,120	$ 1,540,786	$ 1,417,359	$ 156,865	$ 1,574,224

The decrease in goodwill of $6.2 million for 2013 was primarily due to the sale of the *Phazyme* brand. As discussed in Note 8 to the Consolidated Financial Statements, we reduced goodwill by $6.4 million as a result of this divestiture. The decrease in the indefinite-lived intangible assets of $1.7 million for 2013 was due to a reclassification to finite-lived intangible assets related to the acquired GSK Brands, as discussed in Note 9 to the Consolidated Financial Statements. The decrease in the finite-lived intangible assets of $25.6 million for 2013 was primarily due to the sale of the *Phazyme* brand, combined with the amortization of the acquired GSK Brands. As discussed in Note 9 to the Consolidated Financial Statements, we reduced the net book value of our intangible assets by $15.6 million as a result of the *Phazyme* divestiture.

Our *Chloraseptic*, *Clear Eyes*, *Compound W*, *Dramamine*, *Efferdent*, *Luden's*, *PediaCare*, *BC*, *Goody's*, *Ecotrin*, *Beano*, *Gaviscon*, *Tagamet*, *Fiber Choice*, *Dermoplast*, *New-Skin*, *Sominex*, and *Debrox* brands comprise the majority of the value of the intangible

assets within the OTC Healthcare segment. The *Chore Boy*, *Comet* and *Spic and Span* brands comprise substantially all of the intangible asset value within the Household Cleaning segment.

Goodwill and intangible assets comprise substantially all of our assets. Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed in a purchase business combination. Intangible assets generally represent our trademarks, brand names and patents. When we acquire a brand, we are required to make judgments regarding the value assigned to the associated intangible assets, as well as their respective useful lives. Management considers many factors both prior to and after the acquisition of an intangible asset in determining the value, as well as the useful life, assigned to each intangible asset that 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 generally warrants a higher valuation and a longer life than a brand that has weak or declining sales. Similarly, consideration is given to the potential investment, in the form of advertising and promotion, which is required to reinvigorate a brand that has fallen from favor.

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

After consideration of the factors described above, as well as current economic conditions and changing consumer behavior, management prepares a determination of an intangible asset's value and useful life based on its analysis. Under accounting guidelines, goodwill is not amortized, but must be tested for impairment annually, or more frequently if an event 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 not amortized. They are also subject to an annual impairment test, or more frequently if events or changes in circumstances indicate that the asset may be impaired. Additionally, at each reporting period an evaluation must be made to determine whether events and circumstances continue to support an indefinite useful life. Intangible assets with finite lives are amortized over their respective estimated useful lives and must also be tested for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable and exceeds its fair value.

On an annual basis, during the fourth fiscal quarter, 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, if applicable, useful lives assigned to goodwill and intangible assets and tests for impairment.

We report goodwill and indefinite-lived intangible assets in two operating segments: OTC Healthcare and Household Cleaning. We identify our reporting units in accordance with the FASB ASC Subtopic 280-10, 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 valuation methodologies previously discussed. As a result, any material changes to these assumptions could require us to record additional impairment in the future. The Company has experienced revenue declines in regard to certain brands in its Household Cleaning segment during 2013, 2012 and 2011. Adverse changes in the expected operating results and/or unfavorable changes in other economic factors used to estimate fair values of these specific brands could result in a non-cash impairment charge in the future.

Goodwill

As of March 31, 2013, we had 15 reporting units with goodwill, including six reporting units resulting from the acquisition of the GSK Brands. As part of our annual test for impairment of goodwill, management estimates the discounted cash flows of each reporting unit, which is at the brand level, and one level below the operating segment level, to estimate their respective fair values. In performing this analysis, management considers the same types of information as listed below in regard to finite-lived intangible assets. In the event that the carrying amount of the reporting unit exceeds the fair value, management would then be required to allocate the estimated fair value of the assets and liabilities of the reporting unit as if the unit was acquired in a business combination, thereby revaluing the carrying amount of goodwill. Future events, such as competition, technological advances and reductions in advertising support for our trademarks and trade names, could cause subsequent evaluations to utilize different assumptions.

Indefinite-Lived Intangible Assets

At each reporting period, management analyzes current events and circumstances to determine whether the indefinite life classification for a trademark or trade name continues to be valid. If circumstances warrant a change to a finite life, the carrying value of the intangible asset would then be amortized prospectively over the estimated remaining useful life.

Management tests the indefinite-lived intangible assets for impairment by comparing the carrying value of the intangible asset to its estimated fair value. Since quoted market prices are seldom available for trademarks and trade names such as ours, we utilize present value techniques to estimate fair value. Accordingly, management's projections are utilized to assimilate all of the facts, circumstances and expectations related to the trademark or trade name and estimate the cash flows over its useful life. In performing this analysis, management considers the same types of information as listed below in regard to finite-lived intangible assets. Once that analysis is completed, a discount rate is applied to the cash flows to estimate fair value. In a manner similar to goodwill, 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.

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.

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

Impairment Analysis
We utilize the discounted cash flow method to estimate the fair value of our indefinite-lived intangible assets and goodwill and the undiscounted cash flow method to estimate the fair value of our finite-lived intangible assets. This methodology is a widely-accepted valuation technique to estimate fair value utilized by market participants in the transaction evaluation process and has been applied consistently. In addition, we considered our market capitalization at March 31, 2013, 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. As a result of our analysis, we did not record an impairment charge in 2013.

The aggregate fair value exceeded the carrying value by 57.6%. Two individual reporting unit's fair value exceeded their carrying values by less than 10.0%. The first reporting unit's associated carrying value of goodwill and intangible assets amounted to $8.0 million at March 31, 2013. The second reporting unit's associated carrying value of goodwill and intangible assets amounted to $58.4 million at March 31, 2013. Additionally, certain brands, including certain of our household brands, have experienced recent revenue declines. While the fair value of these reporting units exceeds the carrying value by more than 10%, should such revenue declines continue, the fair value of the corresponding reporting units may no longer exceed their carrying value and we would be required to record an impairment charge.

The discount rate utilized in the analyses, as well as future cash flows, may be influenced by such factors as changes in interest rates and rates of inflation. Additionally, should the related fair values of goodwill and intangible assets 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 impairment charges in the future.

In accordance with recent guidance from the FASB, an entity is permitted to first assess qualitative factors in testing goodwill for impairment prior to performing a quantitative assessment. The new guidance is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011, and became effective for the Company in 2013. The adoption of this new guidance did not have a material impact on our Consolidated Financial Statements.

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 the equity award. Compensation expense is to be recognized over the period during 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 prepares various analyses 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 net non-cash compensation expense of $3.8 million, $3.1 million and $3.6 million during 2013, 2012 and 2011, respectively. During 2011, performance goals related to certain restricted stock grants were met and recorded accordingly. Assuming no changes in assumptions and no new awards authorized by the Compensation Committee of the Board of Directors, we expect to record non-cash compensation expense of approximately $2.1 million during 2014. On May 9, 2012, the Compensation Committee of our Board of Directors granted 111,152 shares of restricted common stock units and stock options to acquire 422,962 shares of our common stock to certain executive officers and employees under the Company's 2005 Long-Term Equity Incentive Plan (the "Plan"). On June 29, 2012, the Compensation Committee of our Board of Directors granted 12,652 shares of restricted common stock units to the independent members of the Board of Directors under the Plan. On August 6, 2012, the Compensation Committee of the Board of Directors granted 5,109 shares of restricted common stock units and stock options to acquire 21,978 shares of our common stock to Matthew M. Mannelly, our President and CEO, under the Plan.

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

- Rules and regulations promulgated by regulatory agencies;

- Sufficiency of the evidence in support of our position;
- Anticipated costs to support our position; and
- Likelihood of a positive outcome.

Recent Accounting Pronouncements

In March 2013, the FASB issued guidance relating to the release of cumulative translation adjustments into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets. The guidance is effective prospectively for annual reporting periods beginning after December 15, 2013, and interim periods within those annual periods. Early adoption is permitted. The adoption of this new guidance is not expected to have a material impact on our Consolidated Financial Statements.

In July 2012, the FASB issued guidance regarding testing the impairment of indefinite-lived intangible assets other than goodwill. The new guidance is intended to simplify how entities test impairment of indefinite-lived intangible assets other than goodwill. The new guidance permits an entity to first assess qualitative factors to determine whether it is "more-likely-than-not" that the fair value of the asset is less than its carrying amount as a basis for determining whether it is necessary to perform the impairment test described in the ASC Intangibles-Goodwill and Other topic. The more-likely-than-not threshold is defined as having a likelihood of more than 50%. The new guidance is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted. We do not expect that the adoption of this new guidance will have a material impact on our Consolidated Financial Statements.

In December 2011, the FASB issued guidance regarding disclosures about offsetting assets and liabilities. The new disclosure requirements mandate that entities disclose both gross and net information about instruments and transactions eligible for offset in the statement of financial position as well as instruments and transactions subject to an agreement similar to a master netting arrangement. In addition, the standard requires disclosure of collateral received and posted in connection with master netting agreements or similar arrangements. An entity will be required to disclose the following information for assets and liabilities within the scope of the new standard: (i) the gross amounts of those recognized assets and those recognized liabilities; (ii) the amounts offset to determine the net amounts presented in the statement of financial position; (iii) the net amounts presented in the statement of financial position; (iv) the amounts subject to an enforceable master netting arrangement or similar agreement not otherwise included in (ii); and (v) the net amount after deducting the amounts in (iv) from the amounts in (iii). The standard affects all entities with balances presented on a net basis in the financial statements, derivative assets and derivative liabilities, repurchase agreements, and financial assets and financial liabilities executed under a master netting or similar arrangement. This guidance was effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The adoption of this new guidance is not expected to have a material impact on our Consolidated Financial Statements. However, our TSA with GSK provided that, during the term of the arrangement, we would receive a net monthly remittance and, therefore, we have reported a net amount due from GSK in our accounts receivable at March 31, 2012 of $8.4 million. Since the TSA ended June 30, 2012, we do not have any amounts due from GSK in our accounts receivable at March 31, 2013.

In June 2011, the FASB issued guidance regarding presentation of comprehensive income. Under the ASC Comprehensive Income topic, entities are allowed the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. This guidance eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. This guidance does not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income.

In December 2011, the FASB issued guidance to defer the new requirement to present components of reclassifications of other comprehensive income on the face of the income statement. Based on this guidance, entities are still required to adopt either the single continuous statement or the two-statement approach required by the new guidance. However, entities should continue to report reclassifications out of accumulated other comprehensive income consistent with the requirements in effect before the adoption of the new standard (i.e., by component of other comprehensive income, either by displaying each component on a gross basis on the face of the appropriate financial statement or by displaying each component net of other changes on the face of the appropriate financial statement with the gross change disclosed in the notes). The December 2011 deferral of the guidance issued in June 2011, as well as the June 2011 guidance, are effective at the same time. The new guidance and this deferral were effective for the Company beginning with the three months ended June 30, 2012, and full retrospective application is required. The adoption of this new guidance did not have a material impact on our Consolidated Financial Statements.

In February 2013, the FASB issued guidance relating to the disclosure of items reclassified out of accumulated other comprehensive income. The new guidance requires that for those items that are reclassified out of accumulated other comprehensive income and into net income in their entirety, the effect of the reclassification on each affected net income line item be disclosed. For accumulated other comprehensive income reclassification items that are not reclassified in their entirety into net income, a cross reference must be made to other required disclosures. The guidance is effective prospectively for annual reporting periods beginning after December 15, 2012, and interim periods within those annual periods. Early adoption is permitted. The update impacts presentation and disclosure only, and therefore adoption is not expected to have a material impact on our Consolidated Financial Statements.

In September 2011, the FASB issued guidance regarding testing goodwill for impairment. The new guidance is intended to simplify how entities test goodwill for impairment. The new guidance permits an entity to first assess qualitative factors to determine whether it is "more-likely-than-not" that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in the ASC Intangibles-Goodwill and Other topic. The more-likely-than-not threshold is defined as having a likelihood of more than 50%. The new guidance is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The adoption of this new guidance did not 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.

Results of Operations

2013 compared to 2012

Revenues	2013	%	2012	%	Increase (Decrease)	%
Analgesics	$ 108,144	17.3	$ 18,930	4.3	$ 89,214	471.3
Cough & Cold	126,974	20.3	116,669	26.4	10,305	8.8
Gastrointestinal	97,940	15.7	29,489	6.7	68,451	232.1
Eye & Ear Care	86,380	13.9	74,363	16.9	12,017	16.2
Dermatologicals	52,401	8.4	52,592	11.9	(191)	(0.4)
Oral Care	49,617	8.0	46,551	10.6	3,066	6.6
Other OTC	15,475	2.5	6,407	1.4	9,068	141.5
Total OTC Healthcare Revenues	536,931	86.1	345,001	78.2	191,930	55.6
Household Cleaning	86,666	13.9	96,084	21.8	(9,418)	(9.8)
Consolidated Revenues	$ 623,597	100.0	$ 441,085	100.0	$ 182,512	41.4

Revenues for 2013 were $623.6 million, an increase of $182.5 million, or 41.4%, versus 2012. Revenues for 2013 increased versus the prior year primarily due to the impact of the acquisition of 17 GSK Brands in the fourth quarter of 2012, which increased 2013 revenues by $180.8 million versus 2012 by adding $211.2 million in 2013 to our OTC Healthcare segment revenues versus $30.4 million in 2012. Revenues for the Household Cleaning segment declined 9.8% during 2013 versus 2012. Revenues from customers outside of North America, which represent 2.7% of total revenues, increased by $1.6 million, or 10.6%, during 2013 versus 2012.

OTC Healthcare Segment

Revenues for the OTC Healthcare segment increased $191.9 million, or 55.6%, during 2013 versus 2012. The GSK Brands added $180.8 million, while our legacy OTC Healthcare brands contributed to the remainder of the net revenue increase. Revenue increases for *Chloraseptic*, *Little Remedies*, *PediaCare*, *Dramamine*, and *Efferdent* products were partially offset by revenue decreases in our other OTC Healthcare brands. We believe our core OTC Healthcare brands have continued to benefit from increased advertising and promotional investment, which has translated into organic sales growth.

Household Cleaning Segment

Revenues for the Household Cleaning segment decreased $9.4 million, or 9.8%, during 2013 versus 2012. *Comet* revenues decreased primarily due to lower demand for non-abrasive products. *Spic and Span* revenues decreased as a result of lower demand for dilutables.

Cost of Sales	2013	%	2012	%	Increase (Decrease)	%
OTC Healthcare	$ 211,654	39.4	$ 143,151	41.5	$ 68,503	47.9
Household Cleaning	64,727	74.7	70,550	73.4	(5,823)	(8.3)
	$ 276,381	44.3	$ 213,701	48.4	$ 62,680	29.3

Cost of sales increased $62.7 million, or 29.3%, during 2013 versus 2012. As a percent of total revenue, cost of sales decreased from 48.4% in 2012 to 44.3% in 2013. The decrease in cost of sales as a percent of revenues was primarily due to the lower cost of sales associated with the GSK Brands and the change in product mix associated with the acquired GSK Brands. This decrease was partially offset by the higher cost of sales percentage for the Household Cleaning products.

OTC Healthcare Segment

Cost of sales for the OTC Healthcare segment increased $68.5 million, or 47.9%, during 2013 versus 2012. As a percentage of OTC Healthcare revenues, cost of sales in the OTC Healthcare segment decreased from 41.5% during 2012 to 39.4% during 2013. The reduction in cost of sales as a percentage of revenues is primarily attributable to the acquired GSK Brands, which have lower cost of sales.

Household Cleaning Segment

Cost of sales for the Household Cleaning segment decreased $5.8 million, or 8.3%, during 2013 versus 2012. As a percentage of Household Cleaning revenues, cost of sales increased from 73.4% during 2012 to 74.7% during 2013. The increase in the cost of sales percentage was the result of lower revenues and higher product costs associated with promotional products and other discounting.

Gross Profit	2013	%	2012	%	Increase (Decrease)	%
OTC Healthcare	$ 325,277	60.6	$ 201,850	58.5	$ 123,427	61.1
Household Cleaning	21,939	25.3	25,534	26.6	(3,595)	(14.1)
	$ 347,216	55.7	$ 227,384	51.6	$ 119,832	52.7

Gross profit during 2013 increased $119.8 million, or 52.7%, versus 2012. As a percentage of total revenues, gross profit increased from 51.6% in 2012 to 55.7% in 2013. The higher gross profit was primarily the result of the acquired GSK Brands, which increased gross profit by $113.9 million, partially offset by decreases in gross profit from our Household Cleaning segment, primarily *Comet*. The increase in gross profit as a percentage of revenues was primarily due to the higher gross profit recognized as a result of the larger percentage of overall sales of OTC Healthcare products, which provide a higher gross profit margin than the Household Cleaning products.

OTC Healthcare Segment

Gross profit for the OTC Healthcare segment increased $123.4 million, or 61.1%, during 2013 versus 2012. As a percentage of revenues, gross profit in the OTC Healthcare segment increased from 58.5% during 2012 to 60.6% during 2013. The increase in gross profit percentage was primarily the result of higher margins on the GSK Brands we acquired. The full year impact of the acquired GSK Brands in 2012 contributed $113.9 million to gross profit in 2013.

Household Cleaning Segment

Gross profit for the Household Cleaning segment decreased $3.6 million, or 14.1%, during 2013 versus 2012. As a percentage of Household Cleaning revenues, gross profit decreased from 26.6% during 2012 to 25.3% during 2013. The decrease in gross profit percentage was the result of the lower revenues, attributable to the *Comet* and *Spic and Span* brands, and higher product costs associated with promotional products and other discounting in the *Comet* brand.

Contribution Margin	2013	%	2012	%	Increase (Decrease)	%
OTC Healthcare	$ 240,740	44.8	$ 149,955	43.5	$ 90,785	60.5
Household Cleaning	15,846	18.3	20,302	21.1	(4,456)	(21.9)
	$ 256,586	41.1	$ 170,257	38.6	$ 86,329	50.7

Contribution margin, a non-GAAP financial measure, is defined as gross profit less advertising and promotional expenses, and is discussed further in Note 19 to the Consolidated Financial Statements. Contribution margin for 2013 increased $86.3 million, or 50.7%, versus 2012. The contribution margin increase was primarily the result of the higher gross profit previously discussed, offset by higher advertising and promotional spending in the OTC Healthcare segment. The acquired GSK Brands added $88.4 million to total contribution margin.

OTC Healthcare Segment

Contribution margin for the OTC Healthcare segment increased $90.8 million, or 60.5%, during 2013 versus 2012. The contribution margin increase was the result of the increase in gross margin of the OTC Healthcare segment as previously discussed, offset by a $32.6 million, or 62.9%, increase in advertising and promotional spending, of which $25.5 million related to the GSK Brands. The GSK Brands added $88.4 million to the contribution margin of the OTC Healthcare segment.

Household Cleaning Segment

Contribution margin for the Household Cleaning segment decreased $4.5 million, or 21.9%, during 2013 versus 2012. The contribution margin decrease was the result of the decrease in gross profit as previously discussed, and an increase in advertising and promotional spending for the *Comet* brand.

General and Administrative

General and administrative expenses were $51.5 million for 2013 versus $56.7 million for 2012. The decrease in general and administrative expenses was due primarily to higher acquisition costs in 2012 related to the acquisition of the GSK Brands of $13.8 million and higher professional fees in 2012 of $1.2 million incurred. These costs were offset by $5.2 million of higher compensation costs associated with increased personnel, a lease termination charge of $1.0 million associated with our office relocation, $0.8 million of excess TSA costs associated with the GSK Brands acquisition, higher product regulatory and insurance charges of $0.7 million, warehouse relocation costs of $0.7 million and higher business development and consulting costs of $0.5 million incurred in 2013.

Depreciation and Amortization

Depreciation and amortization expense was $13.2 million for 2013 versus $10.7 million for 2012. The increase in expense was primarily attributable to the amortization of the trademarks acquired related to the GSK Brands and to the new assets placed into service associated with our new office facility in New York.

Impairment of Intangible Assets and Goodwill

During the fourth quarter of 2013 and 2012, we performed our annual impairment analysis of intangible assets and goodwill. No impairment charges were recorded in 2013 or 2012. However, reporting units whose fair value exceeded their carrying value by 5.4% or less included goodwill and intangible assets amounting to $66.4 million.

Interest Expense

Net interest expense was $84.4 million during 2013 versus $41.3 million during 2012. The increase in interest expense was primarily the result of a higher level of indebtedness incurred as a result of the acquisition of the GSK Brands and the acceleration of a portion of our deferred financing costs and debt discount on our 2012 Term Loan. During the year ended March 31, 2013, we made significant payments toward our outstanding indebtedness under our 2012 Term Loan. As such, we accelerated the amortization of a portion of the deferred financing costs and the debt discount related to the 2012 Term Loan in the amount of $5.1 million and $2.6 million, respectively. The average cost of funds increased to 7.9% for 2013 versus 6.7% for 2012. This increase was attributed to the accelerated portion of the deferred financing costs and debt discount. The average indebtedness outstanding increased from $621.1 million during 2012 to $1,065.0 million during 2013. The increase in the average indebtedness outstanding was the result of the additional borrowings related to the acquisition of the GSK Brands in January 2012.

Loss on Extinguishment of Debt

In February 2013, we refinanced our 2012 Term Loan as a result of the entry into a new amendment as described in Note 11 to our Consolidated Financial Statements. In connection with the refinancing, we recognized a $1.4 million loss on the extinguishment of debt for 2013.

Income Taxes

The provision for income taxes from continuing operations during 2013 was $40.5 million versus $23.9 million in 2012. The effective tax rate on pretax income from continuing operations was 38.2% during 2013 versus 39.2% during 2012. The 2013 tax rate reflects the impact of non-deductible compensation of $1.7 million and a non-cash benefit of $1.7 million for expected lower future state taxes. The 2012 tax rate reflects the impact of non-deductible compensation of $1.3 million and a non-cash benefit of $1.2 million for expected lower future state taxes.

2012 compared to 2011

Revenues	2012	%	2011	%	Increase (Decrease)	%
Analgesics	$ 18,930	4.3	$ 3,063	0.9	$ 15,867	518.0
Cough & Cold	116,669	26.4	75,013	22.3	41,656	55.5
Gastrointestinal	29,489	6.7	4,067	1.2	25,422	625.1
Eye & Ear Care	74,363	16.9	70,724	21.0	3,639	5.1
Dermatologicals	52,592	11.9	51,398	15.3	1,194	2.3
Oral Care	46,551	10.6	26,518	7.9	20,033	75.5
Other OTC	6,407	1.4	3,802	1.1	2,605	68.5
Total OTC Healthcare Revenues	345,001	78.2	234,585	69.7	110,416	47.1
Household Cleaning	96,084	21.8	101,925	30.3	(5,841)	(5.7)
Consolidated Revenues	$ 441,085	100.0	$ 336,510	100.0	$ 104,575	31.1

Revenues for 2012 were $441.1 million, an increase of $104.6 million, or 31.1%, versus 2011. Revenues for the OTC Healthcare segment increased versus the prior year primarily due to the impact of a full year of contribution from Blacksmith and *Dramamine* and the acquisition of the GSK Brands I. Revenues for the Household Cleaning segment declined 5.7% during 2012 versus 2011. Revenues from customers outside of North America, which represented 3.5% of total revenues in 2012, increased by $1.1 million, or 7.5%, during 2012 versus 2011.

OTC Healthcare Segment

Revenues for the OTC Healthcare segment increased $110.4 million, or 47.1%, during 2012 versus 2011. Acquisitions of the Blacksmith and *Dramamine* brands added $72.1 million of revenue and the acquired GSK Brands I added $30.4 million of revenue, while our legacy OTC Healthcare brands contributed to the remainder of the net revenue increase. Revenue increases for *Clear Eyes*, *Compound W*, *The Doctor's* and *Little Remedies* were partially offset by revenue decreases in our other OTC Healthcare brands. We believe our core OTC Healthcare brands have continued to benefit from increased advertising and promotional investment, which has translated into organic sales growth.

Household Cleaning Segment

Revenues for the Household Cleaning segment decreased $5.8 million, or 5.7%, during 2012 versus 2011. *Comet* revenues decreased primarily due to softer consumer consumption of non-abrasive products. *Chore Boy* and *Spic and Span* revenues increased as a result of increased promotional activity and expanded distribution and consumer demand for *Spic and Span* sprays and *Chore Boy* copper scrubbers.

Cost of Sales	2012	%	2011	%	Increase (Decrease)	%
OTC Healthcare	$ 143,151	41.5	$ 97,710	41.7	$ 45,441	46.5
Household Cleaning	70,550	73.4	67,922	66.6	2,628	3.9
	$ 213,701	48.4	$ 165,632	49.2	$ 48,069	29.0

Cost of sales during 2012 increased $48.1 million, or 29.0%, versus 2011. As a percentage of total revenue, cost of sales decreased from 49.2% in 2011 to 48.4% in 2012. The decrease in cost of sales as a percentage of revenues was primarily due to the charges related to the step-up adjustments related to the inventory valuation of the acquired Blacksmith and *Dramamine* brands in 2011 of $7.3 million, while the charges related to the step-up adjustment related to the GSK Brands I amounted to $1.8 million in 2012. Additionally, cost of sales as a percentage of revenues decreased due to the change in product mix associated with the acquired GSK Brands I, which have a lower cost of sales, offset by the higher cost of sales for the Household Cleaning products.

OTC Healthcare Segment

Cost of sales for the OTC Healthcare segment increased $45.4 million, or 46.5%, during 2012 versus 2011. As a percentage of revenues, cost of sales in the OTC Healthcare segment decreased from 41.7% during 2011 to 41.5% during 2012. The reduction in cost of sales as a percentage of revenues is primarily attributable to the acquired GSK Brands I and the full year impact of *Dramamine*, which are lower cost products, partially offset by the higher cost products acquired from Blacksmith brands for the

full year of 2012. Additionally, the inventory step-up adjustment of $1.8 million in 2012 related to the GSK Brands I was lower than the inventory step-up adjustment in 2011 related to the Blacksmith brands and *Dramamine*.

Household Cleaning Segment

Cost of sales for the Household Cleaning segment increased $2.6 million, or 3.9%, during 2012 versus 2011. As a percent of Household Cleaning revenues, cost of sales increased from 66.6% during 2011 to 73.4% during 2012. The increase in cost of sales percentage was the result of higher product costs associated with promotional products and other discounting.

Gross Profit	2012	%	2011	%	Increase (Decrease)	%
OTC Healthcare	$ 201,850	58.5	$ 136,875	58.3	$ 64,975	47.5
Household Cleaning	25,534	26.6	34,003	33.4	(8,469)	(24.9)
	$ 227,384	51.6	$ 170,878	50.8	$ 56,506	33.1

Gross profit during 2012 increased $56.5 million, or 33.1%, versus 2011. As a percentage of total revenue, gross profit increased from 50.8% in 2011 to 51.6% in 2012. The increase in gross profit as a percentage of revenues was primarily due to the higher gross profit recognized as a result of the larger percentage of overall sales of OTC Healthcare products, which provide a higher gross profit margin than the Household Cleaning products.

OTC Healthcare Segment

Gross profit for the OTC Healthcare segment increased $65.0 million, or 47.5%, during 2012 versus 2011. As a percentage of revenues, gross profit in the OTC Healthcare segment increased from 58.3% during 2011 to 58.5% during 2012. The full year impact in 2012 of the Blacksmith and *Dramamine* acquisitions increased gross profit by $36.1 million and the acquired GSK Brands I in 2012 contributed $18.4 million in gross profit. The remainder of the increase resulted from a higher sales volume of our legacy OTC Healthcare brands, as well as the reduction in the amount recognized for the step-up inventory adjustments in 2012 versus 2011. The increase in gross profit percentage was primarily the result of the reduction in the step-up adjustment in 2012, higher margins on the acquired *Dramamine* brand and slightly higher margins from our legacy OTC Healthcare brands, offset by lower margins on the acquired Blacksmith brands.

Household Cleaning Segment

Gross profit for the Household Cleaning segment decreased $8.5 million or 24.9%, during 2012 versus 2011. As a percentage of Household Cleaning revenues, gross profit decreased from 33.4% during 2011 to 26.6% during 2012. The decrease in gross profit percentage was the result of higher product costs associated with promotional products and other discounting in the *Comet* brand.

Contribution Margin	2012	%	2011	%	Increase (Decrease)	%
OTC Healthcare	$ 149,955	43.5	$ 100,123	42.7	$ 49,832	49.8
Household Cleaning	20,302	21.1	27,858	27.3	(7,556)	(27.1)
	$ 170,257	38.6	$ 127,981	38.0	$ 42,276	33.0

Contribution margin, a non-GAAP financial measure, is defined as gross profit less advertising and promotional expenses, and is discussed further in Note 19 to the Consolidated Financial Statements. Contribution margin for 2012 increased $42.3 million, or 33.0%, versus 2011. The contribution margin increase was primarily the result of the higher gross profit previously discussed, offset by higher advertising and promotional spending. The acquired Blacksmith, *Dramamine*, and GSK Brands contributed $40.7 million to contribution margin in 2012. The increase in advertising and promotional spending was primarily attributable to the acquired brands.

OTC Healthcare Segment

Contribution margin for the OTC Healthcare segment increased $49.8 million, or 49.8%, during 2012 versus 2011. The contribution margin increase was the result of the increase in gross margin of the OTC Healthcare segment as previously discussed, offset by a $15.1 million, or 41.2%, increase in advertising and promotional spending, of which $13.9 million related to the acquired Blacksmith, *Dramamine* brands and the GSK Brands I.

Household Cleaning Segment
Contribution margin for the Household Cleaning segment decreased $7.6 million, or 27.1%, during 2012 versus 2011. The contribution margin decrease was the result of the decrease in gross profit for the Household Cleaning segment as previously discussed, offset by a decrease in advertising and promotional spending for the *Comet* brand.

General and Administrative
General and administrative expenses were $56.7 million for 2012 versus $42.0 million for 2011. The increase in expense was due primarily to $13.8 million in costs associated with the acquisitions of the GSK Brands I, and $1.7 million in costs associated with the unsolicited proposal to acquire all of the common stock of the Company.

Depreciation and Amortization
Depreciation and amortization expense was $10.7 million for 2012 versus $9.9 million for 2011. The increase is primarily due to higher amortization related to the acquired GSK Brands I in 2012 and, to a lesser extent, the full year of amortization from the acquired Blacksmith brands in 2011.

Impairment of Intangible Assets and Goodwill
During the fourth quarters of 2012 and 2011, we performed our annual impairment analysis of intangible assets and goodwill. No impairment charges were recorded in 2012 or 2011.

Interest Expense
Net interest expense was $41.3 million during 2012 versus $27.3 million during 2011. The increase in interest expense was primarily the result of a higher level of indebtedness incurred as a result of the acquisition of the GSK Brands. The average cost of funds remained constant at approximately 6.7% for 2011 and 2012, while the average indebtedness increased from $410.0 million during 2011 to $621.1 million during 2012.

Gain on Settlement
On June 15, 2011, we received a settlement payment of $8.0 million in resolution of a pending litigation matter. We incurred costs of $2.9 million in pursuing this matter, which we initiated for legal malpractice, breach of contract and breach of fiduciary duty against a law firm and two individual lawyers who had previously provided legal representation to us. Therefore, during 2012, we recorded a pre-tax gain on settlement of $5.1 million net of costs incurred, which is included in other (income) expense, as this gain did not relate to our ongoing operations.

Loss on Extinguishment of Debt
In January 2012, we made a payment of $184.0 million to fully repay our 2010 Senior Term Loan as a result of the entry into the new senior secured credit facilities described in Note 11 to our Consolidated Financial Statements. In connection with the payoff of the 2010 Senior Term Loan, we recognized a $5.4 million loss on the extinguishment of debt for 2012. During 2011, we retired our Tranche B Term Loan facility with an original maturity date of April 6, 2011. We recognized a $0.3 million loss on the extinguishment of the Tranche B Term Loan facility for 2011.

Income Taxes
The provision for income taxes from continuing operations during 2012 was $23.9 million versus $19.3 million in 2011. The effective tax rate on pretax income from continuing operations was 39.2% during 2012 versus 39.9% during 2011. The 2012 tax rate reflects the impact of non-deductible compensation of $1.3 million and a non-cash benefit of $1.2 million for expected lower future state taxes. The 2011 tax rate reflects the impact of non-deductible transaction costs for the Blacksmith acquisition and a non-cash tax charge of $0.3 million related to our deferred tax liability for expected higher future state taxes.

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.

We entered into a 5.5 year lease for a new office facility in New York, which began on October 15, 2012. The New York office lease provides for a six month rent deferral with monthly rent payments beginning in May 2013 of approximately $78,000 and escalating to approximately $87,000 in the last two years of the lease.

On March 24, 2010, we entered into the 2010 Senior Term Loan, which provided for a $150.0 million senior secured term loan facility with a maturity date of March 24, 2016, entered into a $30.0 million senior secured revolving credit facility with a maturity

date of March 24, 2015 (the "2010 Revolving Credit Facility" and collectively with the 2010 Senior Term Loan, the "2010 Credit Facility") and issued $150.0 million of senior notes that bear interest at 8.25% with a maturity date of April 1, 2018 (the "2010 Senior Notes").

In November 2010, we issued an additional $100.0 million of 2010 Senior Notes and borrowed an additional $115.0 million term loan under the 2010 Credit Facility. In addition, in November 2010, we amended the 2010 Credit Facility to increase our borrowing capacity under the 2010 Revolving Credit Facility by $10.0 million to $40.0 million. 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 associated credit agreement, and fund the Blacksmith and *Dramamine* acquisitions.

On January 31, 2012, we issued $250.0 million of 2012 Senior Notes, with an interest rate of 8.125% and a maturity date of February 1, 2020, and also entered into a new senior secured credit facility, which consists of (i) the $660.0 million 2012 Term Loan with a seven-year maturity and (ii) the $50.0 million 2012 ABL Revolver with a five-year maturity. In September 2012, we utilized a portion of our accordion feature to increase the amount of our borrowing capacity under the 2012 ABL Revolver by $25.0 million to $75.0 million. We used the net proceeds from the 2012 Senior Notes offering, together with the borrowings under the 2012 Term Loan, to finance the acquisition of the GSK Brands, to repay amounts borrowed under our 2010 Credit Facility, to pay fees and expenses incurred in connection with these transactions and for general corporate purposes.

	Year Ended March 31,		
(In thousands)	**2013**	**2012**	**2011**
Net cash provided by (used in):			
Operating activities	$ 137,605	$ 67,452	$ 86,670
Investing activities	11,221	(662,206)	(275,680)
Financing activities	(152,117)	600,434	161,247

2013 compared to 2012

Operating Activities

Net cash provided by operating activities was $137.6 million for 2013 compared to $67.5 million for 2012. The $70.2 million increase in net cash provided by operating activities was primarily due to the higher profitability of the Company, which was largely attributed to the acquired GSK Brands and decreased working capital of $15.6 million. The working capital decrease was mainly the result of increased accounts payable related to the procurement of inventory for the GSK Brands and higher accrued liabilities, which were mostly related to higher marketing accruals associated with the GSK Brands, and higher accrued compensation costs. These working capital decreases were partially offset by increased inventories associated with the GSK Brands.

Consistent with 2012, our cash flow from operations in 2013 exceeded net income due to the substantial non-cash charges primarily related to depreciation and amortization, increases in deferred income tax liabilities resulting from differences in the amortization of intangible assets and goodwill for income tax and financial reporting purposes, the amortization of certain deferred financing costs and debt discount, a recognized loss on the early extinguishment of debt, and stock-based compensation costs.

Investing Activities

Net cash provided by investing activities was $11.2 million for 2013 compared to net cash used in investing activities of $662.2 million for 2012. The increase in net cash provided by investing activities for the year ended March 31, 2013 was due primarily to acquisition of the GSK Brands acquired in the prior year, partially offset by higher capital expenditures for leasehold improvements associated with the new corporate office lease and to higher equipment purchases primarily resulting from the increased personnel and systems requirements.

Financing Activities

Net cash used in financing activities was $152.1 million for 2013 compared to net cash provided by financing activities of $600.4 million for 2012. During the year ended March 31, 2013, we repaid $190.0 million of our outstanding 2012 Term Loan debt from the cash generated from operating activities, and borrowed $33.0 million, net of repayments on our 2012 ABL Revolver. This decreased our outstanding indebtedness to $978.0 million at March 31, 2013 from $1,135.0 million at March 31, 2012. During 2012, we issued $250.0 million of the 2012 Senior Notes, and borrowed $660.0 million under our 2012 Term Loan. These borrowings were offset by voluntary principal payments against outstanding indebtedness of $58.0 million in excess of required

payments under the 2010 Credit Facility and $25.0 million against the 2012 Term Loan, payment of $184.0 million to fully repay the 2010 Senior Term Loan, and payment of $33.3 million for deferred financing costs

2012 compared to 2011

Operating Activities

Net cash provided by operating activities was $67.5 million for 2012 compared to $86.7 million for 2011. The $19.2 million decrease in net cash provided by operating activities was primarily the result of a net cash outflow of $5.4 million related to working capital in 2012 compared to a net cash inflow of $31.4 million related to working capital in 2011 which resulted in a $36.8 million decrease in cash flow provided by working capital. This decrease was partially offset by a net increase of $17.6 million in net income plus non-cash expenses in 2012 compared to 2011, including higher acquisition and public company defense costs of $7.8 million in 2012 compared to 2011.

The increase in working capital in 2012 was primarily the result of higher accounts receivable due to the acquired GSK Brands and higher prepaid expenses, partially offset by higher accounts payable, accrued interest and lower inventory levels.

Consistent with 2011, our cash flow from operations in 2012 exceeded net income due to the substantial non-cash charges related to depreciation and amortization, increases in deferred income tax liabilities resulting from differences in the amortization of intangible assets and goodwill for income tax and financial reporting purposes, the amortization of certain deferred financing costs and debt discount, a recognized loss on the early extinguishment of debt, and stock-based compensation costs.

Investing Activities

Net cash used in investing activities was $662.2 million for 2012 compared to $275.7 million for 2011. The net cash used in investing activities during 2012 was primarily the result of the GSK Brands acquisition. The net cash used in investing activities during 2011 was primarily the result of the Blacksmith and *Dramamine* acquisitions, partially offset by the proceeds received from the *Cutex* divestiture.

Financing Activities

Net cash provided by financing activities was $600.4 million for 2012 compared to $161.2 million for 2011. During 2012, we issued $250.0 million of the 2012 Senior Notes, and borrowed $660.0 million under our 2012 Term Loan. These borrowings were offset by voluntary principal payments against outstanding indebtedness of $58.0 million in excess of required payments under the 2010 Credit Facility and $25.0 million against the 2012 Term Loan, payment of $184.0 million to fully repay the 2010 Senior Term Loan, and payment of $33.3 million for deferred financing costs. During 2011, we issued $100.0 million of 2010 Senior Notes, and borrowed $115.0 million under our 2010 Credit Facility, 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%. At March 31, 2012, our outstanding indebtedness was $1,135.0 million compared to $492.0 million at March 31, 2011.

Capital Resources

The 2010 Senior Term Loan included a discount to the lenders of $1.8 million resulting in our receipt of net proceeds of $148.2 million. The 2010 Senior Notes were issued at an aggregate face value of $150.0 million with a discount to noteholders of $2.2 million and net proceeds to us of $147.8 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 $7.3 million of costs primarily related to fees of bank arrangers and legal advisors, of which $6.6 million was capitalized as deferred financing costs and $0.7 million expensed. The deferred financing costs were being amortized over the term of the 2010 Senior Term Loan and are being amortized over the term of 2010 Senior Notes, and the balance was charged to expense upon the refinancing of the 2010 Credit Facility on January 31, 2012.

On November 1, 2010, in connection with the acquisition of Blacksmith, we amended our existing debt agreements and increased the amount borrowed thereunder. Specifically, on November 1, 2010, we amended our 2010 Credit Facility in order to allow us to (i) borrow an additional $115.0 million as an incremental term loan, with the same maturity date and other terms and conditions as the 2010 Senior Term Loan and (ii) increase our borrowing capacity under our 2010 Revolving Credit Facility by $10.0 million to $40.0 million. On November 1, 2010, we also issued an additional $100.0 million of 2010 Senior Notes.

On January 31, 2012, in connection with the acquisition of the GSK Brands, we (i) issued the 2012 Senior Notes in an aggregate principal amount of $250.0 million, (ii) entered into the 2012 Term Loan with a seven-year maturity and the 2012 ABL Revolver with a five-year maturity, and (iii) repaid in full and canceled the outstanding 2010 Credit Facility. The 2012 Term Loan was issued with an original issue discount of 1.5% of the principal amount thereof, resulting in net proceeds to us of $650.1 million. In addition to the discount, we incurred $33.3 million in issuance costs, which were capitalized as deferred financing costs and are being amortized over the terms of the related loans and notes.

On February 21, 2013, we entered into the Amendment to the 2012 Term Loan. The Amendment provides for the refinancing of all of our existing Term B Loans with new Term B-1 Loans. The interest rate on the Term B-1 Loans is based, at our option, on a LIBOR rate, plus a margin of 2.75% per annum, with a LIBOR floor of 1.00%, or an alternate base rate, plus a margin. The new Term B-1 Loans will mature on the same date as the Term B Loans original maturity date. In addition, the Amendment provides us with certain additional capacity to prepay subordinated debt, the 2012 Senior Notes and certain other unsecured indebtedness permitted to be incurred under the credit agreement. In connection with the refinancing, during the fourth quarter ended March 31, 2013, we recognized a $1.4 million loss on the extinguishment of debt.

As of March 31, 2013, we had an aggregate of $978.0 million of outstanding indebtedness, which consisted of the following:

- $250.0 million of 8.25% 2010 Senior Notes due 2018;
- $250.0 million of 8.125% 2012 Senior Notes due 2020;
- $445.0 million of borrowings under the 2012 Term Loan; and
- $33.0 million of borrowings under the 2012 ABL Revolver

As of March 31, 2013, we had $42.0 million of borrowing capacity under the 2012 ABL Revolver.

The 2010 Senior Term Loan bore 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 contained a floor rate of 1.5%. The 2010 Senior Term Loans was fully repaid during the year ended March 31, 2012.

The 2012 Term Loan bears interest, as amended, at a rate per annum equal to an applicable margin plus, at our option, either (i) a base rate determined by reference to the highest of (a) the Federal Funds rate plus 0.50%, (b) the prime rate of Citibank, N.A., (c) the LIBOR rate determined by reference to the cost of funds for U.S. dollar deposits for an interest period of one month adjusted for certain additional costs, plus 1.00% and (d) a floor of 2.00% or (ii) a LIBOR rate determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs provided that LIBOR shall not be lower than 1.00%.

Borrowings under the 2012 ABL Revolver bear interest at a rate per annum equal to an applicable margin, plus, at our option, either (i) a base rate determined by reference to the highest of (a) the Federal Funds rate plus 0.50%, (b) the prime rate of Citibank, N.A., (c) the LIBOR rate determined by reference to the cost of funds for U.S. dollar deposits for an interest period of one month adjusted for certain additional costs, plus 1.00% or (ii) a LIBOR rate determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs. The initial applicable margin for borrowings under the 2012 ABL Revolver is 1.75% with respect to LIBOR borrowings and 0.75% with respect to base-rate borrowings. The applicable margin for borrowings under the 2012 ABL Revolver may be increased to 2.00% or 2.25% for LIBOR borrowings and 1.00% or 1.25% for base-rate borrowings, depending on average excess availability under the 2012 ABL Revolver during the prior fiscal quarter. In addition to paying interest on outstanding principal under the 2012 ABL Revolver, we are required to pay a commitment fee to the lenders under the 2012 ABL Revolver in respect of the unutilized commitments thereunder. The initial commitment fee rate is 0.50% per annum. The commitment fee rate will be reduced to 0.375% per annum at any time when the average daily unused commitments for the prior quarter is less than the percentage of total commitments set forth in the credit agreement covering the 2012 ABL Revolver.

As we deem appropriate, we may from time to time utilize derivative financial instruments to mitigate the impact of changing interest rates associated with our long-term debt obligations or other derivative financial instruments. While we have utilized derivative financial instruments in the past, we did not have any derivative financial instruments outstanding at either March 31, 2013 or March 31, 2012 or during any of the periods presented. We have not entered into derivative financial instruments for trading purposes; all of our derivatives were over-the-counter instruments with liquid markets.

Our debt facilities contain various financial covenants, including provisions that require us to maintain certain leverage, interest coverage and fixed charge ratios. The senior secured credit facility governing the 2012 Term Loan and 2012 ABL Revolver and the indentures governing the 2010 Senior Notes and the 2012 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 7.25 to 1.0 for the quarter ending March 31, 2013 (defined as, with certain adjustments, the ratio of our consolidated total net debt 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 June 30, 2016, and remains level thereafter;

- Have an interest coverage ratio of greater than 1.50 to 1.0 for the quarter ending March 31, 2013 (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 2.50 to 1.0 for the quarter ending June 30, 2016, and remains level thereafter; and

- Have a fixed charge ratio of greater than 1.0 to 1.0 for the quarter ending March 31, 2013 (defined as, with certain adjustments, the ratio of our consolidated EBITDA minus capital expenditures to our trailing twelve month consolidated interest paid, taxes paid and other specified payments). Our fixed charge requirement remains level throughout the term.

At March 31, 2013, we were in compliance with the applicable financial and restrictive covenants under the 2012 Term Loan and the 2012 ABL Revolver and the indentures governing the 2010 Senior Notes and the 2012 Senior Notes. Additionally, management anticipates that in the normal course of operations, we will be in compliance with the financial and restrictive covenants during the ensuing year. During the year ended March 31, 2013, we made voluntary principal payments against outstanding indebtedness of $190.0 million under the 2012 Term Loan. Therefore, we are not required to make quarterly principal payments until the maturity date of January 31, 2019.

Commitments

As of March 31, 2013, we had ongoing commitments under various contractual and commercial obligations as follows:

	Payments Due by Period				
(In millions)		**Less than**	**1 to 3**	**4 to 5**	**After 5**
Contractual Obligations	**Total**	**1 Year**	**Years**	**Years**	**Years**
Long-term debt	$ 978.0	$ —	$ —	$ 33.0	$ 945.0
Interest on long-term debt(1)	425.7	72.3	218.2	116.5	18.7
Purchase obligations:					
Inventory costs(2)	88.2	82.4	3.2	2.0	0.6
Other costs(3)	25.7	25.7	—	—	—
Operating leases	6.3	1.9	3.4	1.0	—
Total contractual cash obligations (4)	$ 1,523.9	$ 182.3	$ 224.8	$ 152.5	$ 964.3

(1) Represents the estimated interest obligations on the outstanding balances of the 2012 Term Loan, 2012 ABL Revolver, 2012 Senior Notes and 2010 Senior Notes, together, assuming scheduled principal payments (based on the terms of the loan agreements) are made and assuming a weighted average interest rate of 7.9%. Estimated interest obligations would be different under different assumptions regarding interest rates or timing of principal payments.

(2) Purchase obligations for inventory costs are legally binding commitments for projected inventory requirements to be utilized during the normal course of our operations.

(3) Purchase obligations for other costs are legally binding commitments for marketing, advertising and capital expenditures. Activity costs for molds and equipment to be paid, based solely on a per unit basis without any deadlines for final payment, have been excluded from the table because we are unable to determine the time period over which such activity costs will be paid.

(4) We have excluded obligations related to uncertain tax positions because we cannot reasonably estimate when they will occur.

Off-Balance Sheet Arrangements

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

Inflation

Inflationary factors such as increases in the costs of raw materials, packaging materials, purchased product and overhead may adversely affect our operating results and financial condition. Although we do not believe that inflation has had a material impact on our financial condition or results from operations for the three most recent fiscal years, a high rate of inflation in the future could have a material adverse effect on our 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 make 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.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

Forward-looking statements speak only as of the date of this Annual Report on Form 10-K. Except as required under federal securities laws and the rules and regulations of the SEC, we do not intend to update any forward-looking statements to reflect events or circumstances arising after the date of this Annual Report on Form 10-K, 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 Annual Report on Form 10-K 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,” "intend," "strategy," "future," "opportunity," "plan," "seek," "may," "should," "would," "will," “will be,” “will continue,” “will likely result,” or other similar words and phrases. Forward-looking statements are based on current expectation and assumptions that are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated, and our business in general is subject to such risks. For more information, see “Risk Factors” contained in Part I Item 1A of this Annual Report on Form 10-K. In addition, our expectations or beliefs concerning future events involve risks and uncertainties, including, without limitation:

- General economic conditions affecting our products and their respective markets;
- Our ability to increase organic growth via new product introductions or line extensions;
- The high level of competition in our industry and markets (including, without limitation, vendor and stock keeping unit ("SKU") rationalization and expansion of private label product offerings);
- Our ability to invest in research and development;
- Changing consumer trends or pricing pressures which may cause us to lower our prices;
- Our dependence on a limited number of customers for a large portion of our sales;
- Our expectations regarding increased advertising and promotion spending for acquired brands;
- Our ability to grow our international sales;
- Our dependence on third-party manufacturers to produce the products we sell;
- Price increases for raw materials, labor, energy and transportation costs;
- Disruptions in our distribution center;
- Acquisitions, dispositions or other strategic transactions diverting managerial resources, or incurrence of additional liabilities or integration problems associated with such transactions;

- Actions of government agencies in connection with regulatory matters governing our industry;
- Product liability claims, recalls and related negative publicity;
- Our ability to protect our intellectual property rights;
- Our dependence on third parties for intellectual property relating to some of the products we sell;
- Our assets being comprised virtually entirely of goodwill and intangibles;
- Our dependence on key personnel;
- Shortages of supply of sourced goods or interruptions in the manufacturing of our products;
- The costs associated with any adverse judgments rendered in any litigation or arbitration;
- Our level of indebtedness, and possible inability to service our debt;
- Our ability to obtain additional financing; and
- The restrictions imposed by our financing agreements on our operations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to changes in interest rates because our 2012 Term Loan and 2012 ABL Revolver are variable rate debt. Interest rate changes generally do not significantly affect the market value of the 2012 Term Loan and the 2012 ABL Revolver but do affect the amount of our interest payments and, therefore, our future earnings and cash flows, assuming other factors are held constant. At March 31, 2013, we had variable rate debt of approximately $445.0 million under our 2012 Term Loan and $33.0 million under our 2012 ABL Revolver.

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 year ended March 31, 2013 of approximately $4.6 million.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The supplementary data required by this Item are described in Part IV, Item 15 of this Annual Report on Form 10-K and are presented beginning on page 105.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Prestige Brands Holdings, Inc.

Audited Financial Statements

March 31, 2013

Report of Management

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act). Internal control over financial reporting is a process designed by, or under the supervision of the Chief Executive Officer and Chief Financial Officer and effected by the Board of Directors, management and other personnel, 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.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable, not absolute, assurance that the control objectives will be met. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate over time.

Management, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's internal control over financial reporting as of March 31, 2013. In making its evaluation, management has used the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control - Integrated Framework* (the "COSO Criteria").

Based on management's assessment utilizing the COSO Criteria, management concluded that the Company's internal control over financial reporting was effective as of March 31, 2013.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, has issued an attestation report on our internal control over financial reporting, which appears below.

Prestige Brands Holdings, Inc.
May 17, 2013

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
Prestige Brands Holdings, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income and comprehensive income, of stockholders' equity and comprehensive income and of cash flows present fairly, in all material respects, the financial position of Prestige Brands Holdings, Inc. and its subsidiaries at March 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2013 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2013, based on criteria established in *Internal Control - Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Denver, Colorado
May 17, 2013

Prestige Brands Holdings, Inc.
Consolidated Statements of Income and Comprehensive Income

(In thousands, except per share data)	Year Ended March 31, 2013	2012	2011
Revenues			
Net sales	$ 620,394	$ 437,838	$ 333,715
Other revenues	3,203	3,247	2,795
Total revenues	623,597	441,085	336,510
Cost of Sales			
Cost of sales (exclusive of depreciation shown below)	276,381	213,701	165,632
Gross profit	347,216	227,384	170,878
Operating Expenses			
Advertising and promotion	90,630	57,127	42,897
General and administrative	51,467	56,700	41,960
Depreciation and amortization	13,235	10,734	9,876
Total operating expenses	155,332	124,561	94,733
Operating income	191,884	102,823	76,145
Other (income) expense			
Interest income	(13)	(18)	(1)
Interest expense	84,420	41,338	27,318
Gain on settlement	—	(5,063)	—
Loss on extinguishment of debt	1,443	5,409	300
Total other expense	85,850	41,666	27,617
Income from continuing operations before income taxes	106,034	61,157	48,528
Provision for income taxes	40,529	23,945	19,349
Income from continuing operations	65,505	37,212	29,179
Discontinued Operations			
Income from discontinued operations, net of income tax	—	—	591
Loss on sale of discontinued operations, net of income tax	—	—	(550)
Net income	$ 65,505	$ 37,212	$ 29,220
Basic earnings per share:			
Income from continuing operations	$ 1.29	$ 0.74	$ 0.58
Income from discontinued operations and loss from sale of discontinued operations	—	—	—
Net income	$ 1.29	$ 0.74	$ 0.58
Diluted earnings per share:			
Income from continuing operations	$ 1.27	$ 0.73	$ 0.58
Income from discontinued operations and loss from sale of discontinued operations	—	—	—
Net income	$ 1.27	$ 0.73	$ 0.58
Weighted average shares outstanding:			
Basic	50,633	50,270	50,081
Diluted	51,440	50,748	50,338
Comprehensive income, net of tax:			
Currency translation adjustments	(91)	(13)	—
Total other comprehensive loss	(91)	(13)	—
Comprehensive income	$ 65,414	$ 37,199	$ 29,220

See accompanying notes.

Prestige Brands Holdings, Inc.
Consolidated Balance Sheets

(In thousands)	March 31,	
Assets	**2013**	**2012**
Current assets		
Cash and cash equivalents	$ 15,670	$ 19,015
Accounts receivable, net	73,053	60,228
Inventories	60,201	51,113
Deferred income tax assets	6,349	5,283
Prepaid expenses and other current assets	8,900	11,396
Total current assets	164,173	147,035
Property and equipment, net	9,896	1,304
Goodwill	167,546	173,702
Intangible assets, net	1,373,240	1,400,522
Other long-term assets	24,944	35,713
Total Assets	$ 1,739,799	$ 1,758,276
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 51,376	$ 26,726
Accrued interest payable	13,894	13,889
Other accrued liabilities	31,398	23,308
Total current liabilities	96,668	63,923
Long-term debt		
Principal amount	978,000	1,135,000
Less unamortized discount	(7,100)	(11,092)
Long-term debt, net of unamortized discount	970,900	1,123,908
Deferred income tax liabilities	194,288	167,717
Total Liabilities	1,261,856	1,355,548
Commitments and Contingencies – Note 17		
Stockholders' Equity		
Preferred stock – $0.01 par value		
Authorized – 5,000 shares		
Issued and outstanding – None	—	—
Preferred share rights	283	283
Common stock – $0.01 par value		
Authorized – 250,000 shares		
Issued – 51,311 shares and 50,466 shares at March 31, 2013 and 2012, respectively	513	505
Additional paid-in capital	401,691	391,898
Treasury stock, at cost – 181 shares at March 31, 2013 and March 31, 2012	(687)	(687)
Accumulated other comprehensive loss, net of tax	(104)	(13)
Retained earnings	76,247	10,742
Total Stockholders' Equity	477,943	402,728
Total Liabilities and Stockholders' Equity	$ 1,739,799	$ 1,758,276

See accompanying notes.

Prestige Brands Holdings, Inc.
Consolidated Statements of Changes in Stockholders' Equity and Comprehensive Income

(In thousands)	Common Stock Shares	Common Stock Par Value	Additional Paid-in Capital	Treasury Stock Shares	Treasury Stock Amount	Accumulated Other Comprehensive Loss	Preferred Share Rights	Retained Earnings (Accumulated Deficit)	Totals
Balances at March 31, 2010	50,154	$ 502	$ 384,027	124	$ (63)	$ —	$ —	$ (55,407)	$ 329,059
Stock-based compensation	—	—	3,575	—	—	—	—	—	3,575
Exercise of stock options	34	—	331	—	—	—	—	—	331
Issuance of shares related to restricted stock	88	1	(1)	—	—	—	—	—	—
Shares surrendered as payment of tax withholding	—	—	—	36	(353)	—	—	—	(353)
Components of comprehensive income:									
Net income	—	—	—	—	—	—	—	29,220	29,220
Total comprehensive income	—	—	—	—	—	—	—	—	29,220
Balances at March 31, 2011	50,276	$ 503	$ 387,932	160	$ (416)	$ —	$ —	$ (26,187)	$ 361,832
Stock-based compensation	—	—	3,078	—	—	—	—	—	3,078
Exercise of stock options	87	1	888	—	—	—	—	—	889
Preferred share rights	—	—	—	—	—	—	283	(283)	—
Issuance of shares related to restricted stock	103	1	—	—	—	—	—	—	1
Shares surrendered as payment of tax withholding	—	—	—	21	(271)	—	—	—	(271)
Components of comprehensive income:									
Net income	—	—	—	—	—	—	—	37,212	37,212
Translation adjustments	—	—	—	—	—	(13)	—	—	(13)
Total comprehensive income	—	—	—	—	—	—	—	—	37,199
Balances at March 31, 2012	50,466	$ 505	$ 391,898	181	$ (687)	(13)	$ 283	$ 10,742	$ 402,728

See accompanying notes.

Prestige Brands Holdings, Inc.
Consolidated Statements of Changes in Stockholders' Equity and Comprehensive Income

	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Other Comprehensive Loss	Preferred Share Rights	Retained Earnings (Accumulated Deficit)	Totals
	Shares	Par Value		Shares	Amount				
Balances at March 31, 2012	50,466	$ 505	$ 391,898	181	$ (687)	$ (13)	$ 283	$ 10,742	$ 402,728
Stock-based compensation	—	—	3,772	—	—	—	—	—	3,772
Exercise of stock options	786	7	6,022	—	—	—	—	—	6,029
Preferred share rights	—	—	—	—	—	—	—	—	—
Issuance of shares related to restricted stock	59	1	(1)	—	—	—	—	—	—
Components of comprehensive income:									
Net income	—	—	—	—	—	—	—	65,505	65,505
Translation adjustments	—	—	—	—	—	(91)	—	—	(91)
Total comprehensive income	—	—	—	—	—	—	—	—	65,414
Balances at March 31, 2013	51,311	$ 513	$ 401,691	181	$ (687)	$ (104)	$ 283	$ 76,247	$ 477,943

See accompanying notes.

Prestige Brands Holdings, Inc.
Consolidated Statements of Cash Flows

(In thousands)	Year Ended March 31, 2013	2012	2011
Operating Activities			
Net income	$ 65,505	$ 37,212	$ 29,220
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	13,235	10,734	10,108
Loss on sale of discontinued operations	—	—	890
Deferred income taxes	25,505	13,793	9,324
Amortization of deferred financing costs	9,832	1,630	1,043
Stock-based compensation costs	3,772	3,078	3,575
Loss on extinguishment of debt	1,443	5,409	300
Amortization of debt discount	4,632	1,030	702
Lease termination costs	975	—	—
Loss on disposal of equipment	103	—	153
Changes in operating assets and liabilities, net of effects from acquisitions			
Accounts receivable	(12,882)	(15,854)	4,918
Inventories	(9,342)	3,710	12,443
Prepaid expenses and other current assets	3,096	(3,009)	154
Accounts payable	24,677	5,127	1,784
Accrued liabilities	7,054	4,592	12,056
Net cash provided by operating activities	137,605	67,452	86,670
Investing Activities			
Purchases of property and equipment	(10,268)	(606)	(655)
Proceeds from sale of property and equipment	15	—	12
Proceeds from sale of discontinued operations	—	—	4,122
Acquisition of Blacksmith, net of cash acquired	—	—	(202,044)
Proceeds from escrow of Blacksmith acquisition	—	1,200	—
Proceeds from the sale of Phazyme brand	21,700	—	—
Acquisition of Dramamine	—	—	(77,115)
Acquisition of brands from GSK	—	(662,800)	—
Acquisition of brands from GSK purchase price adjustments	(226)	—	—
Net cash provided by (used in) investing activities	11,221	(662,206)	(275,680)
Financing Activities			
Proceeds from issuance of Senior Notes	—	250,000	100,250
Proceeds from issuance of 2012 Term Loan and 2010 Term Loan	—	650,100	112,936
Repayment of 2010 Term Loan	—	(242,000)	—
Payment of deferred financing costs	(1,146)	(33,284)	(830)
Repayment of long-term debt	(190,000)	(25,000)	(51,087)
Repayments under revolving credit agreement	(15,000)	—	—
Borrowings under revolving credit agreement	48,000	—	—
Proceeds from exercise of stock options	6,029	889	331
Shares surrendered as payment of tax withholding	—	(271)	(353)
Net cash (used in) provided by financing activities	(152,117)	600,434	161,247
Effects of exchange rate changes on cash and cash equivalents	(54)	1	—
(Decrease) increase in cash and cash equivalents	(3,345)	5,681	(27,763)
Cash - beginning of year	19,015	13,334	41,097
Cash - end of year	$ 15,670	$ 19,015	$ 13,334
Interest paid	$ 69,641	$ 34,977	$ 17,509
Income taxes paid	$ 10,624	$ 12,865	$ 11,894

See accompanying notes.

1. Business and Basis of Presentation

Nature of Business

Prestige Brands Holdings, Inc. (referred to herein as the “Company” or “we” which reference shall, unless the context requires otherwise, be deemed to refer to Prestige Brands Holdings, Inc. and all of its direct and indirect 100% owned subsidiaries on a consolidated basis) is engaged in the marketing, sales and distribution of over-the-counter (“OTC”) healthcare and household cleaning brands to mass merchandisers, drug stores, supermarkets, club and dollar stores 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 11 to the Consolidated Financial Statements.

Basis of Presentation

Our Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All significant intercompany transactions and balances have been eliminated in consolidation. Our fiscal year ends on March 31st of each year. References in these Consolidated Financial Statements or notes to a year (e.g., “2013”) mean our fiscal year ended on March 31st of that year.

Use of Estimates

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

Cash and Cash Equivalents

We consider all short-term deposits and investments with original maturities of three months or less to be cash equivalents. Substantially all of our cash is held by a large regional bank with headquarters in California. We do not believe that, as a result of this concentration, we are subject to any unusual financial risk beyond the normal risk associated with commercial banking relationships. The Federal Deposit Insurance Corporation (“FDIC”) and Securities Investor Protection Corporation (“SIPC”) insure these balances, up to $250,000 and $500,000, with a $250,000 limit for cash, respectively. Substantially all of the Company's cash balances at March 31, 2013 are uninsured.

Accounts Receivable

We extend non-interest-bearing trade credit to our customers in the ordinary course of business. We maintain 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, we (i) have established credit limits for all of our customer relationships, (ii) perform ongoing credit evaluations of customers’ financial condition, (iii) monitor the payment history and aging of customers’ receivables, and (iv) monitor open orders against an individual customer’s outstanding receivable balance.

Inventories

Inventories are stated at the lower of cost or market value, where cost is determined by using the first-in, first-out method. We reduce 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	*

*Leasehold improvements are amortized over the lesser of the lease-term or the estimated useful life of the related asset.

Expenditures for maintenance and repairs are charged to expense as incurred. When an asset is sold or otherwise disposed of, we remove the cost and associated accumulated depreciation from the accounts and recognize the resulting gain or loss in the Consolidated Statements of Income and Comprehensive Income.

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

Goodwill

The excess of the purchase price over the fair market value of assets acquired and liabilities assumed in purchase business combinations is classified as goodwill. Goodwill is not amortized, although the carrying value is tested for impairment 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. Goodwill is tested for impairment at the reporting unit “brand” level, which is one level below the operating segment level.

Intangible Assets

Intangible assets, which are comprised primarily of trademarks, are stated at cost less accumulated amortization. For intangible assets with finite lives, amortization is computed using 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. 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

We have incurred debt origination costs in connection with the issuance of long-term debt. These costs are capitalized as deferred financing costs and amortized over the term of the related debt using the effective interest method. For a further discussion regarding accelerated amortization, refer to Note 11.

Revenue Recognition

We recognize revenue 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. We have 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, we recognize revenue at that time. Provision is made for estimated discounts related to customer payment terms and estimated product returns at the time of sale based on our historical experience.

As is customary in the consumer products industry, we participate in the promotional programs of our customers to enhance the sale of our products. The cost of these promotional programs varies based on the actual number of units sold during a finite period of time. 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. Estimates of the costs of these promotional programs are based on (i) historical sales experience, (ii) the current promotional offering, (iii) forecasted data, (iv) current market conditions, and (v) communication with customer purchasing/marketing personnel. We recognize the cost of such sales incentives by recording an estimate of such cost as a reduction of revenue, at the later of (a) the date the related revenue is recognized, or (b) the date when a particular sales incentive is offered. At the completion of the promotional program, the estimated amounts are adjusted to actual results.

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 recording sales, which is made after analyzing (i) historical return rates, (ii) current

economic trends, (iii) changes in customer demand, (iv) product acceptance, (v) seasonality of our 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 $30.6 million for 2013, $27.8 million for 2012 and $23.5 million for 2011.

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

Stock-based Compensation
We recognize stock-based compensation by measuring the cost of services to be rendered based on the grant-date fair value of the equity award. Compensation expense is to be recognized over the period an employee is required to provide service in exchange for the award, generally referred to as the requisite service period.

Income Taxes
Deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is established when necessary to reduce deferred tax assets to the amounts expected to be realized.

The Income 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, we have 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.

We are subject to taxation in the United States and various state and foreign jurisdictions.

We classify penalties and interest related to unrecognized tax benefits as income tax expense in the Consolidated Statements of Income and Comprehensive Income.

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

Recently Issued Accounting Standards
In March 2013, the FASB issued guidance relating to the release of cumulative translation adjustments into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets. The guidance is effective prospectively for annual reporting periods beginning after December 15, 2013, and interim periods within those annual periods. Early adoption is permitted. The adoption of this new guidance is not expected to have a material impact on our Consolidated Financial Statements.

In July 2012, the FASB issued guidance regarding testing the impairment of indefinite-lived intangible assets other than goodwill. The new guidance is intended to simplify how entities test impairment of indefinite-lived intangible assets other than goodwill. The new guidance permits an entity to first assess qualitative factors to determine whether it is "more-likely-than-not" that the fair value of the asset is less than its carrying amount as a basis for determining whether it is necessary to perform the impairment test described in the ASC Intangibles-Goodwill and Other topic. The more-likely-than-not threshold is defined as having a likelihood of more than 50%. The new guidance is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted. We do not expect that the adoption of this new guidance will have a material impact on our Consolidated Financial Statements.

In December 2011, the FASB issued guidance regarding disclosures about offsetting assets and liabilities. The new disclosure requirements mandate that entities disclose both gross and net information about instruments and transactions eligible for offset

in the statement of financial position, as well as instruments and transactions subject to an agreement similar to a master netting arrangement. In addition, the standard requires disclosure of collateral received and posted in connection with master netting agreements or similar arrangements. An entity will be required to disclose the following information for assets and liabilities within the scope of the new standard: (i) the gross amounts of those recognized assets and those recognized liabilities; (ii) the amounts offset to determine the net amounts presented in the statement of financial position; (iii) the net amounts presented in the statement of financial position; (iv) the amounts subject to an enforceable master netting arrangement or similar agreement not otherwise included in (ii); and (v) the net amount after deducting the amounts in (iv) from the amounts in (iii). The standard affects all entities with balances presented on a net basis in the financial statements, derivative assets and derivative liabilities, repurchase agreements, and financial assets and financial liabilities executed under a master netting or similar arrangement. This guidance was effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The adoption of this new guidance is not expected tohave a material impact on our Consolidated Financial Statements. However, our transition services arrangement with GlaxoSmithKline plc ("GSK"), provided that, during the term of the arrangement, we would receive a net monthly remittance, and therefore, we have reported a net amount due from GSK in our accounts receivable at March 31, 2012 of $8.4 million. Since the arrangement ended June 30, 2012, we do not have any amounts due from GSK in our accounts receivable at March 31, 2013.

In June 2011, the FASB issued guidance regarding presentation of comprehensive income. Under the ASC Comprehensive Income topic, entities are allowed the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. This guidance eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. This guidance does not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income.

In December 2011, the FASB issued guidance to defer the new requirement to present components of reclassifications of other comprehensive income on the face of the income statement. Based on this guidance, entities are still required to adopt either the single continuous statement or the two-statement approach required by the new guidance. However, entities should continue to report reclassifications out of accumulated other comprehensive income consistent with the requirements in effect before the adoption of the new standard (i.e., by component of other comprehensive income, either by displaying each component on a gross basis on the face of the appropriate financial statement or by displaying each component net of other changes on the face of the appropriate financial statement with the gross change disclosed in the notes). The December 2011 deferral of the guidance issued in June 2011, as well as the June 2011 guidance, are effective at the same time. The new guidance and this deferral were effective for the Company beginning with the three months ended June 30, 2012, and full retrospective application is required. The adoption of this new guidance did not have a material impact on our Consolidated Financial Statements.

In February 2013, the FASB issued guidance relating to the disclosure of items reclassified out of accumulated other comprehensive income. The new guidance requires that for those items that are reclassified out of accumulated other comprehensive income and into net income in their entirety, the effect of the reclassification on each affected net income line item be disclosed. For accumulated other comprehensive income reclassification items that are not reclassified in their entirety into net income, a cross reference must be made to other required disclosures. The guidance is effective prospectively for annual reporting periods beginning after December 15, 2012, and interim periods within those annual periods. Early adoption is permitted. The update impacts presentation and disclosure only, and therefore adoption is not expected to have a material impact on our Consolidated Financial Statements.

In September 2011, the FASB issued guidance regarding testing goodwill for impairment. The new guidance is intended to simplify how entities test goodwill for impairment. The new guidance permits an entity to first assess qualitative factors to determine whether it is "more-likely-than-not" that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in the ASC Intangibles-Goodwill and Other topic. The more-likely-than-not threshold is defined as having a likelihood of more than 50%. The new guidance is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The adoption of this new guidance did not 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.

2. Discontinued Operations and Sale of Certain Assets

On September 1, 2010, we sold certain assets related to the *Cutex* nail polish remover brand for $4.1 million. In accordance with the Discontinued Operations topic of the ASC, we reclassified the related operating results as discontinued 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 related tax effects of $0.3 million, on the sale in 2011. As a result of the divestiture of *Cutex*, which comprised a substantial majority of the assets in our previously reported Personal Care segment, we reclassified the then remaining Personal Care segment assets to the OTC Healthcare segment for all periods presented.

The following table summarizes the results of discontinued operations:

(In thousands)	**Year Ended March 31,**		
	2013	**2012**	**2011**
Components of Income			
Revenues	$ —	$ —	$ 4,027
Income (loss) from discontinued operations, net of income tax	—	—	591

3. Acquisitions

Acquisition of GlaxoSmithKline OTC Brands

On December 20, 2011, we entered into two separate agreements with GSK to acquire a total of 17 North American OTC healthcare brands (the "GSK Brands") for $660.0 million in cash (the "GSK Agreement").

On January 31, 2012, we completed, subject to a post-closing inventory and apportionment adjustment, as defined in the GSK Agreement, the acquisition of the first 15 North American GSK Brands (the “GSK Brands I”) for $615.0 million in cash, including the related contracts, trademarks and inventory. The GSK Brands I include, among other brands, *BC*, *Goody's* and *Ecotrin* brands of pain relievers; *Beano*, *Gaviscon*, *Phazyme*, *Tagamet* and *Fiber Choice* gastrointestinal brands; and the *Sominex* sleep aid brand.

On March 30, 2012, we completed, subject to a post-closing inventory and apportionment adjustment, as defined in the GSK Agreement, the acquisition of the *Debrox* and *Gly-Oxide* brands (the “GSK Brands II”) in the United States for $45.0 million in cash, including the related contracts, trademarks and inventory.

Both the GSK Brands I and GSK Brands II are complementary to our existing OTC healthcare portfolio.

These acquisitions were 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 purchase price of the GSK Brands I and GSK Brands II was funded by cash provided by the issuance of long-term debt and additional bank borrowings, which are discussed further in Note 11. In April 2012, we received the post-closing inventory and apportionment adjustments, attributable to both GSK Brands I and GSK Brands II, which required us to pay an additional $2.8 million to GSK, and in May 2012 we received a revised post-closing inventory and apportionment adjustment, attributable to GSK Brands II, which required us to pay an additional $0.2 million, for a total of $3.0 million, to GSK.

Concurrent with the closing of the GSK Brands I transaction, we entered into a Transitional Services Agreement with GSK (the “TSA”), whereby GSK provided us with various services including: marketing, operations, finance and other services from the GSK Brands I acquisition date primarily through June 30, 2012, with additional finance support through August 31, 2012. As part of the TSA, GSK, among other things, shipped products, invoiced customers, collected from customers and paid certain vendors on our behalf. Our initial costs under the TSA were approximately $2.5 million per month for the length of the agreement and were reduced during the service period as we removed certain services and transitioned those processes to us. We incurred $6.9 million in TSA costs for the year ended March 31, 2013. Pursuant to the TSA, we received on a monthly basis the amount owed to us for revenues and expenses, net of GSK's TSA fees and inventory that GSK purchased on our behalf.

The allocation of the purchase price to assets acquired is based on a valuation which we performed to determine the fair value of such assets as of the acquisition date. The following table summarizes our allocation of the $663.0 million purchase price to the assets we acquired on the GSK Brands acquisition dates:

(In thousands)	GSK Brands I (January 31, 2012)	GSK Brands II (March 30, 2012)	Total
Inventory	$ 14,820	$ 250	$ 15,070
Prepaid expenses	3,575	—	3,575
Trade names	542,892	81,257	624,149
Goodwill	17,401	2,831	20,232
Total purchase price	$ 578,688	$ 84,338	$ 663,026

We recorded goodwill based on the amount by which the purchase price exceeded the fair value of assets acquired. The amount of goodwill deductible for tax purposes is $20.2 million.

The fair value of the trade names is comprised of $556.9 million of non-amortizable intangible assets and $67.2 million of amortizable intangible assets. We are amortizing the purchased amortizable intangible assets on a straight-line basis over an estimated weighted average useful life of 19.3 years. The weighted average remaining life for amortizable intangible assets at March 31, 2013 was 18.0 years.

The operating results of the GSK Brands I have been included in our Consolidated Financial Statements beginning February 1, 2012, while the operating results of the GSK Brands II have been included in our Consolidated Financial Statements beginning April 1, 2012. Revenues of the acquired operations for the year ended March 31, 2013 were $211.2 million and net income was $27.4 million.

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 we paid an additional $1.1 million on behalf of Blacksmith for the seller's transaction costs. In 2011, we brought to arbitration a matter regarding the working capital adjustment related to Blacksmith. On July 20, 2011, we received notification from the arbitrator that we would be awarded a working capital adjustment pending final resolution and distribution from the escrow agent. In September 2011, we received $1.2 million in settlement of this matter, which reduced the amount of recorded goodwill related to Blacksmith.

As a result of this acquisition, we acquired five leading consumer OTC brands: *Efferdent*, *Effergrip*, *PediaCare*, *Luden's*, and *NasalCrom*. 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 11.

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 allocation of the purchase price to assets acquired and liabilities assumed is based on a valuation which we performed to determine the fair value of such assets as of the acquisition date. The following table summarizes our final allocation of the $203.4 million purchase price to the assets we acquired and liabilities assumed on the Blacksmith acquisition date:

(In thousands)	November 1, 2010
Cash acquired	$ 2,507
Accounts receivable, net	17,473
Other receivables	1,198
Income taxes receivable	5
Inventories	22,155
Prepaids and other current assets	44
Property, plant and equipment, net	226
Goodwill	42,207
Trademarks	165,346
Other long-term assets	19
Total assets acquired	251,180
Accounts payable	7,060
Accrued expenses	5,212
Income taxes payable	2,031
Deferred income taxes	33,526
Total liabilities assumed	47,829
Total purchase price	$ 203,351

We recorded goodwill based on the amount by which the purchase price exceeded the fair value of assets acquired and liabilities assumed. The amount of goodwill deductible for tax purposes is $4.6 million.

The fair value of the trademarks is comprised of $158.0 million of non-amortizable intangible assets and $7.3 million of amortizable intangible assets. We are amortizing the purchased amortizable intangible assets on a straight-line basis over an estimated weighted average useful life of 15 years. The weighted average remaining life for amortizable intangible assets at March 31, 2013 was 12.6 years.

The operating results of Blacksmith have been included in our Consolidated Financial Statements from November 1, 2010, the date of acquisition. Revenues of the acquired operations from November 1, 2010 through March 31, 2011 were $34.8 million and the net loss was $4.8 million.

The following table provides our combined unaudited pro forma revenues, income from continuing operations and income from continuing operations per basic and diluted common share as if the acquisitions of Blacksmith and the GSK Brands occurred on April 1, 2010. The pro forma results were prepared from financial information obtained from the sellers of the businesses, as well as information obtained during the due diligence processes associated with the acquisitions. The unaudited pro forma results reflect certain adjustments related to the acquisitions, such as increased depreciation and amortization expense resulting from the stepped-up basis to fair value of the assets acquired and adjustments to reflect the Company's borrowing and tax rates. This pro forma information is not necessarily indicative of either the combined results of operations that actually would have been realized by us had the acquisition of Blacksmith and the GSK Brands 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)	Year Ended March 31, 2012	2011
	(Unaudited)	
Revenues	$ 616,849	$ 599,543
Income from continuing operations	69,989	34,913
Basic earnings per share:		
Income from continuing operations	$ 1.39	$ 0.70
Diluted earnings per share:		
Income from continuing operations	$ 1.38	$ 0.69

Dramamine Acquisition

On January 6, 2011, we acquired certain assets comprising the *Dramamine* brand in the United States. The purchase price was $77.1 million in cash, after a $0.1 million post-closing inventory adjustment and including transaction costs of $1.2 million incurred in the acquisition. The purchase price was funded by cash on hand.

In accounting for the acquisition of the *Dramamine* brand, we considered the Business Combinations topic of the ASC. Accordingly, as the *Dramamine* assets acquired do not constitute a business, as defined in the ASC, we have accounted for the transaction as an asset acquisition. The total consideration paid, including transaction costs, has been allocated to the tangible and intangible assets acquired based upon their relative fair values at the date of acquisition.

The allocation of the purchase price to assets acquired is based on valuations which we performed to determine the fair value of such assets as of the acquisition date. The following table summarizes our allocation of the $77.1 million purchase price to the assets we acquired comprising the *Dramamine* brand:

(In thousands)	January 6, 2011
Inventories	$ 1,249
Trademark	75,866
Total purchase price	$ 77,115

The $75.9 million fair value of the acquired *Dramamine* trademark was comprised solely of non-amortizable intangible assets.

4.Divestitures

Sale of the Phazyme Brand

On October 31, 2012, we divested the *Phazyme* gas treatment brand, which was a non-core OTC brand that we acquired from GSK in January 2012. We received $21.7 million from the divestiture on October 31, 2012 and the remaining $0.6 million on January 4, 2013. The proceeds were used to repay debt. No significant gain or loss was recorded as a result of the sale.

Concurrent with the completion of the sale of the *Phazyme* brand, we entered into a Transitional Services Agreement with the buyer (the “Phazyme TSA”), whereby we agreed to provide the buyer with various services including: marketing, operations, finance and other services from the date of the acquisition primarily through January 31, 2013, with an option for additional support for the Canadian portion of that business through October 31, 2013, at the buyer's discretion. All Phazyme United States TSA services ended, as agreed, on January 31, 2013. However, the buyer elected to extend the Canadian TSA support on a month to month basis. As part of the ongoing Phazyme TSA, our Canadian distributor, among other things, will ship products, invoice customers, collect from customers and pay certain vendors on the buyer's behalf.

The following table presents the assets sold at October 31, 2012 related to the *Phazyme* brand:

(In thousands)	October 31, 2012
Components of assets sold:	
Inventory	$ 220
Prepaid expenses	100
Trade names	15,604
Goodwill	6,382

5. Accounts Receivable

Accounts receivable consist of the following:

(In thousands)	March 31,	
	2013	2012
Components of Accounts Receivable		
Trade accounts receivable	$ 79,746	$ 55,721
Other receivables	615	9,368
	80,361	65,089
Less allowances for discounts, returns and uncollectible accounts	(7,308)	(4,861)
Accounts receivable, net	$ 73,053	$ 60,228

6. Inventories

Inventories consist of the following:

(In thousands)	March 31,	
	2013	2012
Components of Inventories		
Packaging and raw materials	$ 1,875	$ 1,189
Finished goods	58,326	49,924
Inventories	$ 60,201	$ 51,113

Inventories are carried and depicted above at the lower of cost or market, which includes a reduction in inventory values of $1.3 million and $1.6 million at March 31, 2013 and 2012, respectively, related to obsolete and slow-moving inventory.

7. Property and Equipment

Property and equipment consist of the following:

(In thousands)	March 31, 2013	March 31, 2012
Components of Property and Equipment		
Machinery	$ 1,580	$ 1,454
Computer equipment	6,559	2,693
Furniture and fixtures	1,510	241
Leasehold improvements	4,713	436
	14,362	4,824
Accumulated depreciation	(4,466)	(3,520)
Property and equipment, net	$ 9,896	$ 1,304

We recorded depreciation expense of $1.6 million for 2013 and $0.7 million for both 2012 and 2011. Additionally, during the year ended March 31, 2013, we wrote off leasehold improvements with a remaining net book value of less than $0.1 million due to the relocation of our corporate offices.

8. Goodwill

The following table summarizes the changes in the carrying value of goodwill by operating segment for each of 2011, 2012 and 2013:

(In thousands)	OTC Healthcare	Household Cleaning	Consolidated
Balance – March 31, 2010			
Goodwill	$ 234,270	$72,549	$306,819
Accumulated impairment losses	(130,170)	(65,160)	(195,330)
Balance – March 31, 2010	104,100	7,389	111,489
2011 additions	43,407	—	43,407
Balance – March 31, 2011			
Goodwill	277,677	72,549	350,226
Accumulated impairment losses	(130,170)	(65,160)	(195,330)
Balance – March 31, 2011	147,507	7,389	154,896
2012 additions	20,006	—	20,006
Balance – March 31, 2012			
Goodwill	296,483	72,549	369,032
Accumulated impairment losses	(130,170)	(65,160)	(195,330)
	166,313	7,389	173,702
2013 additions	226	—	226
2013 reductions	(6,382)	—	(6,382)
Balance – March 31, 2013			
Goodwill	290,327	72,549	362,876
Accumulated impairment losses	(130,170)	(65,160)	(195,330)
	$ 160,157	$ 7,389	$ 167,546

On November 1, 2010, we acquired 100% of the capital stock of Blacksmith. In connection with this acquisition, we recorded goodwill of $42.2 million, net of the $1.2 million settlement discussed in Note 3, based on the amount by which the purchase price exceeded the fair value of net assets acquired.

As discussed in Note 3, on January 31, 2012, we completed the acquisition of the GSK Brands I for $615.0 million in cash, and on March 30, 2012, we completed the acquisition of the GSK Brands II for $45.0 million in cash, in each case subject to certain post-closing adjustments. We recorded a post-closing adjustment of $2.8 million as of March 31, 2012, to reflect adjustments to certain inventory items and other current assets acquired. In connection with these acquisitions, we recorded goodwill of $20.0 million based on the amount by which the purchase price exceeded the fair value of assets acquired.

During the three months ended June 30, 2012, we received a revised post-closing inventory and apportionment adjustment from GSK for an additional amount of $0.2 million, which resulted in an increase to our recorded goodwill balance.

As more fully disclosed in Note 4, on October 31, 2012, we sold the *Phazyme* brand for $22.3 million. As a result of the divestiture of *Phazyme*, we reduced goodwill by $6.4 million.

At March 31, 2013 and March 31, 2012, in conjunction with the annual test for goodwill impairment, there were no indicators of impairment under the analysis. Accordingly, no impairment charge was recorded in 2013 or in 2012.

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. We also considered our market capitalization at March 31, 2013, 2012 and 2011, 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. Although the impairment charges in the prior years were a result of utilizing management’s best estimate of fair value, the estimates and assumptions made in assessing the fair value of the our 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. The Company has experienced revenue declines in regard to certain brands in its Household Cleaning segment during 2013, 2012 and 2011. Adverse changes in the expected operating results and/or unfavorable changes in other economic factors used to estimate fair values of these specific brands could result in a non-cash impairment charge in the future.

The aggregate fair value exceeded the carrying value by 57.6%. Two individual reporting units' fair value exceeded their carrying values by less than 10.0%. The first reporting unit's associated carrying value of goodwill and intangible assets amounted to $8.0 million at March 31, 2013. The second reporting unit's associated carrying value of goodwill and intangible assets amounted to $58.4 million at March 31, 2013. Additionally, certain brands, including certain of our household brands, have experienced recent revenue declines. While the fair value of these reporting units exceeds the carrying value by more than 10%, should such revenue declines continue, the fair value of the corresponding reporting units may no longer exceed their carrying value and we would be required to record an impairment charge.

As discussed in Note 1, in accordance with recent guidance from the FASB, an entity is permitted to first assess qualitative factors in testing goodwill for impairment prior to performing a quantitative assessment. The new guidance is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011, and became effective for the Company in fiscal year 2013. The adoption of this new guidance did not have a material impact on our Consolidated Financial Statements.

9. Intangible Assets

A reconciliation of the activity affecting intangible assets for each of 2011, 2012 and 2013 is as follows:

(In thousands)	Year Ended March 31, 2011			
	Indefinite Lived Trademarks	Finite Lived Trademarks	Non Compete Agreement	Totals
Gross Amount				
Balance – March 31, 2010 (including discontinued operations)	$ 454,571	$ 151,264	$ 158	$ 605,993
Additions	233,913	7,299	—	241,212
Disposals	—	(8,270)	—	(8,270)
Balance – March 31, 2011	$ 688,484	$ 150,293	$ 158	$ 838,935
Accumulated Amortization				
Balance – March 31, 2010	$ —	$ 46,606	$ 158	$ 46,764
Additions	—	9,210	—	9,210
Disposals	—	(3,400)	—	(3,400)
Balance – March 31, 2011	$ —	$ 52,416	$ 158	$ 52,574
Intangibles, net – March 31, 2011	$ 688,484	$ 97,877	$ —	$ 786,361

(In thousands)	Year Ended March 31, 2012			
	Indefinite Lived Trademarks	Finite Lived Trademarks	Non Compete Agreement	Totals
Gross Amount				
Balance – March 31, 2011	$ 688,484	$ 150,293	$ 158	$ 838,935
Additions	556,930	67,219	—	624,149
Balance – March 31, 2012	$ 1,245,414	$ 217,512	$ 158	$ 1,463,084
Accumulated Amortization				
Balance – March 31, 2011	$ —	$ 52,416	$ 158	$ 52,574
Additions	—	9,988	—	9,988
Balance – March 31, 2012	$ —	$ 62,404	$ 158	$ 62,562
Intangibles, net – March 31, 2012	$ 1,245,414	$ 155,108	$ —	$ 1,400,522

(In thousands)	Year Ended March 31, 2013			
	Indefinite Lived Trademarks	Finite Lived Trademarks	Non Compete Agreement	Totals
Gross Amount				
Balance – March 31, 2012	$ 1,245,414	$ 217,512	$ 158	$ 1,463,084
Reclassifications	(1,696)	1,696	—	—
Reductions	—	(16,142)	—	(16,142)
Balance – March 31, 2013	$ 1,243,718	$ 203,066	$ 158	$ 1,446,942
Accumulated Amortization				
Balance – March 31, 2012	$ —	$ 62,404	$ 158	$ 62,562
Additions	—	11,678	—	11,678
Reductions	—	(538)	—	(538)
Balance – March 31, 2013	$ —	$ 73,544	$ 158	$ 73,702
Intangibles, net – March 31, 2013	$ 1,243,718	$ 129,522	—	$ 1,373,240

As discussed in Note 3, on January 31, 2012, we completed the acquisition of the GSK Brands I for $615.0 million in cash. On March 30, 2012, we completed the acquisition of the GSK Brands II for $45.0 million in cash. In connection with these acquisitions, we allocated $624.1 million of the purchase price to intangible assets.

As discussed in Note 4, on October 31, 2012, we sold the *Phazyme* brand for $22.3 million. As a result of this divestiture, we reduced the net book value of our intangible assets by $15.6 million.

During the year ended March 31, 2013, we reclassified a portion of trademarks related to the acquired GSK Brands in the amount of $1.7 million.

On January 6, 2011, we acquired certain assets related to the *Dramamine* brand in the United States. In connection with this acquisition, we allocated $75.9 million of the purchase price to intangible assets.

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

We completed our test for impairment of intangible assets during the fourth quarter of 2013, 2012 and 2011. For 2013, 2012 and 2011, we did not record any impairment charge, as facts and circumstances indicated that the fair values of the intangible assets for such segments exceeded their carrying values. The Company has experienced revenue declines in regard to certain brands in its Household Cleaning segment during 2013, 2012 and 2011. Adverse changes in the expected operating results and/or unfavorable changes in other economic factors used to estimate fair values of these specific brands could result in a non-cash impairment charge in the future.

The weighted average remaining life for finite-lived intangible assets at March 31, 2013 was approximately 12.0 years and the amortization expense for the year ended March 31, 2013 was $11.7 million. At March 31, 2013, finite-lived intangible assets are expected to be amortized over their estimated useful life, which ranges from a period of 3 to 30 years , and the estimated amortization expense for each of the five succeeding years and periods thereafter is as follows (in thousands):

Year Ending March 31,		
	2014	$ 10,210
	2015	8,834
	2016	8,834
	2017	8,834
	2018	8,834
Thereafter		83,976
		$ 129,522

10. Other Accrued Liabilities

Other accrued liabilities consist of the following:

(In thousands)	March 31,	
	2013	2012
Accrued marketing costs	$ 17,187	$ 10,554
Accrued compensation costs	8,847	7,181
Accrued broker commissions	1,028	415
Income taxes payable	493	577
Accrued professional fees	1,846	3,821
Deferred rent	1,268	9
Accrued severance costs	—	461
Accrued lease termination costs	729	290
	$ 31,398	$ 23,308

11. Long-Term Debt

On March 24, 2010, Prestige Brands, Inc. ("the Borrower") issued $150.0 million of senior unsecured notes, with an interest rate of 8.25% and a maturity date of April 1, 2018 (the "2010 Senior Notes"). On November 1, 2010, the Borrower issued an additional $100.0 million of the 2010 Senior Notes. The Borrower 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 2010 Senior Notes issued in March and November 2010 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 for the 2010 Senior Notes on a combined basis. The 2010 Senior Notes are unconditionally guaranteed by Prestige Brands Holdings, Inc. and its domestic 100% owned subsidiaries, other than the Borrower. Each of these guarantees is joint and several. There are no significant restrictions on the ability of any of the guarantors to make payments to Prestige Brands, Inc., or the Company or to obtain funds from their subsidiaries.

On March 24, 2010, the Borrower also entered into a senior secured term loan facility 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 "2010 Senior Term Loan"). 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, Prestige Brands Holdings, Inc., together with the Borrower and certain of our other subsidiaries, executed an Increase Joinder to our credit agreement governing the 2010 Senior Term Loan (the "Increase Joinder"), pursuant to which the Borrower entered into an incremental term loan in the amount of $115.0 million. The 2010 Senior Term Loan was scheduled to mature on March 24, 2016 and was repaid in full on January 31, 2012 with the entry into the new senior secured credit facility described below. In connection with the refinancing and the payoff of the 2010 Senior Term Loan, we recognized a $5.4 million loss on the extinguishment of debt for 2012. The 2010 Senior Term Loan was unconditionally guaranteed by Prestige Brands Holdings, Inc. and its domestic 100% owned subsidiaries, other than the Borrower.

Additionally, on March 24, 2010, the Borrower entered into a non-amortizing senior secured revolving credit facility (“2010 Revolving Credit Facility” and, together with the 2010 Senior Term Loan, the “2010 Credit Facility”) in an aggregate principal amount of up to $30.0 million. On November 1, 2010, pursuant to the Increase Joinder, the amount of the 2010 Revolving Credit Facility was increased by $10.0 million, providing the Borrower with borrowing capacity under the 2010 Revolving Credit Facility in an aggregate principal amount of up to $40.0 million. On January 31, 2012, in connection with the entry into the new senior

secured credit facility as described below, the Borrower terminated the 2010 Credit Facility. There were no material early termination penalties as a result of the termination of the 2010 Credit Facility.

On January 31, 2012, the Borrower issued $250.0 million of senior unsecured notes at par value, with an interest rate of 8.125% and a maturity date of February 1, 2020 (the "2012 Senior Notes"). The Borrower may earlier redeem some or all of the 2012 Senior Notes at redemption prices set forth in the indenture governing the 2012 Senior Notes. The 2012 Senior Notes are guaranteed by Prestige Brands Holdings, Inc. and certain of its domestic 100% owned subsidiaries. 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. In connection with the 2012 Senior Notes offering, we incurred $12.6 million of costs which were capitalized as deferred financing costs and are being amortized over the term of the 2012 Senior Notes.

On January 31, 2012, the Borrower also entered into a new senior secured credit facility, which consists of (i) a $660.0 million term loan facility (“2012 Term Loan”) with a seven-year maturity and (ii) a $50.0 million asset-based revolving credit facility (“2012 ABL Revolver”) with a five-year maturity. In September 2012, we utilized a portion of our accordion feature to increase the amount of our borrowing capacity under the 2012 ABL Revolver by $25.0 million to $75.0 million. The 2012 Term Loan was issued with an original issue discount of 1.5% of the principal amount thereof, resulting in net proceeds to Company of $650.1 million. In connection with these loan facilities, we incurred $20.6 million of costs which were capitalized as deferred financing costs and are being amortized over the terms of the facilities. The 2012 Term Loan is unconditionally guaranteed by Prestige Brands Holdings, Inc. and its domestic 100% owned subsidiaries, other than 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.

On February 21, 2013, the Borrower entered into Amendment No. 1 (the "Amendment") to the 2012 Term Loan. The Amendment provides for the refinancing of all of the Borrower's existing Term B Loans with new Term B-1 Loans. The interest rate on the Term B-1 Loans is based, at the Borrower's option, on a LIBOR rate, plus a margin of 2.75% per annum, with a LIBOR floor of 1.00%, or an alternate base rate, plus a margin. The new Term B-1 Loans will mature on the same date as the Term B Loans original maturity date. In addition, the Amendment provides the Borrower with certain additional capacity to prepay subordinated debt, the 2012 Senior Notes and certain other unsecured indebtedness permitted to be incurred under the credit agreement. In connection with the refinancing, during the fourth quarter ended March 31, 2013, we recognized a $1.4 million loss on the extinguishment of debt.

The 2012 Term Loan, as amended, bears interest at a rate per annum equal to an applicable margin plus, at our option, either (i) a base rate determined by reference to the highest of (a) the Federal Funds rate plus 0.50%, (b) the prime rate of Citibank, N.A., (c) the LIBOR rate determined by reference to the cost of funds for U.S. dollar deposits for an interest period of one month adjusted for certain additional costs, plus 1.00% and (d) a floor of 2.00% or (ii) a LIBOR rate determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs, provided that LIBOR shall not be lower than 1.00%. For the year ended March 31, 2013, the average interest rate on the 2012 Term Loan was 5.2%.

Under the 2012 Term Loan, we are required to make quarterly payments each equal to 0.25% of the original principal amount of the 2012 Term Loan, with the balance expected to be due on the seventh anniversary of the closing date. However, since we made a $25.0 million payment in March 2012, and additional payments totaling $190.0 million during the year ended March 31, 2013, we will not be required to make a quarterly payment until the maturity date of January 31, 2019.

Borrowings under the 2012 ABL Revolver bear interest at a rate per annum equal to an applicable margin, plus, at our option, either (i) a base rate determined by reference to the highest of (a) the Federal Funds rate plus 0.50%, (b) the prime rate of Citibank, N.A., (c) the LIBOR rate determined by reference to the cost of funds for U.S. dollar deposits for an interest period of one month adjusted for certain additional costs, plus 1.00% or (ii) a LIBOR rate determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs. The initial applicable margin for borrowings under the 2012 ABL Revolver is 1.75% with respect to LIBOR borrowings and 0.75% with respect to base-rate borrowings. The applicable margin for borrowings under the 2012 ABL Revolver may be increased to 2.00% or 2.25% for LIBOR borrowings and 1.00% or 1.25% for base-rate borrowings, depending on average excess availability under the 2012 ABL Revolver during the prior fiscal quarter. In addition to paying interest on outstanding principal under the 2012 ABL Revolver, we are required to pay a commitment fee to the lenders under the 2012 ABL Revolver in respect of the unutilized commitments thereunder. The initial commitment fee rate is 0.50% per annum. The commitment fee rate will be reduced to 0.375% per annum at any time when the average daily unused commitments for the prior quarter is less than the percentage of total commitments set forth in the credit agreement covering the 2012 ABL Revolver. We may voluntarily repay outstanding loans under the 2012 ABL Revolver at any time without a premium or penalty. For the year ended March 31, 2013, the average interest rate on the 2012 ABL Revolver was 2.2%.

We used the net proceeds from the 2012 Senior Notes offering, together with borrowings under the 2012 Term Loan to finance the acquisition of the GSK Brands, to repay the 2010 Credit Facility, to pay fees and expenses incurred in connection with these transactions and for general corporate purposes. The acquisition of the GSK Brands is discussed in Note 3 .

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, we incurred $7.3 million in issuance costs, of which $6.6 million was capitalized as deferred financing costs and $0.7 million was expensed. In connection with the financing activities of November 2010 relating to the 2010 Senior Notes and the Increase Joiner, we incurred $0.6 million in issuance costs, all of which was capitalized as deferred financing costs. In connection with the financing activities of January 2012 relating to the 2012 Senior Notes, the 2012 Term Loan and the 2012 ABL Revolver, we incurred $12.6 million, $18.8 million and $1.8 million, respectively, in issuance costs, which were capitalized as deferred financing costs. The deferred financing costs are being amortized over the terms of the related loan and notes. During the three months ended December 31, 2012, we made significant payments toward our outstanding indebtedness under our 2012 Term Loan. As such, we accelerated a portion of the deferred financing costs related to the 2012 Term Loan in the amount of $5.1 million.

On March 24, 2010, we retired our then-existing senior secured 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, we recognized a $0.3 million loss on the extinguishment of debt for 2011.

The 2010 Senior Notes are secured on a pari passu basis with the 2012 Term Loan and are guaranteed on a senior unsecured basis. The 2012 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. The 2012 Senior Notes are effectively subordinated to secured obligations of the Company, including the 2012 Term Loan and the 2012 ABL Revolver and the 2010 Senior Notes, equal in right of payment to all existing and future unsecured obligations of the Company, and senior in right of payment to all existing and future subordinated obligations of the Company.

At any time prior to April 1, 2014, we 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 indenture governing the 2010 Senior Notes, together with accrued and unpaid interest, if any, to the date of redemption. We 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, we could have redeemed 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 interest, if any, to the redemption date.

At any time prior to February 1, 2016, we may redeem the 2012 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 indenture governing the 2012 Senior Notes, together with accrued and unpaid interest, if any, to the date of redemption. On or after February 1, 2016, we may redeem the 2012 Senior Notes in whole or in part at redemption prices set forth in the indenture governing the 2012 Senior Notes. In addition, at any time prior to February 1, 2015, we may redeem up to 35% of the aggregate principal amount of the 2012 Senior Notes at a redemption price equal to 108.125% of the principal amount plus accrued and unpaid interest, if any, to the redemption date, with the net cash proceeds of certain equity offerings, provided that certain conditions are met. Subject to certain limitations, in the event of a change of control, as defined in the indenture governing the 2012 Senior Notes, Prestige Brands, Inc. will be required to make an offer to purchase the 2012 Senior Notes at a price equal to 101% of the aggregate principal amount of the 2012 Senior Notes repurchased, plus accrued and unpaid interest, if any, to the date of repurchase.

The indentures governing the 2010 Senior Notes and 2012 Senior Notes contain provisions that restrict us from undertaking specified corporate actions, such as asset dispositions, acquisitions, dividend payments, repurchases of common shares outstanding, changes of control, incurrences of indebtedness, issuance of equity, creation of liens, making of loans and transactions with affiliates. Additionally, the credit agreement with respect to the 2012 Term Loan and the 2012 ABL Revolver and the indenture governing the 2012 Senior Notes contain cross-default provisions, whereby a default pursuant to the terms and conditions of certain indebtedness will cause a default on the remaining indebtedness under the credit agreement and the indenture governing the 2012 Senior Notes. At March 31, 2013, we were in compliance with the covenants under our long-term indebtedness.

During the year ended March 31, 2013, we made principal payments of $190.0 million against the outstanding 2012 Term Loan and borrowed a net amount of $33.0 million against the 2012 ABL Revolver. The 2010 Senior Term Loan was repaid in full on January 31, 2012.

Long-term debt consists of the following, as of the dates indicated:

(In thousands, except percentages)	March 31, 2013	March 31, 2012
2012 Senior Notes bearing interest at 8.125%, with interest only payable on February 1st and August 1st of each year. The 2012 Senior Notes mature on February 1, 2020.	$250,000	$ 250,000
2012 Term Loan bearing interest at the Company's option at either a base rate plus applicable margin with a floor of 2.00% or LIBOR with a floor of 1.00%, due on January 31, 2019.	445,000	635,000
2012 ABL Revolver bearing interest at the Company's option at either a base rate plus applicable margin or LIBOR plus applicable margin. Any unpaid balance is due on January 31, 2017.	33,000	—
2010 Senior Notes bearing interest at 8.25%, with interest only payable on April 1st and October 1st of each year. The 2010 Senior Notes mature on April 1, 2018.	250,000	250,000
	978,000	1,135,000
Current portion of long-term debt	—	—
	978,000	1,135,000
Less: unamortized discount	(7,100)	(11,092)
Long-term debt, net of unamortized discount	$ 970,900	$ 1,123,908

During the year ended March 31, 2013, we made significant payments toward our outstanding indebtedness under our 2012 Term Loan. As such, we accelerated the amortization of a portion of the debt discount related to the 2012 Term Loan in the amount of $2.6 million. Aggregate future principal payments required in accordance with the terms of the 2012 Term Loan, the 2012 ABL Revolver and the indentures governing the 2010 Senior Notes and the 2012 Senior Notes are as follows (in thousands):

Year Ending March 31,	Amount
2014	$ —
2015	—
2016	—
2017	33,000
2018	—
Thereafter	945,000
	$ 978,000

12. Fair Value Measurements

As we deem appropriate, we may from time to time utilize derivative financial instruments to mitigate the impact of changing interest rates associated with our long-term debt obligations or other derivative financial instruments. While we have utilized derivative financial instruments in the past, we did not have any derivative financial instruments outstanding at March 31, 2013, 2012 or 2011. We have not entered into derivative financial instruments for trading purposes; all of our derivatives were over-the-counter instruments with liquid markets.

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.

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.

The market values have been determined based on market values for similar instruments adjusted for certain factors. As such, the 2012 Term Loan, the 2012 Senior Notes, the 2010 Senior Notes, and the 2012 ABL Revolver are measured in Level 2 of the above hierarchy. At March 31, 2013 and 2012, we did not have any assets or liabilities measured in Level 1 or 3. During 2013, 2012 and 2011, there were no transfers of assets or liabilities between Levels 1, 2 and 3.

At March 31, 2013 and March 31, 2012, the carrying value of our 2012 Senior Notes was $250.0 million and $250.0 million, respectively. The market value of our 2012 Senior Notes was $281.9 million and $270.6 million, respectively, at March 31, 2013 and March 31, 2012.

At March 31, 2013 and March 31, 2012, the carrying value of the 2012 Term Loan was $445.0 million and $635.0 million, respectively. The market value of the 2012 Term Loan was $451.1 million and $639.0 million at March 31, 2013 and March 31, 2012, respectively.

At March 31, 2013 and March 31, 2012, the carrying value of our 2010 Senior Notes was $250.0 million and $250.0 million, respectively. The market value of our 2010 Senior Notes was $271.9 million and $272.5 million at March 31, 2013 and March 31, 2012, respectively.

At March 31, 2013, the carrying value of the 2012 ABL Revolver of $33.0 million approximated its market value.

13. Stockholders' Equity

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

Each share of common stock has the right to one vote on all matters submitted to a vote of stockholders. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, subject to prior rights of holders of all classes of stock outstanding having priority rights as to dividends. No dividends have been declared or paid on our common stock through March 31, 2013.

Effective February 26, 2012, our Board of Directors adopted a stockholder rights plan (the "Rights Plan"). Pursuant to the Rights Plan, the Board of Directors declared a dividend distribution of one preferred share right (a "Right") for each share of common stock held of record by our stockholders as of March 8, 2012. Each Right entitles the holder to purchase one one-thousandth of a share of Series A Preferred Stock (the "Preferred Shares") at an initial exercise price of $65.00, subject to dilution adjustments for dividends payable in Preferred Shares or other such events. The Rights Plan is intended to ensure that all of our stockholders receive fair and equal treatment in the event of any proposed takeover of the Company and to protect stockholders' interests in the event we are confronted with partial tender offers or other coercive or unfair takeover tactics.

The Rights become exercisable after ten days following the acquisition by an acquiring person or group of 10% or more of our outstanding common stock (“Acquisition Event”). If such acquiring person or group acquires 10% or more of the common stock, each Right (other than such acquiring person's or group's Rights, whose Rights become void upon exceeding the 10% threshold) will entitle the holder to purchase, at the exercise price, common stock having a market value equal to twice the exercise price of the Right.

The Rights Plan and the Rights will expire on the date of the 2013 Annual Stockholders' Meeting if the Rights Plan is not approved by the Company's stockholders. If approved by the stockholders, the Rights Plan and the Rights will expire on February 26, 2022, unless an Acquisition Event occurs earlier. Subject to the provisions of the Rights Plan, at the Company's option, the Rights may be redeemed by the Company at an initial cash redemption price of $0.01 per Right or may be exchanged in whole or in part for one share of the Company's common stock, or one one-thousandth of a share of Preferred Share.

During March 2012, we recorded a charge against retained earnings in the amount of $283,000 related to the fair value of the Rights as of the dividend date. For any right that expires unredeemed, the appropriate charge to retained earnings will be reversed.

During 2013, 2012 and 2011, we repurchased zero, 20,999, and 36,032 shares, respectively, of restricted common stock from current and former employees pursuant to the provisions of the various employee stock purchase agreements. The purchases were at an average price of $12.86 per share for 2012 and $9.81 per share for 2011. All of such shares have been recorded as treasury stock.

14. Earnings Per Share

Basic earnings per share is computed based on the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share is computed based on the weighted-average number of shares of common stock outstanding plus the effect of potentially dilutive common shares outstanding during the period using the treasury stock method, which includes stock options, restricted stock awards, and restricted stock units. The following table sets forth the computation of basic and diluted earnings per share:

(In thousands, except per share data)	Year Ended March 31,		
	2013	**2012**	**2011**
Numerator			
Income from continuing operations	$ 65,505	$ 37,212	$ 29,179
Income from discontinued operations and loss on sale of discontinued operations	—	—	41
Net income	$ 65,505	$ 37,212	$ 29,220
Denominator			
Denominator for basic earnings per share- weighted average shares	50,633	50,270	50,081
Dilutive effect of unvested restricted common stock (including restricted stock units) and options issued to employees and directors	807	478	257
Denominator for diluted earnings per share	51,440	50,748	50,338
Earnings per Common Share:			
Basic earnings per share from continuing operations	$ 1.29	$ 0.74	$ 0.58
Basic earnings per share from discontinued operations and loss on sale of discontinued operations	—	—	—
Basic net earnings per share	$ 1.29	$ 0.74	$ 0.58
Diluted earnings per share from continuing operations	$ 1.27	$ 0.73	$ 0.58
Diluted earnings per share from discontinued operations and loss on sale of discontinued operations	—	—	—
Diluted net earnings per share	$ 1.27	$ 0.73	$ 0.58

Additionally, for 2013, 2012 and 2011 there were zero, 0.4 million and 0.5 million shares attributable to outstanding stock-based awards that were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive.

15. Share-Based Compensation

In connection with our 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 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.

During 2013, pre-tax share-based compensation costs charged against income and the related income tax benefit recognized were $3.8 million and $1.2 million, respectively.

During 2012, pre-tax share-based compensation costs charged against income and the related income tax benefit recognized were $3.1 million and $1.2 million, respectively. During 2012 management determined that performance goals associated with the grants of stock to management and employees in May 2008 were met and recorded stock compensation costs, and accordingly shares were issued in accordance with the Plan in May 2011. No prior compensation costs were required to be reversed.

During 2011, pre-tax share-based compensation costs charged against income and the related income tax benefit recognized were $3.6 million and $1.4 million, respectively. During 2011 management determined that performance goals associated with the

grants of stock to management and employees in May 2008 were met and recorded stock compensation costs accordingly. No prior compensation costs were required to be reversed.

Restricted Shares

Restricted shares granted to employees under the Plan generally vest in three to five years, primarily upon the attainment of certain time vesting thresholds, and may also be contingent on the attainment of certain performance goals of the Company, including revenue and earnings before income taxes, depreciation and amortization targets. The restricted share awards provide for accelerated vesting if there is a change of control, as defined in the Plan. On January 25, 2012, the Compensation Committee of our Board of Directors granted 95,000 shares of restricted stock units to certain members of executive management. The restricted stock units will vest in equal annual installments over a three year period on the anniversary date of the grants. The grant-date fair value of restricted shares is determined using the closing price of our common stock on the day of grant. On May 9, 2012, the Compensation Committee of our Board of Directors granted 111,152 shares of restricted common stock units to certain executive officers and employees under the Plan. On June 29, 2012, the Compensation Committee of our Board of Directors granted 12,652 shares of restricted common stock units to the independent members of the Board of Directors under the Plan. On August 6, 2012, the Compensation Committee of the Board of Directors granted 5,109 shares of restricted common stock units to Matthew M. Mannelly, our President and CEO, under the Plan..

The restricted common stock units granted to directors will vest in their entirety one year after the date of grant so long as the membership on the Board of Directors continues through the vesting date, with the settlement in common stock to occur on the earliest of the director's death, disability or six-month anniversary of the date on which the director's Board membership ceases for reasons other than death or disability. The restricted stock units granted to employees generally vest in their entirety on the three-year anniversary of the date of the grant. Upon vesting, the units will be settled in shares of our common stock. The fair value of the restricted stock units is determined using the closing price of our common stock on the day of grant. The weighted-average grant-date fair value during 2013, 2012 and 2011 was $13.59, $11.81 and $8.99, respectively.

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

Nonvested Shares	Shares (in thousands)	Weighted-Average Grant-Date Fair Value
Nonvested at March 31, 2010	287.1	$ 8.86
Granted	125.0	8.99
Vested and issued	(88.2)	9.63
Forfeited	(48.5)	10.10
Vested and nonvested at March 31, 2011	275.4	8.46
Vested at March 31, 2011	29.2	6.84
Granted	217.5	11.81
Vested and issued	(103.4)	9.93
Forfeited	(26.1)	10.17
Vested and nonvested at March 31, 2012	363.4	9.92
Vested at March 31, 2012	54.0	7.40
Granted	128.9	13.59
Vested and issued	(58.7)	9.99
Forfeited	(12.3)	10.69
Vested and nonvested at March 31, 2013	421.3	11.01
Vested at March 31, 2013	70.4	8.52

Options

The Plan provides that the exercise price of options granted shall be no less than the fair market value of the Company's common stock on the date the options are granted. Options granted have a term of no greater than ten years from the date of grant and vest

in accordance with a schedule determined at the time the option is granted, generally three to five years. The option awards provide for accelerated vesting in the event of a change in control, as defined in the Plan.

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 table below. Expected volatilities are based on the historical volatility of our common stock and other factors, including the historical volatilities of comparable companies. We use appropriate historical data, as well as current data, to estimate option exercise and employee termination behaviors. Employees that are expected to exhibit similar exercise or termination behaviors are grouped together for the purposes of valuation. The expected terms of the options granted are derived from our historical experience, management's estimates, and consideration of information derived from the public filings of companies similar to us, and represent the period of time that options granted are expected to be outstanding. The risk-free rate represents the yield on U.S. Treasury bonds with a maturity equal to the expected term of the granted option. On May 9, 2012, the Compensation Committee of our Board of Directors granted stock options to acquire 422,962 shares of our common stock to certain executive officers and employees under the Plan. These stock options were granted at an exercise price of $13.24 per share, which is equal to the closing price for our common stock on the day of the grant. On August 6, 2012, the Compensation Committee of the Board of Directors granted stock options to acquire 21,978 shares of our common stock to Matthew M. Mannelly. These stock options were granted at an exercise price of $15.66 per share, which is equal to the closing price for our common stock on the date of grant. The stock options will vest 33.3% per year over three years and are exercisable for up to ten years from the date of grant.

The weighted-average grant-date fair value of the options granted during 2013, 2012 and 2011 were $6.03, $5.83 and $4.91, respectively.

	Year Ended March 31,	
	2013	**2012**
Expected volatility	44.0%	53.0%
Expected dividends	—	—
Expected term in years	6.5	6.5
Risk-free rate	1.2%	2.4%

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, 2010	1,584.2	$ 8.50		
Granted	418.6	9.26		
Exercised	(33.8)	9.79		
Forfeited or expired	(347.5)	10.74		
Outstanding at March 31, 2011	1,621.5	8.19		
Granted	308.2	11.27		
Exercised	(86.9)	10.24		
Forfeited or expired	(97.4)	11.57		
Outstanding at March 31, 2012	1,745.4	8.44		
Granted	444.9	13.36		
Exercised	(786.5)	7.67		
Forfeited or expired	(17.4)	11.21		
Outstanding at March 31, 2013	1,386.4	10.43	7.6	$ 10,468
Exercisable at March 31, 2013	254.4	10.81	6.6	1,666

The aggregate intrinsic value of options exercised during 2013 was $3.8 million. The aggregate intrinsic value at March 31, 2013 for options granted during 2013 was $5.5 million. The weighted-average fair value per option at the grant date was $6.03 for 2013.

At March 31, 2013, there were $3.0 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. We expect to recognize such costs over a weighted-average period of 0.9 years. The total fair value of options and restricted shares vested during 2013, 2012 and 2011, was $2.5 million, $2.9 million and $2.3 million, respectively. Cash received from the exercise of stock options was $6.0 million during 2013, and we realized $11.3 million in tax benefits for the tax deductions resulting from option exercises. Cash received from the exercise of stock options was $0.6 million during 2012, and we realized $0.3 million in tax benefits for the tax deductions resulting from option exercises. Cash received from the exercise of stock options was $0.3 million during 2011, and we realized $0.2 million in tax benefits for the tax deductions from option exercises. At March 31, 2013, there were 1.9 million shares available for issuance under the Plan.

16. Income Taxes

The provision for income taxes from continuing operations consists of the following:

(In thousands)	Year Ended March 31,		
	2013	2012	2011
Current			
Federal	$ 12,520	$ 8,127	$ 8,793
State	1,972	1,396	1,496
Foreign	532	630	522
Deferred			
Federal	23,845	13,100	7,211
State	1,660	692	1,327
Total provision for income taxes from continuing operations	$ 40,529	$ 23,945	$ 19,349

The principal components of our deferred tax balances are as follows:

(In thousands)	March 31,	
	2013	2012
Deferred Tax Assets		
Allowance for doubtful accounts and sales returns	$ 2,807	$ 1,931
Inventory capitalization	1,370	1,184
Inventory reserves	525	635
Net operating loss carryforwards	411	495
State income taxes	7,364	7,103
Accrued liabilities	1,896	1,762
Stock compensation	2,367	2,536
Other	496	1
Total deferred tax assets	17,236	15,647
Deferred Tax Liabilities		
Property and equipment	(1,504)	(155)
Intangible assets	(203,671)	(177,926)
Total deferred tax liabilities	(205,175)	(178,081)
Net deferred tax liability	$ (187,939)	$ (162,434)

At March 31, 2013, a 100% owned subsidiary had a net operating loss carryforward of approximately $1.2 million, which may be used to offset future taxable income of the consolidated group and begins to expire in 2020. The net operating loss carryforward is subject to an annual limitation as to usage under Internal Revenue Code Section 382 of approximately $0.2 million.

A reconciliation of the effective tax rate compared to the statutory U.S. Federal tax rate is as follows:

	Year Ended March 31,					
(In thousands)	**2013**		**2012**		**2011**	
		%		**%**		**%**
Income tax provision at statutory rate	$ 37,112	35.0	$ 21,405	35.0	$ 17,008	35.0
Foreign tax (benefit) provision	—	—	191	0.3	(42)	(0.1)
State income taxes, net of federal income tax benefit	3,413	3.2	2,073	3.4	1,615	3.3
(Decrease) increase in net deferred tax liability resulting from a change in the effective state tax rate	(1,741)	(1.6)	(1,177)	(1.9)	302	0.6
Nondeductible compensation	1,684	1.6	1,305	2.1	—	—
Transaction costs	—	—	—	—	367	0.8
Other	61	—	148	0.3	124	0.3
Total provision for income taxes	40,529	38.2	23,945	39.2	19,374	39.9
Amount included in discontinued operations	—	—	—	—	25	38.2
Provision for income taxes from continuing operations	$ 40,529	38.2	$ 23,945	39.2	$ 19,349	39.9

Uncertain tax liability activity is as follows:

(In thousands)	**2013**	**2012**
Balance – beginning of year	$ 292	456
Additions based on tax positions related to the current year	831	45
Reductions based on lapse of statute of limitations	(107)	(209)
Balance – end of year	$ 1,016	$ 292

We recognize interest and penalties related to uncertain tax positions as a component of income tax expense. All of our uncertain tax liabilities, if recognized, would reduce our effective tax rate. We did not incur any material interest or penalties related to income taxes in any of the periods presented. We do not anticipate any events or circumstances that would cause a material change to these uncertainties during the ensuing year. We are subject to taxation in the United States and various state and foreign jurisdictions, and we are generally open to examination from the year ended March 31, 2010 forward.

17. Commitments and Contingencies

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

Lease Commitments

We have operating leases for office facilities and equipment in New York and Wyoming, which expire at various dates through 2018. Due to the recent acquisition of the GSK Brands, we required additional office space and entered into a 5.5 year lease for a new office facility in New York, which began in the third quarter of fiscal 2013. In May 2012, we also entered into a three year office lease in Rogers, Arkansas. These amounts have been included in the schedule below.

The following summarizes future minimum lease payments for our operating leases:

(In thousands)		Facilities	Equipment	Total
Year Ending March 31,				
	2014	$ 1,764	$ 141	$ 1,905
	2015	1,049	136	1,185
	2016	994	135	1,129
	2017	1,023	68	1,091
	2018	1,044	—	1,044
		$ 5,874	$ 480	$ 6,354

Rent expense was $1.2 million, $0.9 million, and $0.8 million for 2013, 2012, and 2011, respectively.

Purchase Commitments

Effective November 1, 2009, we entered into a ten year supply agreement for the exclusive manufacture of a portion of one of our Household Cleaning products. Although we are committed under the supply agreement to pay the minimum amounts set forth in the table below, the total commitment is less than 10% of the estimated purchases that we expect to make during the course of the agreement.

(In thousands)	
Year Ending March 31,	
2014	1,136
2015	1,105
2016	1,074
2017	1,044
2018	1,013
Thereafter	1,542
	$ 6,914

18. Concentrations of Risk

Our sales are concentrated in the areas of OTC Healthcare and Household Cleaning products. We sell our products to mass merchandisers, food and drug stores, and dollar and club stores. During 2013, 2012 and 2011, approximately 40.5%, 51.3% and 63.3%, respectively, of our total sales were derived from our five top selling brands. One customer, Walmart, accounted for more than 10% of our gross revenues for each of the periods presented. During 2013, 2012 and 2011, Walmart accounted for approximately 15.9%, 18.9% and 20.3%, respectively, of our gross revenues. At March 31, 2013, approximately 24.5% of accounts receivable were owed by the same customer.

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

At March 31, 2013, we had relationships with 66 third-party manufacturers. Of those, we had long-term contracts with 22 manufacturers that produced items that accounted for approximately 75.3% of our gross sales for 2013, compared to 20 manufactures with long-term contracts that accounted for approximately 70.6% of gross sales in 2012. The fact that we do not have long-term contracts with certain manufacturers means that they could cease manufacturing our products at any time and for any reason or initiate arbitrary and costly price increases which could have a material adverse effect on our business, financial condition, and results from operations.

19. Business Segments

Segment information has been prepared in accordance with Segment Reporting topic of the FASB ASC and includes certain information that our chief operating decision maker, the Company's Chief Executive Officer, reviews, including contribution

margin, which is a non-GAAP financial measure. Contribution margin is defined as gross profit less advertising and promotional expenses. Our general and administrative expenses and other corporate-level activity is not allocated to our segments, including costs of: employee-related costs; legal; finance; information technology; corporate development; legal settlements; depreciation and amortization; and facility and insurance costs. As described in Note 2, on September 1, 2010, we sold certain assets related to the *Cutex* nail polish remover brand included in our previously reported Personal Care segment to an unrelated third party. The assets sold comprised a substantial majority of the assets in our previously reported Personal Care segment. The remaining assets and revenues generated do not constitute a reportable segment under the Segment Reporting topic of the FASB ASC. Therefore, we reclassified the remaining assets and results of the Personal Care segment to the OTC Healthcare segment for all periods presented. Our current operating and reportable segments now consist of (i) OTC Healthcare and (ii) Household Cleaning.

There were no inter-segment sales or transfers during any of the periods presented. We evaluate the performance of our operating segments and allocate resources to them based primarily on contribution margin.

The table below summarizes information about our operating and reportable segments.

	Year Ended March 31, 2013		
	OTC Healthcare	**Household Cleaning**	**Consolidated**
(In thousands)			
Net sales	$ 536,247	$ 84,147	$ 620,394
Other revenues	684	2,519	3,203
Total revenues	536,931	86,666	623,597
Cost of sales	211,654	64,727	276,381
Gross profit	325,277	21,939	347,216
Advertising and promotion	84,537	6,093	90,630
Contribution margin	$ 240,740	$ 15,846	256,586
Other operating expenses			64,702
Operating income			191,884
Other expenses			85,850
Provision for income taxes			40,529
Income from continuing operations			65,505
Income from discontinued operations, net of income tax			—
Loss on sale of discontinued operations, net of income tax benefit			—
Net income			$ 65,505

	Year Ended March 31, 2012		
	OTC Healthcare	Household Cleaning	Consolidated
(In thousands)			
Net sales	$ 344,282	$ 93,556	$ 437,838
Other revenues	719	2,528	3,247
Total revenues	345,001	96,084	441,085
Cost of sales	143,151	70,550	213,701
Gross profit	201,850	25,534	227,384
Advertising and promotion	51,895	5,232	57,127
Contribution margin	$ 149,955	$ 20,302	170,257
Other operating expenses			67,434
Operating income			102,823
Other expenses			41,666
Provision for income taxes			23,945
Income from continuing operations			37,212
Income from discontinued operations, net of income tax			—
Loss on sale of discontinued operations, net of income tax			—
Net income			$ 37,212

	Year Ended March 31, 2011		
	OTC Healthcare	Household Cleaning	Consolidated
(In thousands)			
Net sales	$ 234,042	$ 99,673	$ 333,715
Other revenues	543	2,252	2,795
Total revenues	234,585	101,925	336,510
Cost of sales	97,710	67,922	165,632
Gross profit	136,875	34,003	170,878
Advertising and promotion	36,752	6,145	42,897
Contribution margin	$ 100,123	$ 27,858	127,981
Other operating expenses			51,836
Operating income			76,145
Other expenses			27,617
Provision for income taxes			19,349
Income from continuing operations			29,179
Income from discontinued operations, net of income tax			591
Loss on sale of discontinued operations, net of income tax			(550)
Net income			$ 29,220

(In thousands)	Year Ended March 31, 2013	2012	2011
Analgesics	$ 108,144	$ 18,930	$ 3,063
Cough & Cold	126,974	116,669	75,013
Gastrointestinal	97,940	29,489	4,067
Eye & Ear Care	86,380	74,363	70,724
Dermatologicals	52,401	52,592	51,398
Oral Care	49,617	46,551	26,518
Other OTC	15,475	6,407	3,802
Total OTC Healthcare Segment	536,931	345,001	234,585
Household Cleaning Segment	86,666	96,084	101,925
Consolidated Net Revenues	$ 623,597	$ 441,085	$ 336,510

During 2013, 2012 and 2011, approximately 89.9%, 90.2%, and 89.3%, respectively of our sales were made to customers in the United States. Other than the United States, no individual geographical area accounted for more than 10% of net sales in any of the periods presented. Sales to Canada accounted for 7.4%, 6.3%, and 6.5% of our total revenues for 2013, 2012, and 2011, respectively. At March 31, 2013, substantially all of our long-term assets were located in the United States of America and have been allocated to the operating segments as follows:

(In thousands)	OTC Healthcare	Household Cleaning	Consolidated
Goodwill	$ 160,157	$ 7,389	$ 167,546
Intangible assets			
Indefinite-lived	1,123,898	119,820	1,243,718
Finite-lived	101,611	27,911	129,522
	1,225,509	147,731	1,373,240
	$ 1,385,666	$ 155,120	$ 1,540,786

20. Gain on Settlement

On June 15, 2011, we received a settlement payment of $8.0 million in the resolution of pending litigation, which Prestige Brands, Inc. had initiated for legal malpractice, breach of contract and breach of fiduciary duty against a law firm and two individual lawyers who had previously provided legal representation to Prestige Brands, Inc.

Because the result of the litigation could only have resulted in a potential gain and the amount could not be determined prior to the settlement, the settlement payment was not disclosed prior to the actual receipt of the settlement. Additionally, the costs netted against the gain during the period ended June 30, 2011 were legal fees paid solely on a contingent basis and other immaterial legal fees incurred in the period ended June 30, 2011. All other costs and legal fees that were incurred prior to the period ended June 30, 2011 were immaterial and expensed as incurred.

We incurred costs of $2.9 million in pursuing this matter. Therefore, we recorded a pre-tax gain on settlement of $5.1 million, net of costs incurred, and $3.2 million after income tax effects for the fiscal year ended March 31, 2012. The $5.1 million pre-tax gain is included in other (income) expense, as this gain did not relate to our ongoing operations.

21. Unaudited Quarterly Financial Information

Unaudited quarterly financial information for 2013 and 2012 is as follows:

Year Ended March 31, 2013

	Quarterly Period Ended			
(In thousands, except for per share data)	**June 30, 2012**	**September 30, 2012**	**December 31, 2012**	**March 31, 2013**
Total revenues	$ 146,997	$ 161,855	$ 160,232	$ 154,513
Cost of sales (exclusive of depreciation shown below)	63,393	71,310	75,235	66,443
Gross profit	83,604	90,545	84,997	88,070
Operating expenses				
Advertising and promotion	20,325	23,508	23,538	23,259
General and administrative	16,151	12,585	11,378	11,353
Depreciation and amortization	3,295	3,296	3,359	3,285
	39,771	39,389	38,275	37,897
Operating income	43,833	51,156	46,722	50,173
Net interest expense	19,848	19,660	26,661	18,238
Gain on settlement	—	—	—	—
Loss on extinguishment of debt	—	—	—	1,443
Income before income taxes	23,985	31,496	20,061	30,492
Provision for income taxes	9,330	12,252	7,804	11,143
Net income	14,655	19,244	12,257	19,349
Earnings per share:				
Basic	$ 0.29	$ 0.38	$ 0.24	$ 0.38
Diluted	$ 0.29	$ 0.38	$ 0.24	$ 0.37
Weighted average shares outstanding:				
Basic	50,342	50,364	50,686	51,147
Diluted	51,106	51,225	51,523	51,913
Comprehensive income, net of tax:				
Currency translation adjustments	(42)	66	(1)	(114)
Total other comprehensive income (loss)	(42)	66	(1)	(114)
Comprehensive income	14,613	19,310	12,256	19,235

Year Ended March 31, 2012

(In thousands, except for per share data)	Quarterly Period Ended June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012
Total revenues	$ 95,295	$ 105,544	$ 106,250	$ 133,996
Cost of sales (exclusive of depreciation shown below)	45,427	51,638	51,128	65,508
Gross profit	49,868	53,906	55,122	68,488
Operating expenses				
Advertising and promotion	10,233	13,073	15,274	18,547
General and administrative	9,850	8,861	13,655	24,334
Depreciation and amortization	2,550	2,570	2,563	3,051
	22,633	24,504	31,492	45,932
Operating income	27,235	29,402	23,630	22,556
Net interest expense	8,578	8,279	8,116	16,347
Gain on settlement	(5,063)	—	—	—
Loss on extinguishment of debt	—	—	—	5,409
Income before income taxes	23,720	21,123	15,514	800
Provision for income taxes	8,952	8,174	6,004	815
Net income (loss)	14,768	12,949	9,510	(15)
Earnings per share:				
Basic	$ 0.29	$ 0.26	$ 0.19	$ —
Diluted	$ 0.29	$ 0.26	$ 0.19	$ —
Weighted average shares outstanding:				
Basic	50,183	50,278	50,307	50,314
Diluted	50,646	50,671	50,684	50,992
Comprehensive income, net of tax:				
Currency translation adjustments	(10)	(42)	(18)	57
Total other comprehensive income (loss)	(10)	(42)	(18)	57
Comprehensive income	14,758	12,907	9,492	42

22. Condensed Consolidating Financial Statements

As described in Note 11, Prestige Brands Holdings, Inc., ("Holdings") together with certain of our 100% owned subsidiaries, have fully and unconditionally guaranteed, on a joint and several basis, the obligations of Prestige Brands, Inc. (a 100% owned subsidiary of the Company) set forth in the indenture governing the 2012 Senior Notes , including, without limitation, the obligation to pay principal and interest with respect to the indenture governing the 2012 Senior Notes. The 100% owned subsidiaries of the Company that have guaranteed the 2012 Senior Notes are as follows: Prestige Services Corp., Prestige Brands Holdings, Inc. (a Virginia corporation), Prestige Brands International, Inc., Medtech Holdings, Inc., Medtech Products Inc., The Cutex Company, The Spic and Span Company and Blacksmith Brands, Inc. (collectively, the "Subsidiary Guarantors"). A significant portion of our operating income and cash flow is generated by our subsidiaries. As a result, funds necessary to meet Prestige Brands, Inc.'s debt service obligations are provided in part by distributions or advances from our subsidiaries. Under certain circumstances, contractual and legal restrictions, as well as the financial condition and operating requirements of our subsidiaries, could limit Prestige Brands, Inc.'s ability to obtain cash from our subsidiaries for the purpose of meeting our debt service obligations, including the payment of principal and interest on the 2012 Senior Notes and the 2010 Senior Notes. Although holders of the 2012 Senior Notes and the 2010 Senior Notes will be direct creditors of the guarantors of the 2012 Senior Notes and the 2010 Senior Notes by virtue of the guarantees, we have indirect subsidiaries located primarily in the United Kingdom and in the Netherlands (collectively, the "Non-Guarantor Subsidiaries") that have not guaranteed the 2012 and the 2010 Senior Notes, and such subsidiaries will not be obligated with respect to the 2012 Senior Notes and 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 2012 Senior Notes and the 2010 Senior Notes.

In February 2013, we merged Prestige Personal Care Holdings, Inc., Prestige Personal Care, Inc. and The Denorex Company into Holdings. The net assets of these entities was transferred to Holdings as a carryover of approximately $17.7 million in outstanding intercompany payables and was treated as a deemed contribution.

Presented below are supplemental Condensed Consolidating Balance Sheets as of March 31, 2013 and 2012 and Condensed Consolidating Income and Comprehensive Income Statements and Condensed Consolidating Statements of Cash Flows for each year in the three year period ended March 31, 2013. 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 100% 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 thereto contained in this Annual Report on Form 10-K for the fiscal year ended March 31, 2013.

Condensed Consolidating Statement of Income and Comprehensive Income
Year Ended March 31, 2013

(In thousands)	Prestige Brands Holdings, Inc.	Prestige Brands, Inc., the issuer	Combined Subsidiary Guarantors	Combined Non-guarantor Subsidiaries	Eliminations	Consolidated
Revenues						
Net sales	$ —	$ 102,706	$ 513,017	$ 4,671	$ —	$ 620,394
Other revenues	—	278	3,158	1,517	(1,750)	3,203
Total Revenues	—	102,984	516,175	6,188	(1,750)	623,597
Cost of Sales						
Cost of sales (exclusive of depreciation shown below)	—	39,333	236,795	2,003	(1,750)	276,381
Gross profit	—	63,651	279,380	4,185	—	347,216
Advertising and promotion	—	12,605	76,599	1,426	—	90,630
General and administrative	5,127	6,917	38,713	710	—	51,467
Depreciation and amortization	1,346	569	11,261	59	—	13,235
Total operating expenses	6,473	20,091	126,573	2,195	—	155,332
Operating income (loss)	(6,473)	43,560	152,807	1,990	—	191,884
Other (income) expense						
Interest income	(30,561)	(57,496)	—	(1)	88,045	(13)
Interest expense	34,671	84,420	53,374	—	(88,045)	84,420
Loss on extinguishment of debt	—	1,443	—	—	—	1,443
Equity in income of subsidiaries	(72,295)	(65,784)	(1,482)	—	139,561	—
Total other (income) expense	(68,185)	(37,417)	51,892	(1)	139,561	85,850
Income (loss) before income taxes	61,712	80,977	100,915	1,991	(139,561)	106,034
Provision (benefit) for income taxes	(3,793)	5,807	38,006	509	—	40,529
Net income (loss)	65,505	75,170	62,909	1,482	(139,561)	65,505
Comprehensive income, net of tax:						
Currency translation adjustments	(91)	—	—	(91)	91	(91)
Total other comprehensive income (loss)	(91)	—	—	(91)	91	(91)
Comprehensive income (loss)	$ 65,414	$ 75,170	$ 62,909	$ 1,391	$ (139,470)	$ 65,414

Condensed Consolidating Statement of Income and Comprehensive Income
Year Ended March 31, 2012

(In thousands)	Prestige Brands Holdings, Inc.	Prestige Brands, Inc., the issuer	Combined Subsidiary Guarantors	Combined Non-guarantor Subsidiaries	Eliminations	Consolidated
Revenues						
Net sales	$ —	$ 100,542	$ 333,407	$ 3,889	$ —	$ 437,838
Other revenues	—	229	3,212	1,475	(1,669)	3,247
Total Revenues	—	100,771	336,619	5,364	(1,669)	441,085
Cost of Sales						
Cost of sales (exclusive of depreciation)	—	36,658	177,112	1,600	(1,669)	213,701
Gross profit	—	64,113	159,507	3,764	—	227,384
Advertising and promotion	—	11,918	43,906	1,303	—	57,127
General and administrative	17,181	10,059	28,698	762	—	56,700
Depreciation and amortization	538	570	9,556	70	—	10,734
Total operating expenses (income)	17,719	22,547	82,160	2,135	—	124,561
Operating (loss) income	(17,719)	41,566	77,347	1,629	—	102,823
Other (income) expense						
Interest income	(50,357)	(44,269)	—	(221)	94,829	(18)
Interest expense	35,004	76,341	24,822	—	(94,829)	41,338
Gain on settlement	(5,063)	—	—	—	—	(5,063)
Loss on extinguishment of debt	—	5,409	—	—	—	5,409
Equity in income of subsidiaries	(35,571)	(37,192)	(1,313)	—	74,076	—
Total other (income) expense	(55,987)	289	23,509	(221)	74,076	41,666
Income (loss) from continuing operations before income taxes	38,268	41,277	53,838	1,850	(74,076)	61,157
Provision (benefit) for income taxes	1,056	1,599	20,565	725	—	23,945
Net income (loss)	37,212	39,678	33,273	1,125	(74,076)	37,212
Comprehensive income, net of tax:						
Currency translation adjustments	(13)	—	—	13	(13)	(13)
Total other comprehensive income (loss)	(13)	—	—	13	(13)	(13)
Comprehensive income (loss)	$ 37,199	$ 39,678	$ 33,273	$ 1,138	$ (74,089)	$ 37,199

Condensed Consolidating Statement of Income and Comprehensive Income
Year Ended March 31, 2011

(In thousands)	Prestige Brands Holdings, Inc.	Prestige Brands, Inc., the issuer	Combined Subsidiary Guarantors	Combined Non-guarantor Subsidiaries	Eliminations	Consolidated
Revenues						
Net sales	$ —	$ 98,988	$ 230,986	$ 3,741	$ —	$ 333,715
Other revenues	—	207	2,775	1,479	(1,666)	2,795
Total Revenues	—	99,195	233,761	5,220	(1,666)	336,510
Cost of Sales						
Cost of sales (exclusive of depreciation)	—	37,268	128,527	1,503	(1,666)	165,632
Gross profit	—	61,927	105,234	3,717	—	170,878
Advertising and promotion	—	11,642	29,762	1,493	—	42,897
General and administrative	4,003	10,883	27,190	(116)	—	41,960
Depreciation and amortization	486	577	8,745	68	—	9,876
Total operating expenses	4,489	23,102	65,697	1,445	—	94,733
Operating (loss) income	(4,489)	38,825	39,537	2,272	—	76,145
Other (income) expense						
Interest income	(51,909)	(44,453)	—	(189)	96,550	(1)
Interest expense	35,149	62,467	26,248	4	(96,550)	27,318
Loss on extinguishment of debt	—	300	—	—	—	300
Equity in income of subsidiaries	(21,842)	(8,912)	(1,928)	—	32,682	—
Total other (income) expense	(38,602)	9,402	24,320	(185)	32,682	27,617
Income (loss) from continuing operations before income taxes	34,113	29,423	15,217	2,457	(32,682)	48,528
Provision (benefit) for income taxes	4,893	8,177	5,299	980	—	19,349
Income (loss) from continuing operations	29,220	21,246	9,918	1,477	(32,682)	29,179
Discontinued operations						
Income (loss) from discontinued operations, net of income tax/(benefit)	—	—	591	—	—	591
Gain/(loss) on sale of discontinued operations, net of income tax/(benefit)	—	—	(550)	—	—	(550)
Net income (loss)	$ 29,220	$ 21,246	$ 9,959	$ 1,477	$ (32,682)	$ 29,220
Comprehensive income, net of tax:						
Currency translation adjustments	—	—	—	—	—	—
Total other comprehensive income (loss)	—	—	—	—	—	—
Comprehensive income	$ 29,220	$ 21,246	$ 9,959	$ 1,477	$ (32,682)	$ 29,220

Condensed Consolidating Balance Sheet
March 31, 2013

(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	$ 14,720	$ —	$ —	$ 950	$ —	$ 15,670
Accounts receivable, net	21	13,875	58,345	812	—	73,053
Inventories	—	11,164	48,474	563	—	60,201
Deferred income tax assets	218	855	5,276	—	—	6,349
Prepaid expenses and other current assets	4,942	93	3,609	256	—	8,900
Total current assets	19,901	25,987	115,704	2,581	—	164,173
Property and equipment, net	9,609	34	253	—	—	9,896
Goodwill	—	66,007	101,539	—	—	167,546
Intangible assets, net	—	193,396	1,179,524	320	—	1,373,240
Other long-term assets	—	24,944	—	—	—	24,944
Intercompany receivable	653,049	1,911,573	415,587	7,316	(2,987,525)	—
Investment in subsidiary	1,429,775	638,611	7,067	—	(2,075,453)	—
Total Assets	$ 2,112,334	$ 2,860,552	$ 1,819,674	$ 10,217	$ (5,062,978)	$ 1,739,799
Liabilities and Stockholders' Equity						
Current liabilities						
Accounts payable	$ 2,601	$ 10,600	$ 37,695	$ 480	$ —	$ 51,376
Accrued interest payable	—	13,894	—	—	—	13,894
Other accrued liabilities	12,694	1,684	16,107	913	—	31,398
Total current liabilities	15,295	26,178	53,802	1,393	—	96,668
Long-term debt						
Principal amount	—	978,000	—	—	—	978,000
Less unamortized discount	—	(7,100)	—	—	—	(7,100)
Long-term debt, net of unamortized discount	—	970,900	—	—	—	970,900
Deferred income tax liabilities	—	55,291	138,924	73	—	194,288
Intercompany payable	1,619,096	447,419	920,865	145	(2,987,525)	—
Total Liabilities	1,634,391	1,499,788	1,113,591	1,611	(2,987,525)	1,261,856
Stockholders' Equity						
Preferred share rights	283	—	—	—	—	283
Common Stock	513	—	—	—	—	513
Additional paid-in capital	401,691	1,280,945	624,742	1,111	(1,906,798)	401,691
Treasury stock, at cost - 181 shares	(687)	—	—	—	—	(687)
Accumulated other comprehensive loss, net of tax	(104)	—	—	(104)	104	(104)
Retained earnings (accumulated deficit)	76,247	79,819	81,341	7,599	(168,759)	76,247
Total Stockholders' Equity	477,943	1,360,764	706,083	8,606	(2,075,453)	477,943
Total Liabilities and Stockholders' Equity	$ 2,112,334	$ 2,860,552	$ 1,819,674	$ 10,217	$ (5,062,978)	$ 1,739,799

Condensed Consolidating Balance Sheet
March 31, 2012

(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	$ 18,221	$ —	$ —	$ 794	$ —	$ 19,015
Accounts receivable, net	25	13,502	45,954	747	—	60,228
Inventories	—	8,098	42,334	681	—	51,113
Deferred income tax assets	356	849	4,078	—	—	5,283
Prepaid expenses and other current assets	8,102	56	2,874	364	—	11,396
Total current assets	26,704	22,505	95,240	2,586	—	147,035
Property and equipment, net	934	22	346	2	—	1,304
Goodwill	—	66,007	107,695	—	—	173,702
Intangible assets, net	—	193,932	1,206,213	377	—	1,400,522
Other long-term assets	—	35,713	—	—	—	35,713
Intercompany receivable	683,358	1,449,005	312,581	5,935	(2,450,879)	—
Investment in subsidiary	1,354,829	1,172,601	5,583	—	(2,533,013)	—
Total Assets	$ 2,065,825	$ 2,939,785	$ 1,727,658	$ 8,900	$ (4,983,892)	$ 1,758,276
Liabilities and Stockholders' Equity						
Current liabilities						
Accounts payable	$ 4,531	$ 4,816	$ 17,008	$ 371	$ —	$ 26,726
Accrued interest payable	—	13,889	—	—	—	13,889
Other accrued liabilities	11,758	1,687	8,944	919	—	23,308
Total current liabilities	16,289	20,392	25,952	1,290	—	63,923
Long-term debt						
Principal amount	—	1,135,000	—	—	—	1,135,000
Less unamortized discount	—	(11,092)	—	—	—	(11,092)
Long-term debt, net of unamortized discount	—	1,123,908	—	—	—	1,123,908
Deferred income tax liabilities	—	50,944	116,690	83	—	167,717
Intercompany payable	1,646,808	458,993	344,766	312	(2,450,879)	—
Total Liabilities	1,663,097	1,654,237	487,408	1,685	(2,450,879)	1,355,548
Stockholders' Equity						
Preferred share rights	283	—	—	—	—	283
Common Stock	505	—	—	—	—	505
Additional paid-in capital	391,898	1,280,719	1,239,497	1,111	(2,521,327)	391,898
Treasury stock, at cost - 181 shares	(687)	—	—	—	—	(687)
Accumulated other comprehensive loss, net of tax	(13)	—	—	(13)	13	(13)
Retained earnings (accumulated deficit)	10,742	4,829	753	6,117	(11,699)	10,742
Total Stockholders' Equity	402,728	1,285,548	1,240,250	7,215	(2,533,013)	402,728
Total Liabilities and Stockholders' Equity	$ 2,065,825	$ 2,939,785	$ 1,727,658	$ 8,900	$ (4,983,892)	$ 1,758,276

Condensed Consolidating Statement of Cash Flows
Year Ended March 31, 2013

(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)	$ 65,505	$ 75,170	$ 62,909	$ 1,482	$ (139,561)	$ 65,505
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	1,346	569	11,261	59	—	13,235
Deferred income taxes	138	4,341	21,036	(10)	—	25,505
Amortization of deferred financing costs	—	9,832	—	—	—	9,832
Stock-based compensation costs	3,772	—	—	—	—	3,772
Loss on extinguishment of debt	—	1,443	—	—	—	1,443
Amortization of debt discount	—	4,632	—	—	—	4,632
Lease termination costs	975	—	—	—	—	975
Loss on disposal of equipment	82	—	21	—	—	103
Equity in income of subsidiaries	(72,295)	(65,784)	(1,482)	—	139,561	—
Changes in operating assets and liabilities						
Accounts receivable	4	(373)	(12,391)	(122)	—	(12,882)
Inventories	—	(3,066)	(6,360)	84	—	(9,342)
Prepaid expenses and other current assets	3,160	(37)	(135)	108	—	3,096
Accounts payable	(1,930)	5,784	20,687	136	—	24,677
Accrued liabilities	(39)	2	7,069	22	—	7,054
Net cash provided by (used in) operating activities	718	32,513	102,615	1,759	—	137,605
Investing Activities						
Purchases of property and equipment	(10,268)	—	—	—	—	(10,268)
Proceeds from the sale of property and equipment	—	—	15	—	—	15
Proceeds from the sale of the Phazyme brand	—	—	21,700	—	—	21,700
Acquisition of brands from GSK purchase price adjustments	—	—	(226)	—	—	(226)
Intercompany activity, net	(226)	—	226	—	—	—
Net cash provided by (used in) investing activities	(10,494)	—	21,715	—	—	11,221
Financing Activities						
Repayments of long-term debt	—	(190,000)	—	—	—	(190,000)
Repayments under revolving credit agreement	—	(15,000)	—	—	—	(15,000)
Borrowings under revolving credit agreement	—	48,000	—	—	—	48,000
Payment of deferred financing costs	—	(1,146)	—	—	—	(1,146)
Proceeds from exercise of stock options	6,029	—	—	—	—	6,029
Intercompany activity, net	246	125,633	(124,330)	(1,549)	—	—
Net cash (used in) provided by financing activities	6,275	(32,513)	(124,330)	(1,549)	—	(152,117)
Effects of exchange rate changes on cash and cash equivalents	—	—	—	(54)	—	(54)
Increase (decrease) in cash and cash equivalents	(3,501)	—	—	156	—	(3,345)
Cash - beginning of period	18,221	—	—	794	—	19,015
Cash - end of period	$ 14,720	$ —	$ —	$ 950	$ —	$ 15,670

Condensed Consolidating Statement of Cash Flows
Year Ended March 31, 2012

(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)	$ 37,212	$ 39,678	$ 33,273	$ 1,125	$ (74,076)	$ 37,212
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Depreciation and amortization	538	570	9,556	70	—	10,734
Deferred income taxes	290	3,514	10,000	(11)	—	13,793
Amortization of deferred financing costs	—	1,630	—	—	—	1,630
Stock-based compensation costs	3,078	—	—	—	—	3,078
Loss on extinguishment of debt	—	5,409	—	—	—	5,409
Amortization of debt discount	—	1,030	—	—	—	1,030
Equity in income of subsidiaries	(35,571)	(37,192)	(1,313)	—	74,076	—
Changes in operating assets and liabilities						
Accounts receivable	(12)	(3,412)	(12,367)	(63)	—	(15,854)
Inventories	—	1,459	2,252	(1)	—	3,710
Prepaid expenses and other current assets	(3,598)	(20)	968	(359)	—	(3,009)
Accounts payable	2,611	(1,598)	4,139	(25)	—	5,127
Accrued liabilities	417	2,984	856	335	—	4,592
Intercompany activity, net	—	—	—	—	—	—
Net cash provided by operating activities	4,965	14,052	47,364	1,071	—	67,452
Investing Activities						
Purchases of equipment	(367)	—	(239)	—	—	(606)
Proceeds from escrow of Blacksmith acquisition	—	—	1,200	—	—	1,200
Acquisition of GSK Brands	—	—	(662,800)	—	—	(662,800)
Intercompany activity, net	1,200	(662,800)	661,600	—	—	—
Net cash used in investing activities	833	(662,800)	(239)	—	—	(662,206)
Financing Activities						
Proceeds from issuance of 2012 Senior notes	—	250,000	—	—	—	250,000
Repayment of 2010 Senior Term Loan	—	(242,000)	—	—	—	(242,000)
Proceeds from issuance of 2012 Term Loan and 2010 Term Loan	—	650,100	—	—	—	650,100
Payment of deferred financing costs	—	(33,284)	—	—	—	(33,284)
Repayment of 2012 Term Loan	—	(25,000)	—	—	—	(25,000)
Proceeds from exercise of stock options	889	—	—	—	—	889
Shares surrendered as payment of tax withholding	(271)	—	—	—	—	(271)
Intercompany activity, net	(893)	48,932	(47,125)	(914)	—	—
Net cash (used in) provided by financing activities	(275)	648,748	(47,125)	(914)	—	600,434
Effect of exchange rate changes on cash and cash equivalents	—	—	—	1	—	1
Increase (decrease) in cash and cash equivalents	5,523	—	—	158	—	5,681
Cash - beginning of period	12,698	—	—	636	—	13,334
Cash - end of period	$ 18,221	$ —	$ —	$ 794	$ —	$ 19,015

Condensed Consolidating Statement of Cash Flows
Year Ended March 31, 2011

(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)	$ 29,220	$ 21,246	$ 9,959	$ 1,477	$ (32,682)	$ 29,220
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Depreciation and amortization	486	577	8,973	72	—	10,108
Loss on sale of discontinued operations	—	—	890	—	—	890
Deferred income taxes	1,668	1,851	5,806	(1)	—	9,324
Amortization of deferred financing costs	—	1,043	—	—	—	1,043
Stock-based compensation costs	3,575	—	—	—	—	3,575
Loss on extinguishment of debt	—	300	—	—	—	300
Amortization of debt discount	—	702	—	—	—	702
Loss on disposal of equipment	27	—	126	—	—	153
Equity in income of subsidiaries	(21,842)	(8,912)	(1,928)	—	32,682	—
Changes in operating assets and liabilities						
Accounts receivable	1,041	(1,949)	5,852	(26)	—	4,918
Inventories	—	1,852	10,648	(57)	—	12,443
Prepaid expenses and other current assets	(63)	92	97	28	—	154
Accounts payable	(605)	2,538	(212)	63	—	1,784
Accrued liabilities	4,113	9,776	(2,117)	284	—	12,056
Net cash provided by operating activities	17,620	29,116	38,094	1,840	—	86,670
Investing Activities						
Purchases of equipment	(595)	—	(56)	(4)	—	(655)
Proceeds from sale of property and equipment	12	—	—	—	—	12
Proceeds from sale of discontinued operations	—	—	4,122	—	—	4,122
Acquisition of Blacksmith, net of cash acquired	—	—	(202,044)	—	—	(202,044)
Acquisition of Dramamine	—	—	(77,115)	—	—	(77,115)
Intercompany activity, net	—	(202,044)	202,044	—	—	—
Net cash (used in) provided by investing activities	(583)	(202,044)	(73,049)	(4)	—	(275,680)
Financing Activities						
Proceed from issuance of debt	—	100,250	—	—	—	100,250
Proceeds from issuance of senior term loan	—	112,936	—	—	—	112,936
Payment of deferred financing costs	—	(830)	—	—	—	(830)
Repayment of long-term debt	—	(51,087)	—	—	—	(51,087)
Proceeds from exercise of stock options	331	—	—	—	—	331
Purchase of treasury stock	(353)	—	—	—	—	(353)
Intercompany activity, net	(44,961)	11,659	34,955	(1,653)	—	—
Net cash (used in) provided by financing activities	(44,983)	172,928	34,955	(1,653)	—	161,247
Increase (decrease) in cash	(27,946)	—	—	183	—	(27,763)
Cash - beginning of period	40,644	—	—	453	—	41,097
Cash - end of period	$ 12,698	$ —	$ —	$ 636	$ —	$ 13,334

In the first quarter of fiscal 2013, the Company determined that in prior periods it had incorrectly recorded intercompany transactions between Prestige Brands Holdings, Inc. ("the Parent") and Prestige Brands, Inc. ("the Issuer") as a component of interest expense, resulting in (i) the misclassification of amounts between interest expense, equity in income of subsidiaries, and taxes of the Parent, and (ii) a corresponding understatement of interest income, taxes and net income of the Issuer. It was further determined that certain subsidiaries of the Issuer had been fully consolidated by the Issuer in error, resulting in (i) a gross-up of the Issuer's balance sheet, statement of income and comprehensive income and statement of cash flows, and (ii) the need to revise the presentation to reflect the Issuer's interests in those subsidiaries under the equity method. Those entities had previously been incorrectly included in the Issuer column and omitted from the Guarantor column, and accordingly, this resulted in a need to revise the presentation to include the balance sheet, results of operations, and cash flows of those Issuer subsidiary entities in the Combined Subsidiary Guarantors column of the revised Condensed Consolidating Financial Statements. In addition, the Company reclassified portions of its intercompany activity between operating and financing in the statement of cash flows. The Company also determined that it had incorrectly presented certain intercompany balances between the Parent, the Issuer, the Combined Subsidiary Guarantors and Non-Guarantors resulting in revisions impacting other accrued liabilities, deferred income taxes, provision (benefit) for income taxes, intercompany receivables, intercompany payables, investment in subsidiaries and total equity balances. Additionally, certain revisions have been made to the Company's Condensed Consolidating Statement of Income and Comprehensive Income for the three months ended June 30, 2012. For the three months ended June 30, 2012, the provision for income taxes was increased approximately $4.3 million to $0.6 million for the Parent, and the benefit for income taxes was increased approximately $4.4 million to $3.0 million for the Issuer.

The Company has revised its Condensed Consolidating Financial Statements to correct the presentation of these items. There were no changes to any of the Company's Condensed Consolidated Financial Statements. The Company assessed the materiality of these items on previously issued annual and interim financial statements in accordance with SEC Staff Accounting Bulletin No. 99 and No. 108 and concluded that the revisions were not material to the consolidated financial statements. The Company has disclosed the impact of the revisions on previously reported annual period amounts and accordingly has revised the Condensed Consolidated Financial Statements for comparative periods. The impact of these revisions as of March 31, 2012 and for each of the periods ended March 31, 2012 and 2011 are shown in the following tables:

Condensed Consolidating Statement of Income and Comprehensive Income for the year ended March 31, 2012;

(In thousands)	**Prestige Brands Holdings, Inc.**		**Prestige Brands, Inc., the issuer**		**Combined Subsidiary Guarantors**		**Combined Non-Guarantor Subsidiaries**		**Eliminations**	
	Reported	Revised	Reported	Revised	Reported	Revised	Reported	Revised	Reported	Revised
Revenue	$ —	$ —	$ 341,307	$ 100,771	$ 96,082	$ 336,619	$ 5,365	$ 5,364	$ (1,669)	$ (1,669)
Income before income taxes	38,995	38,268	76,595	41,277	(4,905)	53,838	1,656	1,850	(51,184)	(74,076)
Provision (benefit) for income taxes	1,783	1,056	23,643	1,599	(2,018)	20,565	537	725	—	—
Net income	37,212	37,212	52,952	39,678	(2,887)	33,273	1,119	1,125	(51,184)	(74,076)

Condensed Consolidating Statement of Income and Comprehensive Income for the year ended March 31, 2011;

(In thousands)	**Prestige Brands Holdings, Inc.**		**Prestige Brands, Inc., the issuer**		**Combined Subsidiary Guarantors**		**Combined Non-Guarantor Subsidiaries**		**Eliminations**	
	Reported	Revised	Reported	Revised	Reported	Revised	Reported	Revised	Reported	Revised
Revenue	$ —	$ —	$ 230,844	$ 99,195	$ 101,925	$ 233,761	$ 5,407	$ 5,220	$ (1,666)	$ (1,666)
Income before income taxes	49,846	34,113	(6,252)	29,423	602	15,217	2,457	2,457	1,875	(32,682)
Provision (benefit) for income taxes	20,626	4,893	(2,081)	8,177	274	5,299	530	980	—	—
Net income from continuing operations	29,220	29,220	(4,143)	21,246	341	9,918	1,927	1,477	1,875	(32,682)

Condensed Consolidating Balance sheet as of March 31, 2012;

(In thousands)	**Prestige Brands Holdings, Inc.**		**Prestige Brands, Inc., the issuer**		**Combined Subsidiary Guarantors**		**Combined Non-Guarantor Subsidiaries**		**Eliminations**	
	Reported	Revised	Reported	Revised	Reported	Revised	Reported	Revised	Reported	Revised
Total current assets	$ 26,704	$ 26,704	$ 98,887	$ 22,505	$ 19,222	$ 95,240	$ 2,222	$ 2,586	$ —	$ —
Total assets	2,200,652	2,065,825	3,236,598	2,939,785	267,407	1,727,658	10,402	8,900	(3,956,783)	(4,983,892)
Total current liabilities	16,779	16,289	49,246	20,392	(3,446)	25,952	1,344	1,290	—	—
Total liabilities	1,797,927	1,663,097	2,982,492	1,654,237	196,430	487,408	2,116	1,685	(3,623,417)	(2,450,879)
Total stockholder's equity	402,725	402,728	254,106	1,285,548	70,977	1,240,250	8,286	7,215	(333,366)	(2,533,013)

Condensed Consolidating Statement of Cash Flows for the Year Ended March 31, 2012;

(In thousands)	**Prestige Brands Holdings, Inc.**		**Prestige Brands, Inc., the issuer**		**Combined Subsidiary Guarantors**		**Combined Non-Guarantor Subsidiaries**		**Eliminations**	
	Reported	Revised	Reported	Revised	Reported	Revised	Reported	Revised	Reported	Revised
Net cash provided by (used in) operating activities	$ 60,323	$ 4,965	$ 51,023	$ 14,052	$ (2,125)	$ 47,364	$ (230)	$ 1,071	$ (41,539)	$ —
Net cash provided by (used in) investing activities	833	833	(239)	(662,800)	—	(239)	—	—	(662,800)	—
Net cash provided by (used in) financing activities	(55,633)	(275)	(50,784)	648,748	2,125	(47,125)	387	(914)	704,339	—

Condensed Consolidating Statement of Cash Flows for the Year Ended March 31, 2011;

(In thousands)	**Prestige Brands Holdings, Inc.**		**Prestige Brands, Inc., the issuer**		**Combined Subsidiary Guarantors**		**Combined Non-Guarantor Subsidiaries**		**Eliminations**	
	Reported	Revised	Reported	Revised	Reported	Revised	Reported	Revised	Reported	Revised
Net cash provided by (used in) operating activities	$ 36,726	$ 17,620	$ 42,853	$ 29,116	$ 3,190	$ 38,094	$ 2,026	$ 1,840	$ 1,875	$ —
Net cash provided by (used in) investing activities	(803)	(583)	(274,873)	(202,044)	—	(73,049)	(4)	(4)	—	—
Net cash provided by (used in) financing activities	(63,869)	(44,983)	232,020	172,928	(3,190)	34,955	(1,839)	(1,653)	(1,875)	—

23. Subsequent Events

On May 14, 2013, the Compensation Committee of our Board of Directors granted 113,637 shares of restricted common stock units and stock options to acquire 227,672 shares of our common stock to certain executive officers and employees under the Plan. 55,637 shares of restricted common stock units vest in their entirety on the three-year anniversary of the date of grant. 58,000 shares of restricted common stock units vest 33.3% per year over three years. Upon vesting, the units will be settled in shares of our common stock. The stock options will vest 33.3% per year over three years and are exercisable for up to ten years from the date of grant. These stock options were granted at an exercise price of $29.94 per share, which is equal to the closing price for our common stock on the day of the grant. Termination of employment prior to vesting will result in forfeiture of the restricted common stock units and the unvested stock options. Vested stock options will remain exercisable by the employee after termination, subject to the terms of the Plan.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, as defined in Rule 13a–15(e) of the Exchange Act as of March 31, 2013. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2013, the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

The report of management on our internal control over financial reporting as of March 31, 2013 and the attestation report of our independent registered public accounting firm on our internal control over financial reporting are set forth in Part II, Item 8. "Financial Statements and Supplementary Data" beginning on page 55 of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There have been no changes during the quarter ended March 31, 2013 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.

ITEM 9B. OTHER INFORMATION

None.

Part III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required to be disclosed by this Item will be contained in the Company's 2013 Proxy Statement under the headings "Election of Directors," "Executive Compensation and Other Matters," "Section 16(a) Beneficial Ownership Reporting Compliance" and "Governance of the Company", which information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Information required to be disclosed by this Item will be contained in the Company's 2013 Proxy Statement under the headings "Executive Compensation and Other Matters" and "Governance of the Company", which information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required to be disclosed by this Item will be contained in the Company's 2013 Proxy Statement under the headings "Security Ownership of Certain Beneficial Owners and Management" and "Securities Authorized for Issuance Under Equity Compensation Plans", which information is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required to be disclosed by this Item will be contained in the Company's 2013 Proxy Statement under the headings "Certain Relationships and Related Transactions", "Election of Directors" and "Governance of the Company", which information is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required to be disclosed by this Item will be contained in the Company's 2013 Proxy Statement under the heading "Ratification of Appointment of the Independent Registered Public Accounting Firm", which information is incorporated herein by reference.

Part IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

The financial statements and financial statement schedules listed below are set forth under Part II, Item 8 (pages 54 through 104 and page 108) of this Annual Report on Form 10-K, which are incorporated herein to this Item as if copied verbatim.

Prestige Brands Holdings, Inc.

Report of Independent Registered Public Accounting Firm, PricewaterhouseCoopers LLP

Consolidated Statements of Income and Comprehensive Income for each of the three years in the period ended March 31, 2013

Consolidated Balance Sheets at March 31, 2013 and 2012

Consolidated Statements of Changes in Stockholders' Equity and Comprehensive Income for each of the three years in the period ended March 31, 2013

Consolidated Statements of Cash Flows for each of the three years in the period ended March 31, 2013

Notes to Consolidated Financial Statements

Schedule II—Valuation and Qualifying Accounts

(a)(2) Financial Statement Schedules

Schedule II - Valuation and Qualifying Accounts listed in (a)(1) above is incorporated herein by reference as if copied verbatim. Schedules other than those listed in the preceding sentence have been omitted as they are either not required, not applicable, or the information has otherwise been shown in the consolidated financial statements or notes thereto.

(b) Exhibits

See Exhibit Index immediately following the financial statements and financial statement schedules of this Annual Report on Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

By:	/s/ RONALD M. LOMBARDI
Name:	Ronald M. Lombardi
Title:	Chief Financial Officer
Date:	May 17, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Signature	*Title*	*Date*
/s/ MATTHEW M. MANNELLY Matthew M. Mannelly	Director, President and Chief Executive Officer (Principal Executive Officer)	May 17, 2013
/s/ RONALD M. LOMBARDI Ronald M. Lombardi	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	May 17, 2013
/s/ JOHN E. BYOM John E. Byom	Director	May 17, 2013
/s/ GARY E. COSTLEY Gary E. Costley	Director	May 17, 2013
/s/ CHARLES J. HINKATY Charles J. Hinkaty	Director	May 17, 2013
/s/ PATRICK M. LONERGAN Patrick M. Lonergan	Director	May 17, 2013

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS

(In thousands)	Balance at Beginning of Year	Amounts Charged to Expense		Deductions	Other		Balance at End of Year
Year Ended March 31, 2013							
Reserves for sales returns and allowance	$ 4,257	$ 33,165		$ (30,976)	$ —		$ 6,446
Reserves for trade promotions	5,506	41,041		(38,024)	—		8,523
Reserves for consumer coupon redemptions	3,509	8,282		(7,542)	—		4,249
Allowance for doubtful accounts	604	265		(6)	—		863
Year Ended March 31, 2012							
Reserves for sales returns and allowance	6,208	23,457		(25,408)	—		4,257
Reserves for trade promotions	4,853	32,185		(31,532)	—		5,506
Reserves for consumer coupon redemptions	2,723	7,180		(6,394)	—		3,509
Allowance for doubtful accounts	444	200		(40)	—		604
Year Ended March 31, 2011							
Reserves for sales returns and allowance	6,221	17,316		(17,746)	417	(2)	6,208
Reserves for trade promotions	2,051	23,906	(1)	(23,350)	2,246	(2)	4,853
Reserves for consumer coupon redemptions	263	3,932	(1)	(3,090)	1,618	(2)	2,723
Allowance for doubtful accounts	273	180		(16)	7	(2)	444

(1) We increased our reserves for Trade Promotion and Consumer Coupon Redemption by $3.0 million and $2.0 million, respectively, in an effort to gain market share for the *PediaCare* brand.

(2) Reflect the applicable amounts acquired from the purchase of Blacksmith on November 1, 2010.

EXHIBIT INDEX

Exhibit No.	Description
2.1	Stock Purchase Agreement, dated as of September 14, 2010, by and among Prestige Brands Holdings, Inc., Blacksmith Brands Holdings, Inc. and the Stockholders of Blacksmith Brands Holdings, Inc. (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on September 20, 2010).+
2.2	Asset Purchase Agreement, dated as of December 15, 2010, by and between McNeil-PPC, Inc. and Prestige Brands Holdings, Inc. (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on December 17, 2010).+
2.3	Business Sale and Purchase Agreement, dated December 20, 2011, between GlaxoSmithKline LLC, GlaxoSmithKline plc and certain of its affiliates and Prestige Brands Holdings, Inc. (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on December 27, 2011).+†
2.4	Business Sale and Purchase Agreement, dated December 20, 2011 between GlaxoSmithKline LC, GlaxoSmithKline Consumer Healthcare L.P., GlaxoSmithKline plc and Prestige Brands Holdings, Inc. (filed as Exhibit 2.2 to the Company's Current Report on Form 8-K filed with the SEC on December 20, 2011).+†
3.1	Amended and Restated Certificate of Incorporation of Prestige Brands Holdings, Inc. (filed as Exhibit 3.1 to the Company's Form S-1/A filed with the SEC on February 8, 2005).+
3.2	Amended and Restated Bylaws of Prestige Brands Holdings, Inc., as amended (filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 6, 2009).+
3.3	Certificate of Designations of Series A Preferred Stock of Prestige Brands Holdings, Inc., as filed with the Secretary of State of the State of Delaware on February 27, 2012 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on February 28, 2012).+
4.1	Form of stock certificate for common stock (filed as Exhibit 4.1 to the Company's Form S-1/A filed with the SEC on January 26, 2005).+
4.2	Indenture, dated as of March 24, 2010, by and among Prestige Brands, Inc., each Guarantor listed on the signature pages thereto, and U.S. Bank National Association, as trustee (filed as Exhibit 4.2 to the Company's Annual Report on Form 10-K filed with the SEC on June 11, 2010).+
4.3	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, as trustee (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on February 9, 2011).+
4.4	Form of 8¼% Senior Note due 2018 (contained in Exhibit 4.2 to the Company's Annual Report on Form 10-K filed on June 11, 2010).+
4.5	Indenture, dated as of January 31, 2012, among Prestige Brands, Inc., as issuer, the Company and certain subsidiaries, as guarantors, and U.S. Bank National Association, as Trustee with respect to 8.125% Senior Notes Due 2020 (filed as Exhibit 4.5 to the Company's Annual Report on Form 10-K filed with the SEC on May 18, 2012). +
4.6	Form of 8.125% Senior Note due 2020 (contained in Exhibit 4.5 to the Company's Annual Report on Form 10-K filed May 18, 2012).+
4.7	Rights Agreement, dated as of February 27, 2012, between Prestige Brands Holdings, Inc. and Computershare Trust Company, N.A., as Rights Agent (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on February 28, 2012).+
10.1	Note Purchase Agreement entered into on January 24, 2012 with respect to the sale by Prestige Brands, Inc., as issuer, of $250.0 million in aggregate principal amount of 8.125% Senior Notes due 2020 (filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K filed with the SEC on May 18, 2012).+
10.2	Registration Rights Agreement, dated as of January 31, 2012, among Prestige Brands, Inc., the Company, and certain subsidiaries of the Company, as guarantors, and Morgan Stanley & Co., LLC, Citigroup Global Markets Inc., RBC Capital Markets, LLC and Deutsche Bank Securities Inc. (filed as Exhibit 10.2 to the Company's Annual Report on Form 10-K filed with the SEC on May 18, 2012).+
10.3	$660,000,000 Term Loan Credit Agreement, dated as of January 31, 2012, among Prestige Brands Inc., the Company, and certain subsidiaries of the Company as guarantors, Citibank, N.A., Citigroup Global Markets Inc., Morgan Stanley Senior Funding, Inc. and RBC Capital Markets (filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K filed with the SEC on May 18, 2012).+
10.4	Term Loan Security Agreement, dated as of January 31, 2012, among Prestige Brands Inc., the Company and certain subsidiaries of the Company as guarantors, Citibank N.A. and U.S. Bank National Association, as Trustee (filed as Exhibit 10.4 to the Company's Annual Report on Form 10-K filed with the SEC on May 18, 2012).+

10.5	$50,000,000 ABL Credit Agreement, dated as of January 31, 2012, Among Prestige Brands, Inc., the Company, certain subsidiaries of the Company as guarantors, Citibank, N.A., Citigroup Global Markets Inc., Morgan Stanley Senior Funding, Inc. and RBC Capital Markets filed (filed as Exhibit 10.5 to the Company's Annual Report on Form 10-K filed with the SEC on May 18, 2012.).+
10.6	Incremental Amendment, dated as of September 12, 2012, to the ABL Credit Agreement dated as of January 31, 2012 (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 7, 2012).+
10.7	Amendment No. 1, dated as of February 21, 2013, to the Term Loan Credit Agreement, dated as of January 31, 2013, among Prestige Brands Holdings, Inc., Prestige Brands, Inc., the other Guarantors from time to time party thereto, the lenders from time to time party thereto and Citibank, N.A. as administrative agent (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 25, 2013).+
10.8	Registration Rights Agreement, dated as of November 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. (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the SEC on February 9, 2011).+
10.9	Agreement of Lease between RA 660 White Plains Road LLC and Prestige Brands, Inc. (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 9, 2012).+
10.10	Executive Employment Agreement, dated as of September 2, 2009, by and between Prestige Brands Holdings, Inc. and Matthew M. Mannelly (filed as Exhibit 10.1 to the Company's Quarterly Report on Form10-Q filed with the SEC on November 6, 2009).+@
10.11	Executive Employment Agreement, dated as of August 21, 2006, between Prestige Brands Holdings, Inc. and Jean A. Boyko (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 9, 2006).+@
10.12	Executive Employment Agreement, dated as of October 1, 2007, between Prestige Brands Holdings, Inc. and John Parkinson (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the SEC on February 8, 2008).+@
10.13	Executive Employment Agreement, dated as of April 19, 2010, between Prestige Brands Holdings, Inc. and Timothy Connors (filed as Exhibit 10.16 to the Company's Annual Report on Form 10-K filed with the SEC on June 11, 2010).+@
10.14	Executive Employment Agreement, dated as of December 6, 2010, between Prestige Brands Holdings, Inc. and Ronald M. Lombardi (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed with the SEC on February 9, 2011).+@
10.15	Executive Employment Agreement, dated as of March 4, 2011, between Prestige Brands Holdings, Inc. and Paul Hennessey (filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K filed with the SEC on May 13, 2011).+@
10.16	Executive Employment Agreement, dated as of February 29, 2012, by and between Prestige Brands Holdings, Inc. and Samuel C. Cowley (filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K filed with the SEC on May 18, 2012).+@
10.17	Prestige Brands Holdings, Inc. 2005 Long-Term Equity Incentive Plan (filed as Exhibit 10.38 to the Company’s Form S-1/A filed with the SEC on January 26, 2005).+#
10.18	Form of Restricted Stock Grant Agreement (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 9, 2005).+#
10.19	Form of Nonqualified Stock Option Agreement (filed as Exhibit 10.28 to the Company's Annual Report on Form 10-K filed with the SEC on June 14, 2007).+#
10.20	Form of Award Agreement for Restricted Stock Units (filed as Exhibit 10.24 to the Company's Annual Report on Form 10-K filed with the SEC on June 15, 2009).+#
10.21	Form of Director Indemnification Agreement. *@
10.22	Form of Officer Indemnification Agreement.*@
10.23	Supply Agreement, dated May 15, 2008, by and between Fitzpatrick Bros., Inc. and The Spic and Span Company (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 11, 2008).+†
10.24	First Amendment to Supply Agreement, dated as of March 1, 2011, between Fitzpatrick Bros., Inc. and The Spic and Span Company (filed as Exhibit 10.29 to the Company's Annual Report on Form 10-K filed with the SEC on May 13, 2011).+†
10.25	Transitional Manufacturing and Supply Agreement, dated January 31, 2012 between Medtech Products Inc. and GlaxoSmithKline Consumer Healthcare L.P. (filed as Exhibit 10.28 to the Company's Annual Report on Form 10-K filed with the SEC on May 18, 2012).+†
10.26	Prestige Brands Holdings, Inc. Summary of Director Compensation Program (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 7, 2012). +#

10.27	Supply Agreement, dated as of July 1, 2012, among Medtech Products Inc. and Pharmacare Limited T/A Aspen Pharmacare.*
10.28	Supply Agreement, dated as of November 16, 2012, among Medtech Products Inc. and BestSweet Inc.*
21.1	Subsidiaries of the Registrant.*
23.1	Consent of PricewaterhouseCoopers LLP.*
31.1	Certification of Principal Executive Officer of Prestige Brands Holdings, Inc. pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
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, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Principal Executive Officer of Prestige Brands Holdings, Inc. pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Principal Financial Officer of Prestige Brands Holdings, Inc. pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

* Filed herewith.

† Certain confidential portions have been omitted pursuant to a confidential treatment request separately filed with the SEC.

\+ Incorporated herein by reference.

@ Represents a management contract.

Represents a compensatory plan.

INDEMNIFICATION AGREEMENT

THIS AGREEMENT (the "Agreement") is made on this ___ day of May, 2013 between Prestige Brands Holdings, Inc., a Delaware corporation (the "Company"), and _____ ("Indemnitee"):

W I T N E S S E T H:

WHEREAS, Indemnitee is a member of the Board of Directors (the "Board") of the Company and in such capacity performs a valuable service for the Company; and

WHEREAS, the Company's certificate of incorporation authorizes the Company to indemnify its officers and directors to the fullest extent authorized by the Delaware General Corporation Law (the "Statute"); and

WHEREAS, the Statute specifically provides that the indemnification provided thereunder is not exclusive of any other rights in respect to indemnification to which those seeking indemnification may be entitled; and

WHEREAS, the Statute contemplates that agreements may be entered into between the Company and each of the members of its Board with respect to indemnification; and

WHEREAS, in order to enhance Indemnitee's continued and effective service to the Company, and in order to induce Indemnitee to provide continued services to the Company as a director, the Company wishes to enter into this Agreement relating to the indemnification of, and the advancement of expenses to, Indemnitee as well as to provide coverage to Indemnitee under the Company's directors' and officers' liability insurance policies (the "D&O Insurance").

NOW, THEREFORE, in consideration of Indemnitee's continued service as a member of the Board, the parties hereby agree as follows:

1. **DEFINITIONS**. In addition to other terms defined and used in this Agreement, the following capitalized terms when used in this Agreement shall have the following meanings:

(a) "Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

(b) "Board" has the meaning ascribed to such term in the *first recital*.

(c) "Change in Control" means

a change in the membership of the Board such that, during any period of twenty-four (24) consecutive months, individuals who at the beginning of such period constitute the Board cease for any reason to constitute at least a majority thereof, unless the election or nomination for election by the shareholders of the Company of each new Director was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who were members of the Board at the beginning of the twenty-four (24) month period.

(d) "Controlled Affiliate" means any Entity that is directly or indirectly controlled by the Company. For the purposes of this definition, "control," when used with respect to any specified Entity, means the power to direct the management and policies of such Entity, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; *provided* that direct or indirect beneficial ownership of voting securities or other interests in an Entity entitling the holder to cast 20% or more of the total number of votes generally entitled to be cast in the election of managers or directors (or persons performing comparable functions) of such Entity shall be deemed to constitute control.

(e) "Corporate Status" means the capacity of an individual as a Director (including corresponding service as an Officer) of the Company or as a director, officer, partner, trustee, employee or agent of any other Person at the request of the Company. For the purposes of this Agreement, Indemnitee shall be deemed to be serving or to have served at the request of the Company if Indemnitee is or was serving as a director, officer, partner, trustee, employee or agent of any other Person and (i) such Person is or at the time of such service was a Controlled Affiliate, (ii) such Person is or at the time of such service was an employee benefit plan (or related trust) sponsored or maintained by the Company or a Controlled Affiliate, or (iii) the Company or a Controlled Affiliate directly or indirectly caused Indemnitee to be nominated, elected, appointed, designated, employed, engaged or selected to serve in such capacity.

(f) "Company" has the meaning ascribed to such term in the preamble and also includes, without limitation, any Entity that is the successor entity to the Company by merger, combination, consolidation, or other transaction in which the separate existence of the Company ceases.

(g) "D&O Insurance" means the directors' and officers' liability insurance maintained by the Company.

(h) "Director" means an individual who is or was a member of the Board and includes, unless the context requires otherwise, the estate or personal representative of a Director.

(i) "Disinterested Director" means a Director, who at the time of any vote referred to in Section 8.2, Section 8.3 or Section 9, is not:

(1) A party to the Proceeding giving rise to the subject matter of the decision being made; or

(2) An individual having a familial, financial, professional or employment relationship with Indemnitee whose indemnification or advance for Expenses is the subject of the decision being made, which relationship would, in the circumstances, reasonably be expected to exert an influence on such Director's judgment when voting on the decision being made.

(j) "Entity" means a corporation (including any Subsidiary), partnership, limited liability company, joint venture, joint-stock corporation, trust, employee benefit plan, association, foundation, organization, or other enterprise or legal entity, unincorporated organization or government (or any subdivision, department, commission or agency thereof).

(k) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(l) "Expenses" includes, without limitation, attorneys' fees and retainers, court costs, transcript costs, fees of experts and vendors (e.g., electronically stored information providers), travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and other disbursements or expenses of the types customarily incurred in connection with a Proceeding that are actually and reasonably incurred by Indemnitee:

(1) by reason of his being a Party to or otherwise participating in, or in connection with the investigation, defense, appeal or settlement of, or the preparation for investigation, defense, appeal or settlement of, a Proceeding;

(2) in connection with a Proceeding for which Indemnitee is requested or subpoenaed to appear as a witness;

(3) enforcing his rights under this Agreement or any other agreement or under applicable law, the certificate of incorporation or the bylaws of the Company or any applicable Subsidiary now or hereafter in effect relating to indemnification for Proceedings and including, without limitation, claims for payment of Interim Expenses or for establishing a right to indemnification pursuant to Section 8.7; or

(4) in connection with his pursuing a recovery under the D&O Insurance.

(m) "Interim Expenses" means Expenses incurred by Indemnitee or that Indemnitee determines in good faith are reasonably likely to be paid or incurred by Indemnitee and as to which Indemnitee's counsel provides supporting documentation, in each case in connection with any Proceeding in advance of the final disposition of the Proceeding.

(n) "Loss" and "Losses" means any amount which Indemnitee incurs or becomes obligated to pay as a result of any Proceeding, including, without limitation:

(1) all judgments, penalties and fines, and amounts paid or to be paid in settlement;

(2) all interest, assessments and other charges paid or payable in connection therewith; and

(3) any federal, state, local or foreign taxes imposed (net of the value to Indemnitee of any tax benefits resulting from tax deductions or otherwise as a result of the actual or deemed receipt of any payments under this Agreement).

(o) "Officer" means an individual who is or was an officer of the Company and/or any Subsidiary. "Officer" includes, unless the context requires otherwise, the estate or personal representative of an officer.

(p) "Party" includes an individual who was, is, or is threatened to be made, a named defendant or respondent in a Proceeding.

(q) "Person" means any individual or Entity.

(r) "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, whether formal or informal, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding, whether formal or informal, based upon, arising out of or resulting from (i) any actual, alleged or suspected act or failure to act by Indemnitee in his or her Corporate Status, or (ii) Indemnitee's Corporate Status or, in the case of a Spouse, that Person's status as a spouse of an Indemnitee, including, without limitation, any Proceeding that, in the case of a Spouse, seeks damages recoverable from marital community property, jointly-owned property or property purported to have been transferred from Indemnitee to a Spouse.

(s) "Special Legal Counsel" means a law firm or an attorney that:

(1) neither is nor in the past five years has been retained to represent in any material matter the Company, any Subsidiary, Indemnitee, any other party to the Proceeding, or any of their respective Affiliates;

(2) under applicable standards of professional conduct then prevailing would not have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights to indemnification under this Agreement; and

(3) is reasonably acceptable to the Company and Indemnitee.

(t) "Spouse" means any person to whom Indemnitee is legally married at any time Indemnitee is covered under the indemnification provided in this Agreement and includes a person to whom an Indemnitee did not remain married during the entire period of such coverage.

(u) "Subsidiary" of a Person means any Entity at least fifty percent (50%) of the ownership interests having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries. Unless otherwise expressly provided, all references in this Agreement to a "Subsidiary" shall mean a Subsidiary of the Company.

(v) "Trust" and "Trustee" shall have the respective meanings set forth in Section 9.

(w) "Voting Securities" means any securities of the Company that vote generally in the election of Directors.

2. **INDEMNIFICATION**. Subject to the exclusions specified in Section 3 and to the procedure set forth in Sections 8.1 through 8.7 (and in addition to the obligation under Sections 7.1 and 7.2 to pay Interim Expenses), the Company shall indemnify and hold harmless Indemnitee, to the fullest extent permitted or required by the Statute in effect on the date hereof or as the Statute may from time to time hereafter be amended to increase the scope of such permitted indemnification, against:

(a) any Expenses; and

(b) any Losses.

Notwithstanding any other provision of this Agreement to the contrary, to the extent that Indemnitee is a Party to (or a participant in) and is successful, on the merits or otherwise, in the defense of any Proceeding or any one or more claims, issues or matters therein, the Company shall indemnify Indemnitee against all Expenses and Losses actually and reasonably incurred by him or on his behalf in connection therewith and no determination under Section 8 as to whether Indemnitee is entitled to indemnification shall be required. If Indemnitee is entitled under any provision of this Agreement to indemnification for some or a portion of any Expense or Loss, but not, however, for the total amount thereof, the Company nevertheless shall indemnify Indemnitee for the portion thereof to which he is entitled. For purposes of this Section 2 and without limitation:

(a) the termination of any Proceeding or any claim, issue or matter in a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such Proceeding, claim, issue or matter;

(b) the termination of a proceeding by a judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the Indemnitee did not act in good faith, did not meet a particular standard of conduct,

did not have any particular belief, or that a court has determined that indemnification is not permitted by applicable law;

(c) for purposes of any determination of good faith, the Indemnitee shall be presumed to have acted in good faith if he relied on information, opinions, reports or statements, including financial statements or other financial data prepared or presented by one or more officers or employees of the Company whom the Indemnitee reasonably believed to be reliable and competent in the matters presented or by legal counsel, public accountants or other persons as to matters the Indemnitee reasonably believed were within the person's professional or expert competence; provided, however, the Indemnitee shall not be presumed to be acting in good faith, if he has actual knowledge concerning the matter in question that makes such reliance unwarranted; and

(d) the Director shall be presumed to be entitled to indemnification, subject to the Company's ability to rebut such presumption.

3. **EXCLUSIONS**. The Company shall not be obligated to indemnify Indemnitee for Expenses or Losses under either Section 2(a) or 2(b):

(a) to the extent of any Expenses or Losses for which Director has already actually received payment pursuant to the certificate of incorporation or bylaws of the Company or any D&O Insurance carried by the Company or otherwise;

(b) on account of any claim against Indemnitee arising out of the trading of the Company's securities while possessing material non-public information or for profits arising from the purchase and sale by Indemnitee of securities in accordance with the provisions of § 16(b) of the Exchange Act or in violation of Section 306 of the Sarbanes-Oxley Act or any similar provisions of any federal or state statutory law;

(c) for any reimbursement to the Company of any bonus or other incentive-based or equity-based compensation previously received by Indemnitee, as required under the Exchange Act (including any such reimbursements under Section 304 of the Sarbanes-Oxley Act of 2002 in connection with an accounting restatement of the Company);

(d) if a final judgment or other final adjudication by a court having jurisdiction in the matter shall determine that such indemnity is not lawful;

(e) in respect of any Proceeding initiated by Indemnitee against the Company, any Subsidiary or any Director or Officer unless

(1) the Company has joined in or consented to the initiation of such Proceeding;

(2) such Proceeding initiated by Indemnitee is a compulsory counterclaim, compulsory cross-claim, or required joinder made by Indemnitee in a Proceeding not initiated by Indemnitee; or

(3) the Proceeding is for recovery of Expenses described in Section 1(l)(3) or Section 1(l)(4);

(f) for any amounts paid in settlement of any Proceeding without the Company's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed;

(g) in connection with any Proceeding if it has been finally adjudicated by a court of competent jurisdiction that, in connection with the subject of the Proceeding out of which the claim for indemnification has arisen, Indemnitee:

(3) did not act in good faith and in a manner believed by him to be in or not opposed to the best interests of the Company; and

(4) in the case of any criminal Proceeding, failed to have reasonable cause to believe that his conduct was not unlawful; or

(h) in connection with any Proceeding if it has been finally adjudicated by a court of competent jurisdiction that, in connection with the subject of the Proceeding out of which the claim for indemnification has arisen, Indemnitee is liable to the Company including, without limitation, a claim that Indemnitee received an improper personal benefit, unless and to the extent the court of law or another court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such Expenses or Losses which such court shall deem proper.

4. **EFFECT OF CERTAIN RESOLUTIONS**. Neither the settlement or termination of any Proceeding nor the failure of the Company to award indemnification or to determine that indemnification is payable shall create an adverse presumption that Indemnitee is not entitled to indemnification hereunder. To the maximum extent permitted by applicable law in making a determination with respect to entitlement to indemnification under this Agreement, it shall be presumed that Indemnitee is entitled to indemnification or payment under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 8.1; and the Company shall have the burden of proof to overcome that presumption in connection with the making of any determination pursuant to either of Sections 8.2 or 8.3 that is contrary to that presumption. In addition, the termination of any Proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not affect adversely either the right of Indemnitee to indemnification under this Agreement or the presumptions to which Indemnitee is otherwise entitled pursuant to the provisions of this Agreement nor create a presumption that Indemnitee did not meet any particular standard of conduct or have a particular belief or that a court has determined that indemnification is not

permitted by applicable law. If Indemnitee is serving an employee benefit plan at the request of the Company, Indemnitee's conduct with respect to the plan for a purpose he reasonably believed to be in the best interests of the participants in, and the beneficiaries of, the plan shall be deemed to be not opposed to the best interests of the Company.

5. **D&O INSURANCE**.

5.1 The Company covenants and agrees that the Company shall use commercially reasonable efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to maintain D&O Insurance providing, in all respects, coverage at least comparable and in the same amount as the D&O Insurance provided by the Company as of the date of this Agreement, for so long as Indemnitee shall continue to serve as a Director or Officer, and thereafter so long as Indemnitee shall be subject to any threatened, pending or completed Proceeding. Upon request, the Company shall provide Indemnitee or his or her counsel with a copy of all directors' and officers' liability insurance applications, binders, policies, declarations, endorsements and other related materials. Notwithstanding the foregoing, in renewing or seeking to renew any D&O Insurance, the Company will not be required to expend more than 3 times the premium amount of the immediately preceding policy period (equitably adjusted if necessary to reflect differences in policy periods).

5.2 The Company's indemnification obligation to Indemnitee under this Agreement shall not be affected by any reduction in, or cancellation of, the D&O Insurance (whether voluntary or involuntary on behalf of the Company).

6. **NOTIFICATION AND DEFENSE OF CLAIMS**.

6.1 Indemnitee shall give notice in writing to the Company as soon as practicable after Indemnitee becomes aware of any Proceeding with respect to which indemnification will or could be sought under this Agreement; provided that Indemnitee's failure to provide prompt notice of such claim for indemnification to the Company shall not relieve the Company of its indemnification obligations hereunder unless, and only to the extent that, such delay in notification to the Company has resulted in prejudice to the Company in the Proceeding; and provided further, that the failure of Indemnitee to give such notice shall not relieve the Company of any obligations it may have to Indemnitee otherwise than under this Agreement.

6.2 In the event any Proceeding is by or in the right of the Company or any Subsidiary, Indemnitee may, at the option of Indemnitee, either control the defense thereof or accept the defense provided under the D&O Insurance; provided, however, that Indemnitee may not control the defense if such decision would affect the coverage provided by the D&O Insurance, if any, to Indemnitee, the Company, any Subsidiary or the other Directors and Officers covered thereby. The Company shall not be entitled to assume the defense of any Proceeding brought by or in the right of the Company or any Subsidiary.

6.3 In the event any Proceeding is other than by or in the right of the Company or any Subsidiary, the Company shall be entitled to participate therein at its own expense. Except as otherwise provided below, at the option of the Company, the Company, alone or jointly with any

other notified indemnifying party, shall be entitled to assume the defense of any such Proceeding of which Indemnitee notifies the Company, with counsel mutually acceptable to the Company and to Indemnitee. After notice from the Company to Indemnitee of the Company's decision to assume the defense in any Proceeding, the Company shall not be liable to Indemnitee under this Agreement for any Expenses subsequently incurred by Indemnitee in connection with the defense of the Proceeding other than reasonable costs of investigation, travel expenses or as otherwise provided below. Indemnitee shall have the right to employ counsel in such Proceeding, but the Expenses in connection with employment of such counsel shall be paid by Indemnitee, unless:

(a) the employment of such counsel by Indemnitee has been authorized by the Company;

(b) Indemnitee shall have reasonably concluded, after consultation with counsel selected by Indemnitee, that (i) there may be a conflict of interest between the Company and Indemnitee in the conduct of the defense of such Proceeding, (ii) there may be one or more legal defenses available to Indemnitee that are different from or in addition to those available to the Company, or (iii) Indemnitee has interests in the Proceeding that are different from or in addition to those of other Persons against whom the Proceeding has been brought; or

(c) the Company has not within sixty (60) days after Indemnitee has provided the Company notice of a Proceeding in fact have employed counsel to assume the defense of such Proceeding;

in each of which cases the Expenses in connection with such Proceeding shall be paid by the Company; provided, that, the Company shall not be required to pay the Expenses of more than one law firm plus, if applicable, local counsel for all Indemnitees in Indemnitee's circumstances.

6.4 In no event shall the Company authorize any settlement without the express prior written consent of Indemnitee, unless such settlement solely involves the payment of money for which Indemnitee is indemnified under this Agreement and includes a complete and unconditional release of the Indemnitee from all liability on any claims that are the subject matter of such Proceeding.

7. **INTERIM EXPENSES**.

7.1 The Company shall advance Interim Expenses incurred by Indemnitee. By signing below, Indemnitee hereby undertakes to repay any amounts advanced pursuant to this Section 7.1 if it is ultimately determined by a court of competent jurisdiction that Indemnitee is not entitled to indemnification pursuant to this Agreement. To obtain payment of Interim Expenses under this Agreement, Indemnitee shall submit to the Company a written request for payment, together with such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to such advancement. Indemnitee must also furnish to the Company a written affirmation of his good faith belief that:

(a) he has conducted himself in good faith and that he reasonably believed that

(4) in the case of conduct in his Corporate Status, that his conduct was in the Company's or such Subsidiary's best interests;

(5) in all other cases, his conduct was at least not opposed to the Company's or such Subsidiary's best interests; and

(6) in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful, or

(b) the Proceeding involves conduct for which liability has been eliminated under a provision of the applicable certificate of incorporation, as authorized by applicable law.

7.2 Payment of Interim Expenses shall be made without regard to Indemnitee's ability to repay the advance and without regard to Indemnitee's ultimate entitlement to indemnification under the provisions of this Agreement. Indemnitee's obligation to repay the Company for advances shall be unsecured and no interest shall be charged thereon. Requests for payment of Interim Expenses in accordance with Section 7.1 shall be paid by the Company no later than ten (10) days following any such request.

8. **DETERMINATIONS AND PAYMENTS OF INDEMNIFICATION**.

8.1 To obtain indemnification under Section 2, Indemnitee shall submit to the Company a written request, together with such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. Notwithstanding anything in this Agreement to the contrary, no determination as to Indemnitee's entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

8.2 Prior to the occurrence of any Change in Control, the Person or Persons who shall determine whether and to what extent Indemnitee is entitled to indemnification (the "Reviewing Party") shall be

(a) if there are two (2) or more Disinterested Directors, (i) by a majority vote of all the Disinterested Directors, even if less than a quorum of the Board or (ii) if the Disinterested Directors so direct, by a majority of the members of a committee composed of two (2) or more Disinterested Directors appointed by a majority vote of all Disinterested Directors; or

(b) Special Legal Counsel selected:

(1) if there are fewer than two (2) Disinterested Directors, by the Board, in which Directors who do not qualify as Disinterested Directors may participate; or

(2) by a majority vote of Disinterested Directors, even if less than a quorum of the Board.

The Company shall notify Indemnitee in writing no later than two (2) business days following any determination with respect to the extent of entitlement to indemnification under this Agreement.

8.3 After the occurrence of a Change in Control, the Reviewing Party shall be Special Legal Counsel selected in the manner set forth in Section 8.2(b) and approved by Indemnitee (which approval shall not be unreasonably withheld). With respect to all matters arising after a Change in Control concerning the rights of Indemnitee to indemnification under this Agreement (including the determinations required in the context of Section 9) or any other agreement or under applicable law, the certificate of incorporation or the by-laws of the Company or any applicable Subsidiary now or hereafter in effect relating to indemnification for Proceedings, the Company shall seek legal advice only from such Special Legal Counsel. Such Special Legal Counsel, among other things, shall render its written opinion to the Company and Indemnitee as to whether and to what extent Indemnitee should be permitted to be indemnified under applicable law. The Company agrees to pay the reasonable fees of such Special Legal Counsel and indemnify fully such Special Legal Counsel against any and all expenses (including attorneys' fees), claims, liabilities, loss, and damages arising out of or relating to this Agreement or the engagement of such Special Legal Counsel pursuant hereto.

8.4 Indemnitee shall cooperate with reasonable requests of the Reviewing Party, including providing to the Reviewing Party documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination without incurring any unreimbursed cost in connection therewith. The Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within [five (5)] business days of such request accompanied by supporting documentation for specific costs and expenses to be reimbursed or advanced, any and all costs and expenses (including reasonable attorneys' and experts' fees and expenses) incurred by Indemnitee in so cooperating with the Reviewing Party.

8.5 If a determination is made, in accordance with Section 8.2 or 8.3, that Indemnitee is entitled to all or a portion of the requested indemnification, or no determination of whether Indemnitee has satisfied any applicable standard of conduct under the Statute is legally required for indemnification under Section 2, payment to Indemnitee shall be made within ten (10) days after the later of (a) such determination, if applicable, or (b) Indemnitee's request in accordance with Section 8.1.

8.6 The Company shall use its reasonable efforts to cause any determination of entitlement to indemnification to be made as promptly as practicable following the final disposition of the Proceeding. In the event that no determination of entitlement to indemnification shall have been made within sixty (60) days after the later of (a) Indemnitee's request in accordance with Section 8.1, or (b) receipt of written notice from Indemnitee of the final disposition of the Proceeding, and Indemnitee has fulfilled his obligations under the first sentence of Section 8.4, then Indemnitee shall be deemed entitled to such indemnification, absent actual fraud in the request for indemnification or a prohibition of indemnification under applicable law; provided, however, such sixty (60)-day period may be extended for a reasonable time, not to exceed an additional thirty (30)

days, if the Reviewing Party decides in good faith that additional time is required for obtaining or evaluating documentation or other relevant information.

8.7 In the event that:

(a) payment of indemnification pursuant to Section 8.5 is not made within the ten (10) days required by Section 8.5;

(b) payment of indemnification pursuant to Section 8.6 is not made within ten (10) days after Indemnitee is deemed to be entitled to indemnification in accordance with the provisions thereof;

(c) it is determined pursuant to Section 8.2 or 8.3 that Indemnitee is not entitled to indemnification under this Agreement or is only entitled to a portion of such indemnification;

(d) Indemnitee has not received advancement of Interim Expenses within ten (10) days after making such a request in accordance with Section 7.1; or

(e) the Company or any other Person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action to deny, or to improperly recover from, Indemnitee the benefits provided or intended to be provided under this Agreement,

Indemnitee shall have the right to enforce the indemnification rights under this Agreement by commencing litigation in any court of competent jurisdiction in the State of Delaware or by submitting the dispute to arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Any determination made in accordance with Section 8.2 or 8.3 not challenged by Indemnitee on or before the first anniversary of the date of the determination shall be binding on the Company and Indemnitee. It is the intent of the Company that Indemnitee not be required to incur legal fees and or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to Indemnitee hereunder. Without limiting any other provision of this Agreement, to the fullest extent permitted by applicable law, the Company shall indemnify Indemnitee for any Expenses (and shall advance any Interim Expenses pursuant to Sections 7.1 and 7.2) incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement of Interim Expenses under this Agreement, without respect to whether Indemnitee prevails, in whole or in part, in connection with any of the foregoing. The remedies provided for in this Section 8.7 shall be in addition to any other remedies available to Indemnitee in law or equity.

9. **ESTABLISHMENT OF TRUST**. After the occurrence of a Change in Control, upon the request of Indemnitee, the Company shall create a trust (the "Trust") for the benefit of Indemnitee and from time to time, when requested by Indemnitee, shall fund the Trust in an amount sufficient to satisfy any and all Interim Expenses and Expenses reasonably anticipated to be

incurred in connection with investigating, preparing for, participating in, and/or defending any Proceeding. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by Special Legal Counsel. In making such determination, the Special Legal Counsel shall consider, among other things, any continuing availability of D&O Insurance as a source to pay such Interim Expenses and Expenses. The terms of the Trust shall provide that

(c) the Trust shall not be revoked or the principal thereof invaded, without the written consent of Indemnitee;

(d) the Trustee shall advance, within ten (10) days of a request by Indemnitee, any and all Interim Expenses to Indemnitee (and Indemnitee hereby agrees to repay the Trust under the same circumstances for which Indemnitee would be required to repay the Company under Section 7.1);

(e) the Trust shall continue to be funded by the Company in accordance with the funding obligation set forth above;

(f) the Trustee shall promptly pay to Indemnitee all amounts for which Indemnitee shall be entitled to indemnification under Section 2 and/or Section 8.3 of this Agreement; and

(g) all unexpended funds in the Trust shall revert to the Company upon a final determination by Special Legal Counsel or a court of competent jurisdiction, as the case may be, that Indemnitee has been fully indemnified under the terms of this Agreement and that, as a matter of law, no further Proceedings may be instituted against Indemnitee with respect to which Indemnitee may be entitled to indemnification under this Agreement.

The trustee (the "Trustee") shall be a bank or trust company chosen by the Company and reasonably satisfactory to Indemnitee. Nothing in this Section 9 shall relieve the Company of any of its obligations under this Agreement. All income earned on the assets in the Trust shall be reported as income by the Company for federal, state, local, and foreign tax purposes. The Company shall pay all costs of establishing and maintaining the Trust and shall indemnify the Trustee against any and all expenses (including attorneys' fees), claims, liabilities, loss, and damages arising out of or relating to this Agreement or the establishment and maintenance of the Trust.

10. **COOPERATION; SUBROGATION**. Indemnitee shall keep the Company generally informed of, and shall consult with the Company with respect to, the status of any Proceeding for which Indemnitee is claiming indemnity under this Agreement. In addition, Indemnitee agrees to give the Company such information and cooperation as the Company may reasonably require and as shall be within Indemnitee's power regarding any Proceeding which is or may be subject to this Agreement. In the event of any payment under this Agreement to or on behalf of Indemnitee, the Company shall be subrogated to the extent of such payment to all of the rights of recovery in Indemnitee against any Person other than the Company or Indemnitee in

respect of the Proceeding giving rise to such payment. Indemnitee shall execute all papers reasonably required and shall do everything reasonably necessary to secure such rights, including the execution of such documents reasonably necessary to enable the Company effectively to bring suit to enforce such rights.

11. **CONTINUATION OF INDEMNITY.** All agreements and obligations of the Company contained in this Agreement shall continue during the period Indemnitee is a Director or Officer and shall continue thereafter, even though Indemnitee may have terminated his service as a Director or Officer of the Company, so long as Indemnitee shall be subject to any threatened, pending or completed Proceeding.

12. **RELIANCE**. The Company has entered into this Agreement in order to induce Indemnitee to continue as a member of the Board, and acknowledges that Indemnitee is relying upon this Agreement in continuing in such capacity.

13. **SEVERABILITY**. Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision of this Agreement shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of this Agreement's other provisions. In the event that any court or other adjudicative body shall decline to reform any provision of this Agreement held to be invalid, unenforceable or otherwise illegal as contemplated by the immediately preceding sentence, the parties thereto shall take all such action as may be necessary or appropriate to replace the provision so held to be invalid, unenforceable or otherwise illegal with one or more alternative provisions that effectuate the purpose and intent of the original provisions of this Agreement as fully as possible without being invalid, unenforceable or otherwise illegal. To the extent permitted by law, the parties waive any provision of law which renders any such provision prohibited or unenforceable in any respect.

14. **CONTRACT RIGHTS NOT EXCLUSIVE**. The contract rights conferred by this Agreement are in addition to, but not exclusive of, any other right which Indemnitee may have or may hereafter acquire under any statute, the certificate of incorporation or the bylaws of the Company, or any agreement, vote of stockholders or disinterested directors, or otherwise, and to the extent that Indemnitee otherwise would have any greater right to indemnification under any such statute, the Company's certificate of incorporation or bylaws, or agreement, vote of stockholders or disinterested directors, Indemnitee will without further action be deemed to have such greater right hereunder. The rights granted in this Agreement supersede any similar right granted under any previous written agreement between the Company and Indemnitee with respect to the subject matter of this Agreement.

15. **EFFECT OF CHANGES IN LAW OR CORPORATE DOCUMENTS**. No changes in the law and no amendment to the certificate of incorporation or the bylaws of the Company after the date of this Agreement shall have the effect of limiting or eliminating the indemnification available under this Agreement as to any act or omission which has occurred, or capacity in which Indemnitee served, prior to such amendment. If, after the date of this Agreement, any change in any applicable law, statute, or rule expands the power of the Company to indemnify Indemnitee under this Agreement, Indemnitee's rights and the Company's obligations under this

Agreement shall be expanded, without any action by Indemnitee or the Company, to include such change. If any change in any applicable law, statute, or rule narrows the right of the Company to indemnify Indemnitee under this Agreement, such change, except to the extent otherwise required by law, shall have no effect on this Agreement or the parties' rights or obligations hereunder.

16. **SPOUSAL INDEMNIFICATION.** Subject to the same standards, limitations, obligations and conditions under which indemnification is provided to an Indemnitee under this Agreement, the Company shall indemnify a Spouse for Losses and Expenses such Spouse incurs or becomes obligated to pay as a result of any Proceeding solely by reason of his or her status as Indemnitee's spouse. A Spouse also may be entitled to advancement of Expenses to the same extent that Indemnitee is entitled to advancement of Expenses herein.

17. **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon the Company and its successors and assigns, including, without limitation, any corporation or other entity which may have acquired all or substantially all of the Company's assets or business or into which the Company may be consolidated or merged, and shall inure to the benefit of Indemnitee and his/her spouse, successors, assigns, heirs, devisees, executors, administrators or other legal representatives. The Company shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Company and Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

18. **MISCELLANEOUS.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to its conflicts of law principles thereof.

(b) As herein used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders, unless the context would clearly not admit such construction. Section or paragraph headings are employed herein solely for convenience of reference, and such headings shall not be used in construing any term or provision of this Agreement. All references herein to "section" or "paragraph" shall mean the appropriate numbered section or paragraph of this Agreement except where reference is particularly made to some other instrument or document.

(c) All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, effective when delivered, or if delivered by nationally recognized overnight courier service, effective when delivered, or if delivered via facsimile, effective when such facsimile transmission is sent (with a confirmed receipt thereof) or if mailed by registered or certified mail (return receipt requested), effective three (3) business days after mailing, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Company:

Prestige Brands Holdings, Inc.
Attn: Chief Executive Officer
660 White Plains Rd., Suite 205
Tarrytown, New York 10591
Facsimile No.: (914) 524-7401

With a copy to:

Prestige Brands Holdings, Inc.
Attn: General Counsel
660 White Plains Rd., Suite 205
Tarrytown, New York 10591
Facsimile No.: (914) 524-7488

If to Indemnitee:

_____
_____
_____

(d) Except as provided in Section 15 of this Agreement, no amendment, modification or termination of this Agreement shall be effective unless in writing signed by both parties hereto. No amendment, modification or termination of this Agreement shall limit or restrict any right of Indemnitee under this Agreement with respect to any action or failure to act by Indemnitee in his Corporate Status prior to such amendment, modification or termination. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement (whether or not similar), nor shall such waiver constitute a continuing waiver.

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

PRESTIGE BRANDS HOLDINGS, INC.

By: _____
Name: Matthew M. Mannelly
Title: Chief Executive Officer

_____

_____, Director

INDEMNIFICATION AGREEMENT

THIS AGREEMENT (the "Agreement") is made on this ___ day of May, 2013 between Prestige Brands Holdings, Inc., a Delaware corporation (the "Company"), and _____ ("Indemnitee"):

W I T N E S S E T H:

WHEREAS, Indemnitee is an executive Officer of the Company and in such capacity performs a valuable service for the Company; and

WHEREAS, the Company's certificate of incorporation authorizes the Company to indemnify its officers and directors to the fullest extent authorized by the Delaware General Corporation Law (the "Statute"); and

WHEREAS, the Statute specifically provides that the indemnification provided thereunder is not exclusive of any other rights in respect to indemnification to which those seeking indemnification may be entitled; and

WHEREAS, the Statute contemplates that agreements may be entered into between the Company and each of the Officers with respect to indemnification; and

WHEREAS, in order to enhance Indemnitee's continued and effective service to the Company, and in order to induce Indemnitee to provide continued services to the Company as an Officer, the Company wishes to enter into this Agreement relating to the indemnification of, and the advancement of expenses to, Indemnitee as well as to provide coverage to Indemnitee under the Company's directors' and officers' liability insurance policies (the "D&O Insurance").

NOW, THEREFORE, in consideration of Indemnitee's continued service as an Officer of the Company, the parties hereby agree as follows:

1. **DEFINITIONS**. In addition to other terms defined and used in this Agreement, the following capitalized terms when used in this Agreement shall have the following meanings:

(a) "Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

(b) "Board" means the Board of Directors of the Company.

(c) "Change in Control" means

a change in the membership of the Board such that, during any period of twenty-four (24) consecutive months, individuals who at the beginning of such period constitute the Board cease for any reason to constitute at least a majority thereof, unless the election or nomination for election by the shareholders of the Company of each new Director was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who were members of the Board at the beginning of the twenty-four (24) month period.

(d) "Controlled Affiliate" means any Entity that is directly or indirectly controlled by the Company. For the purposes of this definition, "control," when used with respect to any specified Entity, means the power to direct the management and policies of such Entity, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; *provided* that direct or indirect beneficial ownership of voting securities or other interests in an Entity entitling the holder to cast 20% or more of the total number of votes generally entitled to be cast in the election of managers or directors (or persons performing comparable functions) of such Entity shall be deemed to constitute control.

(e) "Corporate Status" means the capacity of an individual as an Officer of the Company, a Director of the Company or as a director, officer, partner, trustee, employee or agent of any other Person at the request of the Company. For the purposes of this Agreement, Indemnitee shall be deemed to be serving or to have served at the request of the Company if Indemnitee is or was serving as a director, officer, partner, trustee, employee or agent of any other Person and (i) such Person is or at the time of such service was a Controlled Affiliate, (ii) such Person is or at the time of such service was an employee benefit plan (or related trust) sponsored or maintained by the Company or a Controlled Affiliate, or (iii) the Company or a Controlled Affiliate directly or indirectly caused Indemnitee to be nominated, elected, appointed, designated, employed, engaged or selected to serve in such capacity.

(f) "Company" has the meaning ascribed to such term in the preamble and also includes, without limitation, any Entity that is the successor entity to the Company by merger, combination, consolidation, or other transaction in which the separate existence of the Company ceases.

(g) "D&O Insurance" means the directors' and officers' liability insurance maintained by the Company.

(h) "Director" means an individual who is or was a member of the Board and includes, unless the context requires otherwise, the estate or personal representative of a Director.

(i) "Disinterested Director" means a Director, who at the time of any vote referred to in Section 8.2, Section 8.3 or Section 9, is not:

(1) A party to the Proceeding giving rise to the subject matter of the decision being made; or

(2) An individual having a familial, financial, professional or employment relationship with Indemnitee whose indemnification or advance for Expenses is the subject of the decision being made, which relationship would, in the circumstances, reasonably be expected to exert an influence on such Director's judgment when voting on the decision being made.

(j) "Entity" means a corporation (including any Subsidiary), partnership, limited liability company, joint venture, joint-stock corporation, trust, employee benefit plan, association, foundation, organization, or other enterprise or legal entity, unincorporated organization or government (or any subdivision, department, commission or agency thereof).

(k) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(l) "Expenses" includes, without limitation, attorneys' fees and retainers, court costs, transcript costs, fees of experts and vendors (e.g., electronically stored information providers), travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and other disbursements or expenses of the types customarily incurred in connection with a Proceeding that are actually and reasonably incurred by Indemnitee:

(1) by reason of his being a Party to or otherwise participating in, or in connection with the investigation, defense, appeal or settlement of, or the preparation for investigation, defense, appeal or settlement of, a Proceeding;

(2) in connection with a Proceeding for which Indemnitee is requested or subpoenaed to appear as a witness;

(3) enforcing his rights under this Agreement or any other agreement or under applicable law, the certificate of incorporation or the bylaws of the Company or any applicable Subsidiary now or hereafter in effect relating to indemnification for Proceedings and including, without limitation, claims for payment of Interim Expenses or for establishing a right to indemnification pursuant to Section 8.7; or

(4) in connection with his pursuing a recovery under the D&O Insurance.

(m) "Interim Expenses" means Expenses incurred by Indemnitee or that Indemnitee determines in good faith are reasonably likely to be paid or incurred by Indemnitee and as to which Indemnitee's counsel provides supporting documentation, in each case in connection with any Proceeding in advance of the final disposition of the Proceeding.

(n) "Loss" and "Losses" means any amount which Indemnitee incurs or becomes obligated to pay as a result of any Proceeding, including, without limitation:

(1) all judgments, penalties and fines, and amounts paid or to be paid in settlement;

(2) all interest, assessments and other charges paid or payable in connection therewith; and

(3) any federal, state, local or foreign taxes imposed (net of the value to Indemnitee of any tax benefits resulting from tax deductions or otherwise as a result of the actual or deemed receipt of any payments under this Agreement).

(o) "Officer" means an individual who is or was an officer of the Company and/or any Subsidiary. "Officer" includes, unless the context requires otherwise, the estate or personal representative of an officer.

(p) "Party" includes an individual who was, is, or is threatened to be made, a named defendant or respondent in a Proceeding.

(q) "Person" means any individual or Entity.

(r) "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, whether formal or informal, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding, whether formal or informal, based upon, arising out of or resulting from (i) any actual, alleged or suspected act or failure to act by Indemnitee in his or her Corporate Status, or (ii) Indemnitee's Corporate Status or, in the case of a Spouse, that Person's status as a spouse of an Indemnitee, including, without limitation, any Proceeding that, in the case of a Spouse, seeks damages recoverable from marital community property, jointly-owned property or property purported to have been transferred from Indemnitee to a Spouse.

(s) "Special Legal Counsel" means a law firm or an attorney that:

(1) neither is nor in the past five years has been retained to represent in any material matter the Company, any Subsidiary, Indemnitee, any other party to the Proceeding, or any of their respective Affiliates;

(2) under applicable standards of professional conduct then prevailing would not have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights to indemnification under this Agreement; and

(3) is reasonably acceptable to the Company and Indemnitee.

(t) "Spouse" means any person to whom Indemnitee is legally married at any time Indemnitee is covered under the indemnification provided in this Agreement and includes a person to whom an Indemnitee did not remain married during the entire period of such coverage.

(u) "Subsidiary" of a Person means any Entity at least fifty percent (50%) of the ownership interests having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries. Unless otherwise expressly provided, all references in this Agreement to a "Subsidiary" shall mean a Subsidiary of the Company.

(v) "Trust" and "Trustee" shall have the respective meanings set forth in Section 9.

(w) "Voting Securities" means any securities of the Company that vote generally in the election of Directors.

2. **INDEMNIFICATION**. Subject to the exclusions specified in Section 3 and to the procedure set forth in Sections 8.1 through 8.7 (and in addition to the obligation under Sections 7.1 and 7.2 to pay Interim Expenses), the Company shall indemnify and hold harmless Indemnitee, to the fullest extent permitted or required by the Statute in effect on the date hereof or as the Statute may from time to time hereafter be amended to increase the scope of such permitted indemnification, against:

(a) any Expenses; and

(b) any Losses.

Notwithstanding any other provision of this Agreement to the contrary, to the extent that Indemnitee is a Party to (or a participant in) and is successful, on the merits or otherwise, in the defense of any Proceeding or any one or more claims, issues or matters therein, the Company shall indemnify Indemnitee against all Expenses and Losses actually and reasonably incurred by him or on his behalf in connection therewith and no determination under Section 8 as to whether Indemnitee is entitled to indemnification shall be required. If Indemnitee is entitled under any provision of this Agreement to indemnification for some or a portion of any Expense or Loss, but not, however, for the total amount thereof, the Company nevertheless shall indemnify Indemnitee for the portion thereof to which he is entitled. For purposes of this Section 2 and without limitation:

(a) the termination of any Proceeding or any claim, issue or matter in a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such Proceeding, claim, issue or matter;

(b) the termination of a proceeding by a judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the Indemnitee did not act in good faith, did not meet a particular standard of conduct,

did not have any particular belief, or that a court has determined that indemnification is not permitted by applicable law;

(c) for purposes of any determination of good faith, the Indemnitee shall be presumed to have acted in good faith if he relied on information, opinions, reports or statements, including financial statements or other financial data prepared or presented by one or more officers or employees of the Company whom the Indemnitee reasonably believed to be reliable and competent in the matters presented or by legal counsel, public accountants or other persons as to matters the Indemnitee reasonably believed were within the person's professional or expert competence; provided, however, the Indemnitee shall not be presumed to be acting in good faith, if he has actual knowledge concerning the matter in question that makes such reliance unwarranted; and

(d) the Officer shall be presumed to be entitled to indemnification, subject to the Company's ability to rebut such presumption.

3. **EXCLUSIONS**. The Company shall not be obligated to indemnify Indemnitee for Expenses or Losses under either Section 2(a) or 2(b):

(a) to the extent of any Expenses or Losses for which the Officer has already actually received payment pursuant to the certificate of incorporation or bylaws of the Company or any D&O Insurance carried by the Company or otherwise;

(b) on account of any claim against Indemnitee arising out of the trading of the Company's securities while possessing material non-public information or for profits arising from the purchase and sale by Indemnitee of securities in accordance with the provisions of § 16(b) of the Exchange Act or in violation of Section 306 of the Sarbanes-Oxley Act or any similar provisions of any federal or state statutory law;

(c) for any reimbursement to the Company of any bonus or other incentive-based or equity-based compensation previously received by Indemnitee, as required under the Exchange Act (including any such reimbursements under Section 304 of the Sarbanes-Oxley Act of 2002 in connection with an accounting restatement of the Company);

(d) if a final judgment or other final adjudication by a court having jurisdiction in the matter shall determine that such indemnity is not lawful;

(e) in respect of any Proceeding initiated by Indemnitee against the Company, any Subsidiary or any Director or Officer unless

(1) the Company has joined in or consented to the initiation of such Proceeding;

(2) such Proceeding initiated by Indemnitee is a compulsory counterclaim, compulsory cross-claim, or required joinder made by Indemnitee in a Proceeding not initiated by Indemnitee; or

(3) the Proceeding is for recovery of Expenses described in Section 1(l)(3) or Section 1(l)(4);

(f) for any amounts paid in settlement of any Proceeding without the Company's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed;

(g) in connection with any Proceeding if it has been finally adjudicated by a court of competent jurisdiction that, in connection with the subject of the Proceeding out of which the claim for indemnification has arisen, Indemnitee:

(3) did not act in good faith and in a manner believed by him to be in or not opposed to the best interests of the Company; and

(4) in the case of any criminal Proceeding, failed to have reasonable cause to believe that his conduct was not unlawful; or

(h) in connection with any Proceeding if it has been finally adjudicated by a court of competent jurisdiction that, in connection with the subject of the Proceeding out of which the claim for indemnification has arisen, Indemnitee is liable to the Company including, without limitation, a claim that Indemnitee received an improper personal benefit, unless and to the extent the court of law or another court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such Expenses or Losses which such court shall deem proper.

4. **EFFECT OF CERTAIN RESOLUTIONS**. Neither the settlement or termination of any Proceeding nor the failure of the Company to award indemnification or to determine that indemnification is payable shall create an adverse presumption that Indemnitee is not entitled to indemnification hereunder. To the maximum extent permitted by applicable law in making a determination with respect to entitlement to indemnification under this Agreement, it shall be presumed that Indemnitee is entitled to indemnification or payment under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 8.1; and the Company shall have the burden of proof to overcome that presumption in connection with the making of any determination pursuant to either of Sections 8.2 or 8.3 that is contrary to that presumption. In addition, the termination of any Proceeding by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not affect adversely either the right of Indemnitee to indemnification under this Agreement or the presumptions to which Indemnitee is otherwise entitled pursuant to the provisions of this Agreement nor create a presumption that Indemnitee did not meet any particular standard of conduct or have a particular belief or that a court has determined that indemnification is not

permitted by applicable law. If Indemnitee is serving an employee benefit plan at the request of the Company, Indemnitee's conduct with respect to the plan for a purpose he reasonably believed to be in the best interests of the participants in, and the beneficiaries of, the plan shall be deemed to be not opposed to the best interests of the Company.

5. **D&O INSURANCE**.

5.1 The Company covenants and agrees that the Company shall use commercially reasonable efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to maintain D&O Insurance providing, in all respects, coverage at least comparable and in the same amount as the D&O Insurance provided by the Company as of the date of this Agreement, for so long as Indemnitee shall continue to serve as an Officer, and thereafter so long as Indemnitee shall be subject to any threatened, pending or completed Proceeding. Upon request, the Company shall provide Indemnitee or his or her counsel with a copy of all directors' and officers' liability insurance applications, binders, policies, declarations, endorsements and other related materials. Notwithstanding the foregoing, in renewing or seeking to renew any D&O Insurance, the Company will not be required to expend more than 3 times the premium amount of the immediately preceding policy period (equitably adjusted if necessary to reflect differences in policy periods).

5.2 The Company's indemnification obligation to Indemnitee under this Agreement shall not be affected by any reduction in, or cancellation of, the D&O Insurance (whether voluntary or involuntary on behalf of the Company).

6. **NOTIFICATION AND DEFENSE OF CLAIMS**.

6.1 Indemnitee shall give notice in writing to the Company as soon as practicable after Indemnitee becomes aware of any Proceeding with respect to which indemnification will or could be sought under this Agreement; provided that Indemnitee's failure to provide prompt notice of such claim for indemnification to the Company shall not relieve the Company of its indemnification obligations hereunder unless, and only to the extent that, such delay in notification to the Company has resulted in prejudice to the Company in the Proceeding; and provided further, that the failure of Indemnitee to give such notice shall not relieve the Company of any obligations it may have to Indemnitee otherwise than under this Agreement.

6.2 In the event any Proceeding is by or in the right of the Company or any Subsidiary, Indemnitee may, at the option of Indemnitee, either control the defense thereof or accept the defense provided under the D&O Insurance; provided, however, that Indemnitee may not control the defense if such decision would affect the coverage provided by the D&O Insurance, if any, to Indemnitee, the Company, any Subsidiary or the other Directors and Officers covered thereby. The Company shall not be entitled to assume the defense of any Proceeding brought by or in the right of the Company or any Subsidiary.

6.3 In the event any Proceeding is other than by or in the right of the Company or any Subsidiary, the Company shall be entitled to participate therein at its own expense. Except as otherwise provided below, at the option of the Company, the Company, alone or jointly with any other notified indemnifying party, shall be entitled to assume the defense of any such Proceeding of

which Indemnitee notifies the Company, with counsel mutually acceptable to the Company and to Indemnitee. After notice from the Company to Indemnitee of the Company's decision to assume the defense in any Proceeding, the Company shall not be liable to Indemnitee under this Agreement for any Expenses subsequently incurred by Indemnitee in connection with the defense of the Proceeding other than reasonable costs of investigation, travel expenses or as otherwise provided below. Indemnitee shall have the right to employ counsel in such Proceeding, but the Expenses in connection with employment of such counsel shall be paid by Indemnitee, unless:

(a) the employment of such counsel by Indemnitee has been authorized by the Company;

(b) Indemnitee shall have reasonably concluded, after consultation with counsel selected by Indemnitee, that (i) there may be a conflict of interest between the Company and Indemnitee in the conduct of the defense of such Proceeding, (ii) there may be one or more legal defenses available to Indemnitee that are different from or in addition to those available to the Company, or (iii) Indemnitee has interests in the Proceeding that are different from or in addition to those of other Persons against whom the Proceeding has been brought; or

(c) the Company has not within sixty (60) days after Indemnitee has provided the Company notice of a Proceeding in fact have employed counsel to assume the defense of such Proceeding;

in each of which cases the Expenses in connection with such Proceeding shall be paid by the Company; provided, that, the Company shall not be required to pay the Expenses of more than one law firm plus, if applicable, local counsel for all Indemnitees in Indemnitee's circumstances.

6.4 In no event shall the Company authorize any settlement without the express prior written consent of Indemnitee, unless such settlement solely involves the payment of money for which Indemnitee is indemnified under this Agreement and includes a complete and unconditional release of the Indemnitee from all liability on any claims that are the subject matter of such Proceeding.

7. **INTERIM EXPENSES**.

7.1 The Company shall advance Interim Expenses incurred by Indemnitee. By signing below, Indemnitee hereby undertakes to repay any amounts advanced pursuant to this Section 7.1 if it is ultimately determined by a court of competent jurisdiction that Indemnitee is not entitled to indemnification pursuant to this Agreement. To obtain payment of Interim Expenses under this Agreement, Indemnitee shall submit to the Company a written request for payment, together with such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to such advancement. Indemnitee must also furnish to the Company a written affirmation of his good faith belief that:

(a) he has conducted himself in good faith and that he reasonably believed that

(4) in the case of conduct in his Corporate Status, that his conduct was in the Company's or such Subsidiary's best interests;

(5) in all other cases, his conduct was at least not opposed to the Company's or such Subsidiary's best interests; and

(6) in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful, or

(b) the Proceeding involves conduct for which liability has been eliminated under a provision of the applicable certificate of incorporation, as authorized by applicable law.

7.2 Payment of Interim Expenses shall be made without regard to Indemnitee's ability to repay the advance and without regard to Indemnitee's ultimate entitlement to indemnification under the provisions of this Agreement. Indemnitee's obligation to repay the Company for advances shall be unsecured and no interest shall be charged thereon. Requests for payment of Interim Expenses in accordance with Section 7.1 shall be paid by the Company no later than ten (10) days following any such request.

8. **DETERMINATIONS AND PAYMENTS OF INDEMNIFICATION**.

8.1 To obtain indemnification under Section 2, Indemnitee shall submit to the Company a written request, together with such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. Notwithstanding anything in this Agreement to the contrary, no determination as to Indemnitee's entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

8.2 Prior to the occurrence of any Change in Control, the Person or Persons who shall determine whether and to what extent Indemnitee is entitled to indemnification (the "Reviewing Party") shall be

(a) if there are two (2) or more Disinterested Directors, (i) by a majority vote of all the Disinterested Directors, even if less than a quorum of the Board or (ii) if the Disinterested Directors so direct, by a majority of the members of a committee composed of two (2) or more Disinterested Directors appointed by a majority vote of all Disinterested Directors; or

(b) Special Legal Counsel selected:

(1) if there are fewer than two (2) Disinterested Directors, by the Board, in which Directors who do not qualify as Disinterested Directors may participate; or

(2) by a majority vote of Disinterested Directors, even if less than a quorum of the Board.

The Company shall notify Indemnitee in writing no later than two (2) business days following any determination with respect to the extent of entitlement to indemnification under this Agreement.

8.3 After the occurrence of a Change in Control, the Reviewing Party shall be Special Legal Counsel selected in the manner set forth in Section 8.2(b) and approved by Indemnitee (which approval shall not be unreasonably withheld). With respect to all matters arising after a Change in Control concerning the rights of Indemnitee to indemnification under this Agreement (including the determinations required in the context of Section 9) or any other agreement or under applicable law, the certificate of incorporation or the by-laws of the Company or any applicable Subsidiary now or hereafter in effect relating to indemnification for Proceedings, the Company shall seek legal advice only from such Special Legal Counsel. Such Special Legal Counsel, among other things, shall render its written opinion to the Company and Indemnitee as to whether and to what extent Indemnitee should be permitted to be indemnified under applicable law. The Company agrees to pay the reasonable fees of such Special Legal Counsel and indemnify fully such Special Legal Counsel against any and all expenses (including attorneys' fees), claims, liabilities, loss, and damages arising out of or relating to this Agreement or the engagement of such Special Legal Counsel pursuant hereto.

8.4 Indemnitee shall cooperate with reasonable requests of the Reviewing Party, including providing to the Reviewing Party documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination without incurring any unreimbursed cost in connection therewith. The Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within five (5) business days of such request accompanied by supporting documentation for specific costs and expenses to be reimbursed or advanced, any and all costs and expenses (including reasonable attorneys' and experts' fees and expenses) incurred by Indemnitee in so cooperating with the Reviewing Party.

8.5 If a determination is made, in accordance with Section 8.2 or 8.3, that Indemnitee is entitled to all or a portion of the requested indemnification, or no determination of whether Indemnitee has satisfied any applicable standard of conduct under the Statute is legally required for indemnification under Section 2, payment to Indemnitee shall be made within ten (10) days after the later of (a) such determination, if applicable, or (b) Indemnitee's request in accordance with Section 8.1.

8.6 The Company shall use its reasonable efforts to cause any determination of entitlement to indemnification to be made as promptly as practicable following the final disposition of the Proceeding. In the event that no determination of entitlement to indemnification shall have been made within sixty (60) days after the later of (a) Indemnitee's request in accordance with Section 8.1, or (b) receipt of written notice from Indemnitee of the final disposition of the Proceeding, and Indemnitee has fulfilled his obligations under the first sentence of Section 8.4, then Indemnitee shall be deemed entitled to such indemnification, absent actual fraud in the request for indemnification or a prohibition of indemnification under applicable law; provided, however, such sixty (60)-day period may be extended for a reasonable time, not to exceed an additional thirty (30)

days, if the Reviewing Party decides in good faith that additional time is required for obtaining or evaluating documentation or other relevant information.

8.7 In the event that:

(a) payment of indemnification pursuant to Section 8.5 is not made within the ten (10) days required by Section 8.5;

(b) payment of indemnification pursuant to Section 8.6 is not made within ten (10) days after Indemnitee is deemed to be entitled to indemnification in accordance with the provisions thereof;

(c) it is determined pursuant to Section 8.2 or 8.3 that Indemnitee is not entitled to indemnification under this Agreement or is only entitled to a portion of such indemnification;

(d) Indemnitee has not received advancement of Interim Expenses within ten (10) days after making such a request in accordance with Section 7.1; or

(e) the Company or any other Person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action to deny, or to improperly recover from, Indemnitee the benefits provided or intended to be provided under this Agreement,

Indemnitee shall have the right to enforce the indemnification rights under this Agreement by commencing litigation in any court of competent jurisdiction in the State of Delaware or by submitting the dispute to arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Any determination made in accordance with Section 8.2 or 8.3 not challenged by Indemnitee on or before the first anniversary of the date of the determination shall be binding on the Company and Indemnitee. It is the intent of the Company that Indemnitee not be required to incur legal fees and or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to Indemnitee hereunder. Without limiting any other provision of this Agreement, to the fullest extent permitted by applicable law, the Company shall indemnify Indemnitee for any Expenses (and shall advance any Interim Expenses pursuant to Sections 7.1 and 7.2) incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement of Interim Expenses under this Agreement, without respect to whether Indemnitee prevails, in whole or in part, in connection with any of the foregoing. The remedies provided for in this Section 8.7 shall be in addition to any other remedies available to Indemnitee in law or equity.

9. **ESTABLISHMENT OF TRUST**. After the occurrence of a Change in Control, upon the request of Indemnitee, the Company shall create a trust (the "Trust") for the benefit of Indemnitee and from time to time, when requested by Indemnitee, shall fund the Trust in an amount sufficient to satisfy any and all Interim Expenses and Expenses reasonably anticipated to be

incurred in connection with investigating, preparing for, participating in, and/or defending any Proceeding. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by Special Legal Counsel. In making such determination, the Special Legal Counsel shall consider, among other things, any continuing availability of D&O Insurance as a source to pay such Interim Expenses and Expenses. The terms of the Trust shall provide that

(c) the Trust shall not be revoked or the principal thereof invaded, without the written consent of Indemnitee;

(d) the Trustee shall advance, within ten (10) days of a request by Indemnitee, any and all Interim Expenses to Indemnitee (and Indemnitee hereby agrees to repay the Trust under the same circumstances for which Indemnitee would be required to repay the Company under Section 7.1);

(e) the Trust shall continue to be funded by the Company in accordance with the funding obligation set forth above;

(f) the Trustee shall promptly pay to Indemnitee all amounts for which Indemnitee shall be entitled to indemnification under Section 2 and/or Section 8.3 of this Agreement; and

(g) all unexpended funds in the Trust shall revert to the Company upon a final determination by Special Legal Counsel or a court of competent jurisdiction, as the case may be, that Indemnitee has been fully indemnified under the terms of this Agreement and that, as a matter of law, no further Proceedings may be instituted against Indemnitee with respect to which Indemnitee may be entitled to indemnification under this Agreement.

The trustee (the "Trustee") shall be a bank or trust company chosen by the Company and reasonably satisfactory to Indemnitee. Nothing in this Section 9 shall relieve the Company of any of its obligations under this Agreement. All income earned on the assets in the Trust shall be reported as income by the Company for federal, state, local, and foreign tax purposes. The Company shall pay all costs of establishing and maintaining the Trust and shall indemnify the Trustee against any and all expenses (including attorneys' fees), claims, liabilities, loss, and damages arising out of or relating to this Agreement or the establishment and maintenance of the Trust.

10. **COOPERATION; SUBROGATION**. Indemnitee shall keep the Company generally informed of, and shall consult with the Company with respect to, the status of any Proceeding for which Indemnitee is claiming indemnity under this Agreement. In addition, Indemnitee agrees to give the Company such information and cooperation as the Company may reasonably require and as shall be within Indemnitee's power regarding any Proceeding which is or may be subject to this Agreement. In the event of any payment under this Agreement to or on behalf of Indemnitee, the Company shall be subrogated to the extent of such payment to all of the rights of recovery in Indemnitee against any Person other than the Company or Indemnitee in

respect of the Proceeding giving rise to such payment. Indemnitee shall execute all papers reasonably required and shall do everything reasonably necessary to secure such rights, including the execution of such documents reasonably necessary to enable the Company effectively to bring suit to enforce such rights.

11. **CONTINUATION OF INDEMNITY.** All agreements and obligations of the Company contained in this Agreement shall continue during the period Indemnitee is a Director or Officer and shall continue thereafter, even though Indemnitee may have terminated his service as a Director or Officer of the Company, so long as Indemnitee shall be subject to any threatened, pending or completed Proceeding.

12. **RELIANCE**. The Company has entered into this Agreement in order to induce Indemnitee to continue as an Officer of the Company, and acknowledges that Indemnitee is relying upon this Agreement in continuing in such capacity.

13. **SEVERABILITY**. Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision of this Agreement shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of this Agreement's other provisions. In the event that any court or other adjudicative body shall decline to reform any provision of this Agreement held to be invalid, unenforceable or otherwise illegal as contemplated by the immediately preceding sentence, the parties thereto shall take all such action as may be necessary or appropriate to replace the provision so held to be invalid, unenforceable or otherwise illegal with one or more alternative provisions that effectuate the purpose and intent of the original provisions of this Agreement as fully as possible without being invalid, unenforceable or otherwise illegal. To the extent permitted by law, the parties waive any provision of law which renders any such provision prohibited or unenforceable in any respect.

14. **CONTRACT RIGHTS NOT EXCLUSIVE**. The contract rights conferred by this Agreement are in addition to, but not exclusive of, any other right which Indemnitee may have or may hereafter acquire under any statute, the certificate of incorporation or the bylaws of the Company, or any agreement, vote of stockholders or disinterested directors, or otherwise, and to the extent that Indemnitee otherwise would have any greater right to indemnification under any such statute, the Company's certificate of incorporation or bylaws, or agreement, vote of stockholders or disinterested directors, Indemnitee will without further action be deemed to have such greater right hereunder. The rights granted in this Agreement supersede any similar right granted under any previous written agreement between the Company and Indemnitee with respect to the subject matter of this Agreement.

15. **EFFECT OF CHANGES IN LAW OR CORPORATE DOCUMENTS**. No changes in the law and no amendment to the certificate of incorporation or the bylaws of the Company after the date of this Agreement shall have the effect of limiting or eliminating the indemnification available under this Agreement as to any act or omission which has occurred, or capacity in which Indemnitee served, prior to such amendment. If, after the date of this Agreement, any change in any applicable law, statute, or rule expands the power of the Company to indemnify Indemnitee under this Agreement, Indemnitee's rights and the Company's obligations under this

Agreement shall be expanded, without any action by Indemnitee or the Company, to include such change. If any change in any applicable law, statute, or rule narrows the right of the Company to indemnify Indemnitee under this Agreement, such change, except to the extent otherwise required by law, shall have no effect on this Agreement or the parties' rights or obligations hereunder.

16. **SPOUSAL INDEMNIFICATION.** Subject to the same standards, limitations, obligations and conditions under which indemnification is provided to an Indemnitee under this Agreement, the Company shall indemnify a Spouse for Losses and Expenses such Spouse incurs or becomes obligated to pay as a result of any Proceeding solely by reason of his or her status as Indemnitee's spouse. A Spouse also may be entitled to advancement of Expenses to the same extent that Indemnitee is entitled to advancement of Expenses herein.

17. **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon the Company and its successors and assigns, including, without limitation, any corporation or other entity which may have acquired all or substantially all of the Company's assets or business or into which the Company may be consolidated or merged, and shall inure to the benefit of Indemnitee and his/her spouse, successors, assigns, heirs, devisees, executors, administrators or other legal representatives. The Company shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Company and Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

18. **MISCELLANEOUS.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to its conflicts of law principles thereof.

(b) As herein used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders, unless the context would clearly not admit such construction. Section or paragraph headings are employed herein solely for convenience of reference, and such headings shall not be used in construing any term or provision of this Agreement. All references herein to "section" or "paragraph" shall mean the appropriate numbered section or paragraph of this Agreement except where reference is particularly made to some other instrument or document.

(c) All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, effective when delivered, or if delivered by nationally recognized overnight courier service, effective when delivered, or if delivered via facsimile, effective when such facsimile transmission is sent (with a confirmed receipt thereof) or if mailed by registered or certified mail (return receipt requested), effective three (3) business days after mailing, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Company:

Prestige Brands Holdings, Inc.
Attn: Chief Executive Officer
660 White Plains Rd., Suite 205
Tarrytown, New York 10591
Facsimile No.: (914) 524-7401

With a copy to:

Prestige Brands Holdings, Inc.
Attn: General Counsel
660 White Plains Rd., Suite 205
Tarrytown, New York 10591
Facsimile No.: (914) 524-7488

If to Indemnitee:

_____
_____
_____

(d) Except as provided in Section 15 of this Agreement, no amendment, modification or termination of this Agreement shall be effective unless in writing signed by both parties hereto. No amendment, modification or termination of this Agreement shall limit or restrict any right of Indemnitee under this Agreement with respect to any action or failure to act by Indemnitee in his Corporate Status prior to such amendment, modification or termination. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement (whether or not similar), nor shall such waiver constitute a continuing waiver.

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

PRESTIGE BRANDS HOLDINGS, INC.

By: _____
Name: Matthew M. Mannelly
Title: Chief Executive Officer

_____
_____, Officer

aspen

PHARMACARE LIMITED T/A ASPEN PHARMACARE
company registration number 1898/000252/06
("Pharmacare")

and

MEDTECH PRODUCTS INC.
("Medtech")

SUPPLY AGREEMENT

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1. PARTIES

1.1. Medtech Products Inc., a Delaware Corporation having its principal place of business at 90 North Broadway, Irvington, New York, 10533, United States of America **("Medtech");**

1.2. Pharmacare Limited, a company registered and incorporated in the Republic of South Africa having its principal place of business at Building 8 Healthcare Park, Woodlands Drive, Woodmead, Johannesburg, Republic of South Africa **("Pharmacare").**

2. RECITAL

2.1. Medtech and Pharmacare have a current supply agreement **("Current Agreement")** with regard to the manufacture and supply by Pharmacare of the products (as defined below) to Medtech and certain ancillary issues, which is due for renewal on 31 December 2013.

2.2. The Parties have agreed amended supply terms as recorded herein for a further

extended period, which will supercede the Current Agreement on signature hereof.

2.3. This supply agreement is intended to be exclusive in the United States and Canada except as specifically provided herein. The supply agreement is not intended to be exclusive outside the United States and Canada unless specifically provided herein.

3. INTERPRETATION

In this Supply Agreement -

3.1. clause headings are for convenience and shall not be used in its interpretation

unless the context clearly indicates a contrary intention -

3.1.1. an expression which denotes the singular includes the plural and *vice versa;*

3.1.2. the following expressions bear the meanings assigned to them below and cognate expressions bear corresponding meanings –

3.1.2.1. **"this agreement"** means this agreement only and its Exhibits, as amended, from time to time;

3.1.2.2. **"adverse event"** means any untoward medical occurrence that may present during treatment with a medicine, but which does not necessarily have a causal relationship with this treatment;

3.1.2.3. **"affiliate/s"** means an entity, (whether or not incorporated and including without any limitation, a company, corporation, trust, partnership, joint venture or other association of persons) which, presently or in the future is owned or controlled by a party hereto by way of ownership, directly or indirectly, of 20% or more of such entity's share capital or otherwise, and such an entity shall continue to be deemed an affiliate only as long as such ownership or control continues; or owns or controls a party hereto by way of ownership, directly or indirectly, of 20% or more of

such party's share capital or otherwise, and such an entity shall continue to be an affiliate only for so long as such ownership or control continues;

3.1.2.4. **"applicable laws"** means in relation to any person or entity, all or any laws compliance with which is mandatory for that person or entity;

3.1.2.5. **"bulks"** means bulk batches of the manufactured products prior to their primary packaging;

3.1.2.6. **"contract year"** means the twelve month period commencing on July 1 of the applicable period and ending on the next-following June 30;

3.1.2.7. **"current good manufacturing practice or cGMP's"** means the regulatory and other standards of good manufacturing practice relating to the manufacture of medicinal products as directed in the Code of Federal Regulations 21 CFR, Parts 210 and 211 and the Guidance for Industry: cGMP's;

3.1.2.8. **"commission/commissioned"** means the stage at which government or regulatory authority has been granted and the facility is capable of commencing manufacture of the products;

3.1.2.9. **"confidential information"** means information of a confidential and proprietary nature as defined in **clause 6;**

3.1.2.10. **"effective date"** means 1 July 2012;

3.1.2.11. **"exclusive supply term"** means the initial period and the extended period/s (if any);

3.1.2.12. **"extended period/s"** has the meaning given to that term in **clause 3.1.2.44;**

3.1.2.13. **"external territories"** means territories outside of the United States and Canada in respect of which the parties reach agreement in terms of **clause 4.3,** during the term;

3.1.2.14. **"facility"** means Pharmacare's eye drop manufacturing facility in Port Elizabeth, Republic of South Africa, for the purposes of, inter alia, manufacturing the products;

3.1.2.15. **"FDA"** means the United States Department of Health and Human Services, Food and Drug Administration;

3.1.2.16. **"FCA"** means **"Free Carrier"** as determined in accordance with INCOTERMS 2010;

3.1.2.17. **"firm order"** has the meaning given to that term in **clause 4.5;**

3.1.2.18. **"firm order period"** has the meaning given to that term in **clause 4.5;**

3.1.2.19. **"force majeure event"** means an event which interferes with the ability of a party to perform its obligations or duties under

the supply agreement which is riot within the reasonable control of the party affected, not due to malfeasance, and which could not with the exercise of due diligence have been avoided, including fire, accident, labour difficulty, strike, riot, civil commotion, act of God, delay or change in law;

3.1.2.20. **"governmental or regulatory authority"** means any court, tribunal, arbitrator, agency, commission, official, department, inspectorate, ministry, parliament or public or statutory person or other instrumentality of any relevant country, state, province, county, city or other political subdivision having jurisdiction over any of the activities contemplated by the supply agreement and for the avoidance of doubt shall include the FDA;

3.1.2.21. **"initial period"** means the period from the effective date until 30 June 2019;

3.1.2.22. **"intellectual property"** means the body of technical information that is secret and substantial and comprises the formulae, specific manufacturing and packaging instructions (including but not limited to information, formulations, instructions, specifications and methods of quality control) but excluding the trademarks and patents;

3.1.2.23. **"inventory"** means raw materials and packaging components for the products;

3.1.2.24. **"know-how"** means the scientific and technical practices developed or owned by Medtech that are secret and substantial as well as any knowledge or the right to have the knowledge relating to the intellectual property imparted and comprises techniques and processes which are inherent and necessary to manufacture the products so as to enable Pharmacare to so manufacture the products;

3.1.2.25. **"laws"** means all laws, statutes, rules, regulations, ordinances, guidelines and other pronouncements having the effect of law of any relevant governmental or regulatory authority;

3.1.2.26. **"latent defect"** means a defect (a) existing at the time of receipt of the products by Medtech which is not discovered by visual inspection of the products by Medtech (or could not have been discovered by visual inspection in accordance with **clause 4.9** of this agreement); but excluding (b) (i) a defect arising after the transfer of risk in the products including a defect resulting from the storage, handling or transport of the products following the transfer of risk; and (ii) a defect which is attributable to any specifications or instructions received from Medtech;

3.1.2.27. **"manufacture"** means all the activities relating to the production of each product spanning from purchasing the inventory to production, quality control and assurance, filling, labelling, packaging and finishing, release, holding and storage and the tests and analyses conducted in connection therewith;

3.1.2.28. **"manufacturing authorisation"** means the authorisation to manufacture the products as granted by the relevant governmental or regulatory authorities;

3.1.2.29. **"marketing authorisation"** means those product licences and product authorisations relating to the products which enable the sale of the products in any part of the territory as granted by the relevant governmental or regulatory authorities;

3.1.2.30. **"Medtech's requirements of the products"** means the total volume of the products which Medtech and/or its affiliates, directly or indirectly, market, distribute and/or sell in the territory;

3.1.2.31. **"party"** means either Medtech or Pharmacare and "parties" shall mean both Medtech and Pharmacare;

3.1.2.32. **"patents"** means any unexpired and otherwise valid patent issued by the United States Patent and trademark Office licensed, owned or applied for by Medtech or its affiliates pertaining to the products and used in their manufacture;

3.1.2.33. **"primary packaging"** means the packaging that constitutes the final packed individual product unit in a form suitable for sale to retailers;

3.1.2.34. **"prime rate"** means the minimum overdraft rate (percent per annum, compounded monthly) from time to time published by the Standard Bank of South Africa Limited as being its minimum overdraft rate to its prime customers in the private sector, as certified by any manager of that bank, whose designation need not be proved;

3.1.2.35. **"product"** means the products described in columns 1, 2 and 3 of **Exhibit A,**

3.1.2.36. **"quality agreement"** means the quality agreement executed between the parties in relation to the delineation of technical and quality assurance responsibilities of the parties;

3.1.2.37. **"regulatory support"** means the support provided by Pharmacare to assist Medtech in undertaking regulatory filing, maintenance and compliance activities and processes relating to maintenance and updating of existing marketing authorisations (in so far as the support relates to activities conducted by Pharmacare for Medtech), including the provision of data required by Medtech to compile risk management plans and annual product reviews;

3.1.2.38. **"rolling forecast"** has the meaning given to that term in **clause 4.5.1;**

3.1.2.39. **"secondary packaging"** means the packaging that constitutes the outer packaging (including but not limited to shrink wrap and pallets) used to transport and store the products;

3.1.2.40. **"serious adverse event"** means any untoward medical occurrence that at any dose: results in death; is life-threatening, in that the patient is at risk of death at any time of the event; requires patient hospitalisation or prolongation of existing hospitalisation; results in persistent or significant disability/incapacity; or results in a congenital abnormality/birth defect;

3.1.2.41. **"specifications"** means the specifications applicable to the products as recorded in their respective marketing authorisations;

3.1.2.42. **"stability services"** means all activities and processes necessary to validate the products shelf life in accordance with the stability protocol recorded in the quality agreement;

3.1.2.43. **"territory"** means the United States and Canada and any external territories that may be expanded or contracted from time to time by written agreement in terms of **clause 4.3;**

3.1.2.44. **"term"** means the period commencing on the effective date and terminating on 30 June 2019 **("initial period")** which may be extended for a further term **("extended period"),** subject to the parties commencing discussions to agree a further term 24 (twenty four) months prior to the expiry of the initial period and reaching such agreement for a further term not less than 18 (eighteen) months prior to the expiry of the initial period;

3.1.2.45. **"trademarks"** means Medtech's name and logo and other trademarks (including but not limited to Murine® and Clear Eyes®) it wishes to include on the products, as well as any names and/or logos included on products sold to third parties as private label products (including, but not limited to Equate®, a registered trademark of Walmart);

3.1.2.46. **"validation/validated"** means the process of establishing documented evidence which produces a high degree of assurance that a specific process will consistently produce the bulks in a form which will meet their pre-determined specifications and quality attributes.

4. MATERIAL TERMS OF THE SUPPLY AGREEMENT

4.1. **Supply**

4.1.1. Subject to **clauses 4.1.3, 4.6** and/or **4.20.1,** during the supply term and the extended period/s (if any), Pharmacare will sell and supply the products to Medtech, which will purchase the products for the territory from Pharmacare on the terms and subject to the conditions set out hereunder.

4.1.2. For clarification purposes it is recorded that neither party has any rights and/or obligations against the other party in relation to the manufacture, supply and/or purchase of any products which will be marketed, distributed and/or sold in any geographical area, other than the territory (unless the territory is expanded by written agreement between the parties); and/or any products, other than the products as defined (unless the parties agree to extend this agreement to new products or territories in terms of **clause 4.3).**

4.1.3. During the supply term and the extended period/s (if any), Pharmacare will exclusively sell and supply the product to Medtech, which will exclusively purchase all of Medtech and its affiliates' requirements for the products for the United States and Canada; provided that Medtech and its affiliates may acquire new ophthalmic eye solution products (by purchase or license) from third parties if it deems it commercially appropriate to do so; and provided further, that with respect to products for Canada, Pharmacare has obtained and is maintaining all regulatory approvals required to permit Medtech or its affiliate(s) to market and sell the products in Canada.

4.2. **New Products**

Should Pharmacare develop new sterile liquid eye care products on behalf of Medtech and/or its affiliates which Medtech or any of its affiliates decide to market, distribute and/or sell anywhere in the territory (the **"new products"),** then Pharmacare shall be the exclusive manufacturer of such new products, provided that the supply price is consistent with comparable/similar existing products supplied in terms of this agreement.

4.3. **External Territories**

Should Medtech and/or its affiliates at anytime during the term require the manufacture of products and/or new products for marketing, distribution and/or sale outside of the territory **("external territory"),** then Pharmacare and Medtech or such affiliate shall discuss in good faith the possible supply of such products or new products by Pharmacare. It is expected that any such supply of products or new products will be on terms and subject to conditions similar to those set forth in this Agreement, but it is expressly recognized that any arrangements as to the supply of such products or new products by Pharmacare shall be subject to the parties' written agreement on:

4.3.1. Regulatory requirements of the external territory; and

4.3.2. Supply Prices; and

4.3.3. Volume commitments by Medtech.

It is understood by the parties that any supply by Pharmacare and purchase by Medtech or affiliate(s) of Medtech of products for sale in any external territory will be subject to Pharmacare having fulfilled its Regulatory obligations as set out in **clause 4.18.**

4.4. **Purchase Price/s**

4.4.1. Medtech shall purchase the products from Pharmacare at the purchase price/s (the **"purchase price/s")** set out in **Exhibit A.**

4.4.2. The purchase price/s are FCA Aspen Distribution Centre ("ADC") Port Elizabeth.

4.4.3. The purchase price/s shall -

4.4.3.1. include:

4.4.3.1.1. the costs of conversion as set out in **Exhibit A** as adjusted, from time to time, in accordance with the provisions of **clause 4.4.5;**

4.4.3.1.2. the costs of primary packaging;

4.4.3.1.3. the costs of raw material;

4.4.3.1.4. the costs of providing stability services (if required); and

4.4.3.1.5. the costs of providing the regulatory support (if required);

4.4.3.2. exclude:

4.4.3.2.1. the costs of secondary packaging; and

4.4.3.2.2. the costs of delivery.

4.4.4. The conversion price shall remain fixed from 1 July 2012 to 30 June 2014.

4.4.5. Thereafter, purchase price/s shall be increased for the following 12 (twelve) months and thereafter each succeeding 12 (twelve) month period as follows:

4.4.5.1. in relation to the costs of conversion in accordance with the increase in the Producer Price Index (PPI), subcategory Toilet preparation manufacturing (Industry Code 325620), during the most recently published 12 month period, as published by the U.S. Department of Labor's Bureau of Labor Statistics (http:l/www.bls.gov/ppil);

4.4.5.2. commencing on 1 July 2013, in relation to the components as set out in **clauses 4.4.3.1.2** and **4.4.3.1.3,** the actual increase in Pharmacare's costs of procuring and/or rendering the same.

4.4.6. No later than 60 (sixty) days prior to each purchase price increase, Pharmacare shall submit reasonable documentary proof of the factors affecting such increases to Medtech and enter into consultations with Medtech in relation thereto.

4.4.7. Notwithstanding the provisions of **clause 4.4.5** increases in the purchase price/s shall be moderated (the **"moderation")** by -

4.4.7.1. manufacturing process improvements achieved, from time to time, by Pharmacare in relation to the manufacture of the products. Pharmacare undertakes to use its best endeavours to achieve such improvements; and

4.4.7.2. those cost efficiencies which will accrue to Pharmacare in the event of Medtech purchasing more than 27,000,000 (twenty seven million) units of the products from Pharmacare during any 12 (twelve) month period of the term, excluding the items listed below:

4.4.7.2.1. MURINE® PLUS RED RELIEVER 0.50Z

4.4.7.2.2. ARTIFICIAL TEARS 0.5 OZ WM

4.4.7.2.3. MURINE® TEARS 0.5 OZ

4.4.7.2.4. EQUATE® 0.5 OZ WM

4.4.7.2.5. EQUATE® 1 OZ WM

4.4.7.3. The calculation of the cost efficiencies referred to in **clause 4.4.7.2** is illustrated as follows:

Number of units ordered by Medtech is Year 1 = A

Base volume in number of units = 27,000,000

% Increase from the base volume = (A - 27,000,000)/ 27,000,000
Volume discount table

% Change in Volume	% Volume Discount
<5%	No impact
>5%	0.5%
>10%	1.0%
>15%	1.5%
>20%	2%

% Conversion Price increase in Yr 2 = % USA PPI (Yrl) - % Volume Discount

Example:
Volume of orders placed on Pharmacare in Year 1 -- 30 500 000 units
USAPPI-3%

% Increase from the base = (30 500 000 - 27,000,000)/ 27,000,000
= 12.96%

Using the Volume discount table the volume discount is 1%

% Conversion Price Increase in Year 2 = 3 - 1 = 2%.

4.4.8. No price increase shall be effective unless and until Pharmacare has provided at least 60 (sixty) days notice in writing to Medtech.

4.4.9. The Parties recognize that the prices of the products under the Current Agreement and this agreement include certain equipment acquisition costs and other construction costs for the facility. The Parties agree that, in the event that the term of this agreement is extended in accordance with **clause 3.1.2.44** of this agreement, the parties will in good faith, as part of such extension, take into account the condition, value and future lifespan

of the facility and the applicable equipment to adjust the depreciation expense when negotiating new product prices.

4.4.10. The Parties agree that should Medtech's orders for any contract year be less than 20,000,000 (twenty million) units overall, Pharmacare will be entitled to renegotiate or adjust supply prices for the following 12 (twelve) month period.

4.5. **ForecastslFirm Orders**

4.5.1. Unless otherwise agreed in writing by the parties, Medtech shall on a monthly basis provide Pharmacare with a rolling forecast of its requirements for the products for an 18 (eighteen) month period (the **"rolling forecast").** All rolling forecasts and any updates to such rolling forecasts shall be updated on a monthly basis and provided to Pharmacare by *the* 15*th* (fifteenth) business *day of each* month, *for* the *18* (eighteen) month period commencing on the first day of the immediately following month.

4.5.2. Medtech's requirements of the products during the first 3 (three) months of the rolling forecast (the **"firm order period")** shall be considered a firm order (in that Medtech will be required to purchase and Pharmacare shall be required to supply the products) (the **"firm order")** unless agreed otherwise by the parties in writing. Firm orders each month shall be in accordance with the multiple order quantity of that product's manufacture batch size (that is, in whole multiple manufacture batch sizes and not fractions thereof).

4.5.3. Pharmacare shall order sufficient quantities of the inventory to enable it to manufacture the products in accordance with Medtech's requirements for firm orders.

4.5.4. Pharmacare shall also maintain one batch of printed materials in excess of firm orders for each finished goods sku as well as 833,000 bottles of 0.2 oz. and 1,300,000 bottles of 0.5 oz. sizes. Should Medtech request changes to printed materials, it undertakes to settle the actual write off costs in relation to such forecasted printed materials.

4.6. **Quantities of Supply and Purchase**

4.6.1. Notwithstanding any other provisions of this agreement, for products existing as of the effective date, Pharmacare shall not be obliged to supply more than 32,000,000 (thirty two million) units of the products and, in any event, not more than:

4.6.1.1. 10,000,000 (ten million) units of the products which are 0.2 (nought point two) ounces and/or 10 (ten) millilitres in size;

4.6.1.2. 3,000,000 (three million) units of the products which are 1 (one) ounce in size;

4.6.1.3. 24,000,000 (twenty four million) units of the products which are 0.5 (nought point five) ounces in size.

4.6.2. In the event that the parties agree on the addition of new products for the territory or any extended territory, such negotiations will include mutually agreeable volume limits for such products.

4.6.3. Subject to **clauses 4.1.3, 4.6** and **4.20.1,** Medtech shall, during the initial term and the extended period/s (if any), be obliged to purchase all of Medtech and its affiliates' requirements of the products for the territory exclusively from Pharmacare on the terms and subject to the conditions set out in this agreement.

4.6.4. Notwithstanding any other provision of this agreement, should Medtech require in excess of 32,000,000 (thirty two million) units of the products during any forecasted 12 (twelve) month period and/or products in excess of the threshold set out in **clause 4.61** (the **"additional products"),** then Medtech shall give notice, in writing (the **"invitation notice")** to Pharmacare of its requirements for the additional products and Pharmacare shall make a good faith effort to supply such additional products and shall notify Medtech within 30 days of the date of Medtech's notice whether or not Pharmacare is able to supply such additional product. In the event of Pharmacare failing to agree to supply such additional product within such 30 day period, Medtech shall be entitled to purchase the additional products from a third party of its choice.

4.6.5. In the event of Medtech experiencing a significant and confirmed increase in future volumes during the term, Medtech will provide Aspen with advance notice of such increase. On such notification, the Parties will engage in good faith discussions to explore an increase in the capacity volumes for the remaining term of the Agreement.

4.7. **Delivery**

4.7.1. Pharmacare shall deliver each firm order of each product in the quantities and within the delivery dates directed by Medtech as specified in the firm order, at Medtech's expense. A firm order will be considered complete if it is within a tolerance of + or - 5% (five percent) of the ordered quantity. Any deviation greater than + or - 5% (five percent) needs to be agreed in writing between the parties.

4.7.2. Pharmacare shall ensure that all products supplied under this agreement, other than validation batches, shall have their relevant registered shelf-life, less a maximum of 90 (ninety) days, at the date of delivery thereof (FCA, ADC Port Elizabeth) unless otherwise agreed in writing between the parties.

4.7.3. Delivery will be considered on time if the products are delivered (as determined in accordance with FCA, ADC Port Elizabeth) within 90 (ninety days) of Pharmacare's receipt of Medtech's purchase order. Any purchase *order* received *after the* 15th (fifteenth) *of any* calendar month will be deemed to be received on the 1st (first) of the following month, for the purposes of calculation of the delivery date. In the event of any anticipated delay in shipment in excess if two (2) weeks, Pharmacare will promptly notify Medtech and, if requested by Medtech, Pharmacare will arrange for delivery by air freight and will pay the incremental cost of such air freight over the ocean freight delivery cost.

4.7.4. Pharmacare shall arrange the delivery of each order of the product to the location as agreed, in writing, between the parties.

4.8. **Specifications**

4.8.1. Changes may be made in the specifications as required to maintain the product for sale in the territory, subject to written agreement between the parties and compliance with cGMP's. Medtech shall notify Pharmacare as far in advance as is practicable prior to the effectiveness of such amendment or change and Pharmacare shall promptly notify Medtech of the implementation of any such amendment or change. To the extent that such

amendment or change results in an increase or reduction in the cost of manufacturing a product, the parties shall jointly examine and mutually agree upon the consequences thereof and shall make appropriate adjustments to the purchase price/s, save as otherwise agreed in writing any such increase in the purchase pricels shall be borne by Medtech.

4.8.2. Changes in the specifications requested by Medtech in relation to product improvements and the like shall require Pharmacare's prior written consent, which *consent* shall *not be* unreasonably withheld. To the *extent that such* changes result in an increase or reduction in the costs of manufacturing a product, the parties shall jointly examine and mutually agree upon the consequences thereof and shall make appropriate adjustments to the purchase price/s save as is otherwise agreed in writing any such increase in purchase price/s shall be borne by Medtech. Medtech shall also be liable for and shall pay for the costs of amending the know-how and/or intellectual property as a consequence of such changes to the specifications, including but not limited to validation and stability.

4.8.3. Medtech and Pharmacare shall cooperate to ensure that the specifications and other instructions provided by Medtech are and shall, at all times, be in accordance with the marketing authorisations for each product. Notwithstanding the aforesaid, Medtech shall be solely responsible for ensuring that the specifications and all instructions given to Pharmacare are, at all times, in accordance with the marketing authorisation for each product and the applicable laws. Medtech shall be solely liable for any omissions and/or shortcomings in relation to the marketing authorizations for each product.

4.9. **Acceptance of Delivery**

4.9.1. Medtech shall, within a period of 30 (thirty) business days of receipt of products delivered to it (or its nominee) by Pharmacare, have the right to reject any such products as a consequence of them being defective or where the products delivered are outside the quantity tolerance specified in **clause 4.7.1.** If Medtech does not notify Pharmacare of its election to reject the products within the aforesaid period of 30 (thirty) business days, then the products delivered will be deemed to have been accepted by Medtech unless the defect is latent.

4.9.2. In addition to the rights to return defective products in **clause 4.9.1,** following the date of delivery of a product to Medtech (or its nominee), Medtech shall be entitled to return products still in the possession or under the control of Medtech in the event that latent defects in such products later become evident.

4.9.3. Any quantities of the products which are properly rejected and/or returned by Medtech in accordance with the provisions of this agreement shall be returned to Pharmacare at Pharmacare's expense and at Pharmacare's option:

4.9.3.1. the products shall be replaced by Pharmacare as quickly as possible at Pharmacare's sole expense; or

4.9.3.2. Pharmacare shall refund the purchase price/s then paid to it by Medtech in res[p]ect of those products.

4.10. **Terms of Sate**

4.10.1. The products shall be delivered FCA, ADC Port Elizabeth, and accordingly the purchase price/s therefore excludes the costs and expenses associated with delivery (except as otherwise provided in **clause 4.7.3** of this agreement) and secondary packaging. The parties undertake to co-operate to do all things reasonably practicable to ensure the reliable and economic delivery of the products to Medtech.

4.10.2. Unless otherwise agreed by the parties in writing, Pharmacare shall be responsible for making the delivery arrangements on behalf of Medtech. The parties shall annually in advance (or at such other times as agreed) agree delivery arrangements for the supply during that year (or other relevant following period).

4.10.3. All or any direct costs and expenses incurred by Pharmacare in respect of the actual delivery of the products and in relation to secondary packaging shall be reimbursed by Medtech to Pharmacare simultaneously with the payment of the purchase pricels for the products in question.

4.10.4. Pharmacare shall issue an invoice with each delivery of product in respect of the purchase price/s of such products which invoice will include the costs and expenses of delivery and/or secondary packaging referred to in **clause 4.10.3** above and Medtech agrees to pay such invoice by wire transfer arranged through an United States bank, payable within 60 (sixty) days from the issue of the invoice.

4.10.5. All payments of the purchase price/s or other sums payable by Medtech shall be made without any set-off in a timely fashion. Any amount due to Pharmacare and not paid within the required period shall be subject to interest charged at the prime rate (both before and after any judgement) calculated from the date the payment of the relevant sum was due to the date it is paid in full (inclusive).

4.10.6. The risk of loss, damage, destruction of products shall pass to Medtech when the products are delivered (as determined in accordance with the INCOTERM FCA, ADC Port Elizabeth).

4.10.7. The legal and beneficial title to the products shall transfer to Medtech on the date Pharmacare has received payment in full and in cleared funds of the purchase price/s for the products.

4.10.8. Pharmacare shall issue a Certificate of Analysis **("C of A")** for each lot of Product shipped to Medtech, each such C of A to be sent electronically as a pdf file to Medtech QA and the receiving United States Distribution Center prior to the arrival of the lot at the United States port.

4.11. **Medtech's Intellectual Property**

In order to avoid the infringement of Medtech's intellectual property and solely for the purposes of Pharmacare manufacturing the products for Medtech, Medtech grants to Pharmacare non-transferable, royalty-free, non-exclusive license to use the:

4.11.1. trademarks; and

4.11.2. the intellectual property.

4.12. **Manufacturing Issues**

4.12.1. If it is necessary for the purposes of compliance with any applicable laws for Pharmacare to make any change to the manufacturing process, procedures or facilities including changes in or replacement of equipment it shall so notify Medtech and Medtech shall as soon as possible make all such changes to the marketing authorisation, through application to the relevant governmental or regulatory authority and Pharmacare shall, at Medtech's cost and expense (which costs and expenses shall be paid for by Medtech and/or reimbursed to Pharmacare by Medtech against demand), supply data which Medtech reasonably requires for such purpose.

4.12.2. Pharmacare warrants to Medtech that it will manufacture each product in compliance with the specifications for such product and in accordance with good manufacturing practices, the marketing authorisations and the provisions of the technical agreement.

4.12.3. Pharmacare will, at its cost and expense, maintain all necessary manufacturing authorisations to manufacture the products.

4.12.4. Pharmacare will be responsible for creating and retaining all records relating to the manufacture of the product as required by the applicable laws and confirmed in the quality agreement.

4.12.5. Pharmacare shall, at its cost and expense, conduct all necessary validation

and routine maintenance stability studies in respect of the products.

4.12.6. Pharmacare shall be responsible for procuring all inventory for each product.
All inventory procured by Pharmacare and used in the products shall be tested (by Pharmacare or the supplier thereof) to assure that they meet the specifications and quality standards. In addition, Pharmacare will maintain records and information of the inventory to support the Product and to assist with activities relating to the registration, maintenance and approval of inventory of existing Products. The aforegoing will include interactions with suppliers of the inventory to resolve Medtech's technical queries and obtaining documentation to support the CMC section of the Common Technical Documents ("CTD").

4.12.7. Pharmacare shall supply products bearing the trademarks and Medtech's marketing authorisation number and Medtech shall be responsible for determining the contents and appearance of the product containers labels, inserts and packaging materials in relation to the primary packaging.

4.12.8. Pharmacare shall make changes to the appearance of the primary packaging as requested by Medtech from time to time. Pharmacare will make no change to the primary packaging without the prior written approval of Medtech. All increases in costs associated with changes to the primary packaging, including but not limited to stability tests to support such changes, shall be added to and incorporated into the purchase price/s of the products.

4.12.9. In order that Pharmacare can make the necessary preparations for the commencement of manufacture of each product (and primary packaging)

bearing Medtech's name and logo Medtech shall provide Pharmacare with copies of the necessary artwork, materials and other information required by Pharmacare a reasonable period prior to the commencement of their production in accordance with Pharmacare's reasonable lead-times.

4.13. **Previous Product Development**

4.13.1. The Parties record that Pharmacare has completed product development work for the products listed in **Exhibit B ("development products").**

4.13.2. The cost of developing the development products shall be amortised over the volumes as recorded in **Exhibit B.**

4.13.3. Once the minimum volumes have been purchased and paid for by Medtech (including any volumes purchased and paid for pursuant to the Current Agreement), then the price of each of the development products shall reduce by the portion of the price which was made up of the amortisation of the development costs, as set forth in the column of **Exhibit B** entitled "Development Cost."

4.14. **Future Product Development**

4.14.1. Should Medtech request any development work for future eye care products, Pharmacare shall have the right to undertake such development work, subject to the parties entering into a written Product Development Agreement ("**PDA**"), which will, inter alia, provide:

4.14.1.1. for payment of the development costs on completion of the development;

4.14.1.2. that development shall be regarded as complete once Pharmacare has delivered to Medtech 3 (three) validation batches of the developed product that meet all agreed specifications as set out in the FDA, and are approved by Medtech quality assurance, such approval not to be unreasonably withheld.

4.14.2. The parties record that any future eye care products developed by Pharmacare at Medtech's request during the term will be supplied by Pharmacare to Medtech according to the terms contained in this exclusive supply agreement subject to mutual agreement as to prices, volumes and other commercial terms.

4.15. **Adverse Drug Reaction, Competent Authorities and Product Recall**

4.15.1. Medtech will be responsible for reporting any adverse event in particular, without limiting the generality of the aforegoing, any serious adverse event unless otherwise agreed, in writing, between the parties.

4.15.2. Pharmacare shall, immediately upon receipt of any communication from any governmental or regulatory authority relating to each product, forward a copy or description of the same to Medtech and respond to all inquiries by Medtech relating thereto. If Pharmacare must communicate with any governmental or regulatory authority, then Pharmacare shall so advise Medtech immediately, and, unless prohibited by the applicable law, provide

Medtech in advance with a copy of any proposed written communication and comply with any and all reasonable direction of Medtech concerning any meeting or written or oral communication with any governmental or regulatory authority.

4.15.3. Medtech shall have sole responsibility for and shall make all decisions with respect to any complaint, recall, market withdrawals or any other corrective action related to the products.

4.15.4. In the event that such recall results from any cause or event arising from the manufacturing, packaging and/or storing of the recalled product by Pharmacare or any third-party subcontractor or the negligence of Pharmacare or such third-party subcontractor, Pharmacare shall be responsible for all of the expenses incurred by Pharmacare and Medtech in connection therewith. The aforegoing shall not apply in instances where a recall arises out of an inherent featureldefect of the Product when manufactured according to Specification and/or any change controls and deviations as initiated and approved by Medtech. In the event that such recall results from any cause or event arising from the storage, distribution or handling of the recalled product by Medtech or the negligence of Medtech, Medtech shall be responsible for all of the expenses incurred by Supplier and Buyer in connection therewith. For purposes of this Agreement, the expenses of recall shall include the reasonable expenses of notification and destruction or return of the recalled product and replacement thereof and all other reasonable costs incurred in connection with such recall. If there is any dispute concerning which party's acts or omissions gave rise to such recall of a product, such dispute shall be referred for decision to an independent expert to be appointed by agreement between Medtech and Pharmacare. The costs of such independent expert shall be borne equally between Medtech and Pharmacare. The decision of such independent expert shall be in writing and, except for manifest error on the face of the decision, shall be binding on both Medtech and Pharmacare.

4.16. **Delivery of Know-How and Intellectual Property**

Pharmacare acknowledges that the know-how and intellectual property applicable to the products existing on the effective date has been delivered to Pharmacare pursuant to the Current Agreement. With respect to any know-how and intellectual property that may be applicable to any new products that may be supplied by Pharmacare to Medtech pursuant to this agreement, the parties shall agree the process and timing of the delivery thereof by Medtech to Pharmacare, if applicable, which know-how and intellectual property may include but not be limited to a technical data pack in respect of each of the products containing at least the vendor details, specifications and test methods for active pharmaceutical ingredients and excipients, vendor details, specifications and test methods for primary packaging, detailed requirements of printed primary packaging, detailed manufacturing and primary packaging instructions, secondary packaging instructions, validation parameters and previous reports, finished product specifications and test methods, validation and/or system suitability data, stability protocols and results of previous stability tests, complete batch manufacturing records for past batches and product samples.

4.17. **Warranties by Medtech**

Medtech warrant to Pharmacare that-

4.17.1. neither the trademarks or the primary packaging will, throughout the term, infringe the rights, including the intellectual property rights, of any person or entity when delivered to Medtech for sale in the territory;

4.17.2. the transfer of the know-how and intellectual property to Pharmacare will not infringe the rights, including the intellectual property rights, of any person or entity and it will, throughout the term, have the exclusive legal and beneficial interest in the know-how and related information; and

4.17.3. provided that the products have been manufactured by Pharmacare in compliance with their specifications and in accordance with good manufacturing practices and all applicable laws will not whether, by their use or administration or otherwise, cause any adverse event and, in particular, without limiting the generality of the aforegoing, any serious adverse event.

4.18.**Regulatory Support**

4.18.1. Notwithstanding the purchase prices being inclusive of regulatory support, Medtech shall, at all times, and without limitation be solely responsible to ensure that all activities and processes relating to the maintenance and updating of the marketing authorisations are timely and comprehensively undertaken in accordance with the applicable laws.

4.18.2. Pharmacare shall also be obligated to maintain listing as an authorized drug and medical device establishment in the United States and shall provide documentation of successful audits completed by the United States Food and Drug Administration, Health Canada or Therapeutic Goods Administration every two years during the term. Pharmacare will also cooperate with and provide information in response to any audit by a third party (in relation to the Products only) or by any regulatory authority or as requested by Medtech.

4.18.3. Pharmacare's obligation in relation to regulatory support shall include the compilation of the CMC aspects of Regulatory Dossier for the existing marketing authorisations, which will include data available at Pharmacare's manufacturing site.

4.18.4. In addition, regulatory support shall include:

4.18.4.1. the compilation and submission of the change of site of manufacture in South Africa, Australia and New Zealand; and

4.18.4.2. provision of documents when requested, and if in Pharmacare's possession, in support of site change filings in Hong Kong, South Korea and the United Kingdom.

4.18.5. In relation to activities arising in terms of **clause 4.18,4** the parties undertake to agree a Responsibility Index which will:

4.18.5.1. be in a similar form to that of the CTD Index (CMC aspects), as per **Exhibit C;**

4.18.5.2. record the documents to be supplied by Pharmacare and the timeframe within which it will be supplied; and

4.18.5.3. the parties agree to monthly (or such other time frame as agreed between the parties) reviews to determine the progress of the site change submissions and resolve any matters which prevent filing and approval of the Pharmacare site.

4.18.6. All other regulatory support as may be reasonably requested will be provided by Pharmacare subject to agreement between the parties and incorporated in a CTD Responsibility Index.

4.18.7. Medtech hereby indemnifies Pharmacare against any liability for loss (excluding economic loss), damage or injury (including death) whether direct, indirect or consequential suffered by any person or entity not being a party to this agreement resulting from or arising out of the failure to maintain and/or update the marketing authorisations in accordance with the applicable laws.

4.18.8. Pharmacare hereby indemnifies Medtech against any liability for loss (excluding economic loss), damage or injury (including death) whether direct, indirect or consequential suffered by any person or entity not being a party to this agreement resulting from or arising out of the failure of Pharmacare to meet specifications or to follow the requirements of cGMP's.

4.19. **Liability**

In no event shall Medtech or Pharmacare be liable to each other (except for liabilities provided for in **clauses 4.18.3** and **4.18.4)** in contract, tort (including negligence), breach of statutory duty or otherwise for:

4.19.1. any indirect or consequential loss of or damage of any nature whatsoever; or

4.19.2. any loss of profit, pure economic loss, depletion of goodwill, loss of business or like loss (whether direct or indirect); or

4.19.3. any claim/s by the other party (inclusive of indemnities by either party) irrespective of the nature or cause of such claim/s which alone or in aggregate exceed US$50,000,000.00 (fifty million United States Dollars),

arising out of or in connection with this agreement.

4.20. **Remedies**

4.20.1. Provided that Pharmacare has used its best endeavours to timely deliver the products to Medtech on the terms and subject to the conditions set out in this agreement, and subject to the provisions of **clause 4.7.3** of this agreement, then Medtech shall have no claims against Pharmacare arising out of or flowing from such non-delivery. In all instances where Pharmacare fails to timely deliver any of the products to Medtech (the **"undelivered products"),** Medtech shall have the right, notwithstanding any other provision of this agreement, to purchase the undelivered products from another supplier of its choice.

4.20.2. In the event of Medtech failing to pay the full purchase price/s for the products on due date, then Pharmacare shall be entitled to immediately suspend the further supply of the products (the **"suspended products")** to Medtech, on written notice to Medtech, this until such time as the outstanding purchase price/s, together with

accrued interest thereon, has been paid in full. The failure by Pharmacare to deliver the suspended products shall not give rise to a breach of this agreement by Pharmacare.

4.20.3. Any amounts which are due by one party to the other party in terms of this agreement which are not paid on due date shall accrue interest at the prime rate, being the rate as determined by the First National Bank of South Africa, calculated from due date to date of payment (inclusive).

4.20.4. A failure by either party to perform or observe any of their remaining obligations set out in this agreement shall entitle the other party to only claim specific performance and damages (subject to the limitations set out in **clause 4.19)** and the parties hereby waive and abandon all or any other rights and remedies, howsoever arising or wherever recorded, against the other party, which are not expressly set out in this **clause 4.20.**

4.21. **Subcontracting**

Pharmacare may subcontract its obligations to any third party provided that such subcontracting (a) is approved by Medtech (such approval not to be unreasonably withheld), (b) does not cause a breach of any applicable laws, and (c) Pharmacare remains responsible for and liable for the acts, errors and omissions of its subcontractor. Any intention to subcontract shall be noticed to Medtech, in writing, not less than 90 (ninety) days in advance.

4.22. **Sale of Business by Medtech**

In the event of Medtech, at any time during the term, selling, disposing of or otherwise alienating its business of marketing, selling and/or distributing the products, it will use its commercially reasonable efforts to ensure that the third party acquirer of that business takes assignment of this agreement.

5. **EFFECT OF TERMINATION OR EXPIRATION**

5.1. Upon expiration or prior termination of this agreement, for any reason, it shall not release either party from any liability which at the said time it has already incurred to the other party nor affect in any way the survival of any rights, duties or obligations of either party.

5.2. Upon earlier termination of this agreement, Pharmacare shall supply to Medtech and Medtech shall purchase the finished products at their purchase pricels and any inventory then in Pharmacare's possession (or on order by Pharmacare), to the extent produced or on order in accordance with Medtech's purchase orders, this at the cost pricels thereof.

5.3. Medtech shall be liable to pay Pharmacare the purchase pricels for the finished products and the cost price of the inventory within 14 (fourteen) days of the date of expiration or earlier termination of this agreement or in respect of part termination.

5.4. Delivery of the finished products and inventory pursuant to the provisions of this **clause 5** shall be made FCA, ADC Port Elizabeth.

5.5. Pharmacare's non-transferable, royalty-free, non-exclusive license to use the trademarks and the intellectual property shall immediately terminate and Pharmacare shall have no further rights, title or interest in and to the said trademarks or intellectual property and it shall immediately cease exercising any rights in relation thereto.

6.**CONFIDENTIALITY**

6.1. All confidential and/or proprietary information of Pharmacare disclosed to Medtech and all confidential and/or proprietary information of Medtech disclosed to Pharmacare including, but not limited to, information relating to any product or the business affairs or finances of either party, information contained in the knowhow and the terms of this agreement and/or the supply agreement known hereafter as the "confidential information" shall be held in confidence and not disclosed by the other party to any third party or used, for any reason whatsoever, outside the scope of this agreement and/or the supply agreement; provided, that the definition of "confidential information" and the obligation of confidentiality assumed by Medtech and Pharmacare hereunder shall not apply to any confidential or proprietary information which was or becomes available to Medtech or Pharmacare, as the case may be, on a non-confidential basis from a source that is not under an obligation (whether contractual, legal or fiduciary) to the other party to keep such information confidential (a) is or becomes generally available to the public other than as a result of a disclosure by the party receiving information of the other party (the **"receiving party")** or its directors, officers, employees, affiliates, agents, representatives, consultants and advisors (collectively, the "Representatives"); (b) was within the possession of the receiving party or its Representatives prior to its being furnished to the receiving party by or on behalf of the other party (the **"disclosing party"),** and the receiving party can provide evidence of such possession; (c) becomes available to the receiving party or its Representatives on a non-confidential basis from a source other than the disclosing party or any of its Representatives; or (d) was developed independently by the receiving party or its Representatives without the use of the confidential information and the receiving party can provide evidence of such independent development. If the receiving party is requested in any judicial or administrative proceeding or by any governmental or regulatory authority to disclose any information of the disclosing party, the receiving party shall give the disclosing party prompt notice of such request so that the disclosing party may seek an appropriate protective order. The receiving party shall cooperate reasonably with the disclosing party in obtaining such an order. if in the absence of a protective order the receiving party is nonetheless compelled to disclose confidential information of the disclosing party, the receiving party may make such disclosure without liability hereunder, provided that, to the extent legally permissible, the receiving party gives the disclosing party written notice of the confidential information to be disclosed as far in advance of its disclosure as is practicable and, upon the disclosing party's request and at its expense, the receiving party will use reasonable efforts to obtain reasonable assurances that confidential treatment will be accorded to such confidential information.

6.2. This **clause 6** shall survive the expiration or termination of this agreement for a period of 2 (two) years.

7. RELATIONSHIP OF PARTIES

The parties shall be considered independent contractors, and neither the conclusion of this agreement nor the performance of any of the provisions hereof shall be construed to make either party an agent, employee or legal representative of the other, nor shall this agreement be deemed to establish a joint venture or partnership.

8. ASSIGNMENT

Neither party shall cede its rights or assign its obligations under this agreement without the prior written consent of the other party (such consent not to be unreasonably withheld).

9. FORCE MAJEURE

The occurrence of a force majeure event shall not excuse a party from the performance of its obligations or duties under this agreement, but shall merely suspend such performance during the continuation of force majeure event. The party prevented from performing its obligations or duties because of force majeure shall promptly notify the other party hereto (the **"other party")** of the occurrence and particulars of such force majeure event and shall provide the other party, from time to time, with its best estimate of the duration of such force majeure event and with notice of the termination thereof. The party so affected shall use its reasonable efforts to avoid or remove such causes of non-performance. Upon termination of the force majeure event, the performance of any suspended obligation or duty shall promptly recommence. Neither party shall be liable to the other party for any direct, indirect, consequential, incidental, special, punitive or exemplary damages arising out of or relating to the suspension or termination of any of its obligations or duties under this agreement by reason of the occurrence of force majeure event. In the event that force majeure event has occurred and is continuing for a period of at least 6 (six) months, the other party shall have the right to terminate this agreement upon 30 (thirty) days written notice.

10. GOVERNING LAW AND JURISDICTION

10.1. The construction, validity and performance of this agreement shall be governed by the laws of the State of New York, United States of America.

10.2. It is irrevocably agreed that the State and Federal courts located in the State of New York, United States of America, are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this agreement and accordingly that any action or proceeding so arising may be brought in such courts.

11. NOTICES

11.1. Any notice to be given under this agreement shall be in writing and delivered personally or sent by first class recorded delivery post or facsimile, or by reputable air courier service, to the address for service of the other party as set out in **clause 11.4,** or such other address as may have been notified in writing to the other party.

11.2. A notice shall be deemed to have been served as follows if personally delivered, at the time of delivery; if posted, at the expiration of 96 (ninety six) hours after the envelope containing the same was delivered into the custody of the postal authorities; or if sent by facsimile at the expiration of 24 (twenty four) hours after the same was transmitted.

11.3. In proving service of a notice: by delivery by hand: it shall be sufficient to show that delivery by hand was made; by post: it shall be sufficient to show the envelope containing the communication was properly sent by first class recorded delivery post; by facsimile transmission: it shall be sufficient to show that the facsimile was despatched and a confirmatory transmission report received.

11.4 Addresses for service:

Pharmacare:

Building 8 Healthcare Park
Woodlands Drive
Wood mead
JOHANNESBURG
Telefax No. +27 (11) 239 6530

With copy to:

Aspen Pharmacare Holdings Limited
1st Floor Aspen House
Aspen Park
98 Armstrong Avenue
La Lucia Ridge
Durban
Telefax No. +27 (031) 580 8640
Marked for the attention of The Deputy Group Chief Executive

Medtech:
Medtech Products, Inc.
Attn: Vice President, Operations
90 North Broadway
Irvington, New York 10533
Telefax (No 001) 914-524-7409

With a copy to:
Prestige Brands Holdings, Inc.
Attn: General Counsel
90 North Broadway
Irvington, New York 10533
Telefax (No. 001) 914-524-7488

12. ANNOUNCEMENT

Neither party shall issue or make any public statement with respect to this agreement without the prior consent of the other party, which consent shall not be unreasonably withheld or delayed. No approval shall be required to the extent disclosure may be required by the applicable law.

13. AFFILIATES

Medtech undertakes to Pharmacare that it shall procure that all of its affiliates are bound by and that they comply with the provisions of this agreement.

14. COSTS

Each party shall be liable for its own costs incurred in relation to the negotiation, preparation and execution of this agreement.

15. CURRENT AGREEMENT

This agreement supersedes the Current Agreement except that any rights and obligations of either party under the Current Agreement accruing prior to the effective date shall survive and shall remain in full force and effect.

16. SIGNATORIES

Pharmacare Limited **t/a Aspen Pharmcare**	Medtech Products Inc.
Signature: /s/ S. Capazolio	Signature: /s/ Ron Lombardi
Name: S. Capazolio	Name: Ron Lombardi
Designation: Group Finance Officer	Designation: Chief Financial Officer
Date: 8 October 2012	Date: Sept. 25, 2012
Place: Port Elizabeth, South Africa	Place: Irvington, NY, USA

Exhibit 10.27

SUPPLY AGREEMENT

This Agreement (this "Agreement") is entered into on this 16th day of November, 2012 (the "Effective Date"), by and between BestSweet Inc., a New Jersey corporation with its corporate headquarters at 288 Mazeppa Road, Mooresville, NC 28115 (hereinafter referred to as "Supplier") and Medtech Products Inc., a Delaware corporation, with offices at 660 White Plains Rd, Suite 205, Tarrytown, NY 10591 (hereinafter referred to as "Buyer"), each a "Party" and collectively the "Parties."

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

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

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

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

ARTICLE 1 - DEFINITIONS

1. "Act" means the Federal Food, Drug and Cosmetic Act, as amended, and the regulations promulgated under such Act.

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

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

4. "cGMP" shall mean all laws, guidelines and regulations applicable to the manufacture of Products including the current Good Manufacturing Practices as specified in the United States Code of Federal Regulations.

5. "Industry Standards" means, with respect to a Product, all rules, regulations, requirements and standards of any applicable industry or trade organization, safety organization or entity that sets applicable standards for such Products.

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

7. “Invention” means any new or improved apparatus, process, composition, formula, information, product, invention, discovery, idea, suggestion, material, data, equipment, design, drawing, prototype, report, computer software, documentation or other intellectual property or know-how invented, discovered, produced, conceived, or reduced to practice by Supplier, other than any such information provided to Supplier by Buyer or its Representatives.

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

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

10. “Product Specifications” means the specification(s), functionality, performance criteria, stability data, schematic(s), design(s), operational requirement(s) and/or descriptions of the Products and all components thereof set forth in Exhibit A utilized in the manufacturing and packaging of the Products and as may be further provided by Buyer to Supplier from time to time; provided that any material changes thereto must be agreed to by Supplier.

11. “Products” shall mean the products set forth on Exhibit B.

12. “Proprietary Marks” means the trademarks, service marks, trade names, copyrights and related trade dress, designs and symbols identified in Exhibit C. Buyer may, in its sole discretion, amend Exhibit C from time to time to add or delete Proprietary Marks (but only to the extent Buyer has protectable rights in such additional Proprietary Marks under Applicable Law).

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

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

15. “Territory” shall mean the United States and its possessions.

ARTICLE 2 - PRODUCT SUPPLY AND OBLIGATIONS

1. Purchase and Sale.

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

(b) Supplier's and Buyer's obligations set forth in this Agreement are expressly conditioned upon the successful stability and validation of prototype Products to the reasonable satisfaction of Buyer.

(c) Pursuant to the terms and conditions of this Agreement, Supplier (on behalf of itself and its Affiliates) agrees to exclusively supply Buyer with the Products in accordance with the Product Specifications.

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

2**.** Forecast and Updates. On the Effective Date and prior to each succeeding anniversary of the Effective Date during the Term, Buyer shall submit to Supplier a forecast of quantities of Products Buyer intends to have delivered during the following calendar year (the "Forecast"). Buyer shall update the forecast for the following twelve (12) month period on a monthly basis. Supplier acknowledges and agrees that any Forecast attached hereto or delivered pursuant to this paragraph is non-binding with respect to Buyer. While the Forecast is non-binding for the Buyer to purchase the finished goods represented by such, Supplier is authorized and obligated to keep an average of ninety (90) days forecast beyond firm Purchase Orders (as defined in Section 3 of this Article 2) for packaging components and any ingredients or raw materials specific to the Products on hand (as identified in Part 2 of Exhibit A) at its facility or at its designated vendor so as to be prepared to meet unexpected demand. Buyer shall be responsible for any such components procured in good faith and in compliance with the foregoing requirement should the components become obsolete or remain unconsumed after one hundred twenty (120) days. With respect to those mutually-agreed items identified in Part 3 of Exhibit A, Buyer may direct Supplier to purchase packaging materials, active ingredients or excipients from Buyer-designated vendors at prices negotiated by Buyer or, if applicable, Supplier shall combine its purchase volume with Buyer's requirements on like items to maximize purchasing leverage, and Supplier shall pass along the full amount of any resulting cost savings.

a. Orders. Buyer will from time to time during the Term issue to Supplier purchase orders (each, a "Purchase Order") for Products. The Purchase Orders will set forth the material terms including Products, Product Specifications, quantity, required delivery dates (which shall be no earlier than three months from the date of each such Purchase Order (the "Minimum Lead Time")), shipping instructions and any other requirements (which must be approved by Supplier) for the Products to be purchased. Subject to the Forecasts delivered by Buyer to Supplier pursuant to the terms hereof, upon receipt of a Purchase Order by Supplier from Buyer for Products, Supplier shall timely manufacture and package and cause the delivery of the Products in accordance with the requirements of this Agreement and such Purchase Order. Supplier shall not be obligated to deliver Products within a shorter timeframe than the Minimum Lead Time, but will have the discretion to do so while using commercially reasonable efforts; provided, however, any additional costs (which shall be agreed upon in advance by Supplier and Buyer) associated with Supplier's expedited performance shall be borne by Buyer. In the event of a conflict or inconsistency between (i) the provisions of this Agreement and any Purchase Order, the provisions of this Agreement shall control; and (ii) a Purchase Order and any invoice, confirmation or other form or correspondence delivered by Supplier to Buyer, the provisions of this Agreement and the Purchase Order shall control. Within ten (10) business days of receipt of a Purchase Order, Supplier shall confirm receipt of Buyer's order. If Buyer makes any changes to a Purchase Order that result in additional costs to Supplier, Buyer agrees to bear those costs.

4. Commencement. Buyer shall purchase completed validation batches following acceptance of the validation of the batches to the reasonable satisfaction of Buyer.

5. Delivery; Risk of Loss. Delivery of Products from Supplier to Buyer shall take place FOB Supplier's facility (Mooresville, NC). Title and risk of loss shall pass from Supplier to Buyer upon transfer of the Products by Supplier to a commercial carrier for shipment to Buyer. Supplier agrees to adhere to the Transportation Routing Guide as heretofore provided by Buyer, and will prepare shipments in accordance with applicable industry standards for bills of lading, packing slips, hazmat declarations (if applicable) and commercial invoices should the Product(s) be designated for export.

6. Responsibility for Labeling. Buyer shall be responsible for creating the labeling and package design for the Products.

7. Shortages/Rejected Goods.

(a) Shortages. Buyer shall notify Supplier in writing of any shortage in quantity of any shipment of any Product within forty-five (45) business days after becoming aware of any such shortage. In the event of such shortage, Supplier shall make up the shortage as soon as reasonably practicable after receiving such notice.

(b) Rejected Product. Buyer may reject a Product if such Product does not conform to the Product Specifications. In the event of a conflict regarding whether any Product conforms to the Product Specifications, Buyer shall submit a representative number of samples of such Product to an independent laboratory acceptable to Supplier and Buyer

for testing. The fees and expenses of such laboratory testing shall be borne entirely by the Party against whom such laboratory's findings are made. In the event that the test results indicate that a Product in question does not conform to the Product Specifications, Supplier shall replace the Product at no additional cost to Buyer and shall pay all additional destruction and/or shipping and transportation costs for said non-conforming Product.

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

(d) Consequential Damages and Lost Profits. In no event will either Party be responsible for any incidental or consequential damages or lost profits whether foreseeable or not, even if advised of the possibility of such damages.

8. Permits. As a condition precedent to the sale of the Product by Supplier to Buyer, (i) Supplier shall obtain and maintain at its sole cost all Permits required in connection with the manufacture and packaging of the Products by any applicable governmental agency in the Territory; and (ii) Buyer shall obtain at is sole cost any necessary Permits required in connection with the sale and distribution of the Products from the relevant governmental authorities of the Territory.

ARTICLE 3 – PRICE

1. Price. The price for the Products (the "Price") shall be as set forth on Exhibit D based on the component costs set forth on Exhibit D; provided, however, that either Supplier or Buyer may initiate a price review and adjustment not more often than once each calendar quarter to reflect higher or lower unit costs for the Products based on actual changes in the costs of components and materials needed to assemble and package the Products, and Exhibit D shall be amended accordingly. In addition to the foregoing, on each anniversary of the Effective Date during the Term, Supplier may undertake annual supply price reviews based upon input costs of Supplier and may increase or decrease the Price commensurate with documented increases or decreases in energy, labor, other overhead and/or material costs upon thirty (30) days prior written notice to Buyer; such Price increases or decreases are to be reflected in an amendment to Exhibit D. The Price shall not include any taxes and freight and insurance charges. In no event

shall Supplier be entitled to increase the price for the Products for any expenses incurred by Supplier in connection with the development, stability and validation work conducted by Supplier for the Products, except to the extent otherwise agreed in writing by Buyer.

2. Payment. Buyer shall settle invoices within thirty (30) calendar days following the date of invoice.

ARTICLE 4 - MANUFACTURING, SPECIFICATIONS AND INSPECTION

1. Compliance. Supplier shall manufacture Product in accordance with the Product Specifications, Applicable Laws (including, without limitation, cGMP) and Industry Standards in the Territory.

2. Quality Agreement. Each of the Parties hereto have executed or shall execute on the date hereof a Quality Agreement substantially in the form of Exhibit G hereto (the "Quality Agreement").

3. Required Regulatory Changes. Should either Party learn or receive notice of any changes that are required by Applicable Law (including, without limitation, notices relating to cGMP), Industry Standards or regulatory authorities within the Territory with respect to the quality and/or manufacture of one or more Products, said Party shall promptly notify the other Party of such required changes. Supplier shall implement such changes within the time frame required by Applicable Law, Industry Standards or regulatory authorities within the Territory with the approval of Buyer, which shall not be unreasonably withheld or delayed. Supplier may increase or decrease the Price commensurate with documented increases or decreases in costs related to any such required change after giving Buyer written notice of such increases or decreases. If any such increase is deemed by Buyer to render the continued marketing of the Product unattractive, Buyer may terminate this Agreement as to the applicable Product or Products by written notice to Supplier without liability, except that Buyer shall remain responsible for any obligations accruing prior the effective date of termination of such Product or Products, as applicable.

4. Regulatory Actions. Supplier and Buyer shall promptly inform each other in writing of any inspection, application for inspection and other regulatory action by any regulatory agency within the Territory relating to any Product or the manufacture of any Product.

5. Storage. Each Party shall adhere to any and all Applicable Laws (including, without limitation, cGMP) and Industry Standards relative to the storage of Products and any material used to manufacture Products. In no event shall either Party manufacture, process, package, use or store, in the same facilities and/or with equipment used for manufacturing Product, any other product that would reasonably be expected to present a potential hazard to any Product or the material used to manufacture any Product. No Party shall dispose of and/or destroy any waste product, waste material, or labeling materials in a manner contrary to all Applicable Laws.

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

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

ARTICLE 5 - PRODUCT RECALLS/INQUIRIES AND COMPLAINTS

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

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

(ii) To the extent that such recall results from the negligence of, or any breach of this Agreement relating to the manufacturing, packaging and/or storing of the recalled Product by, Supplier or any third-party subcontractor of Supplier, Supplier shall be responsible for all of the expenses incurred by Supplier and Buyer in connection therewith.

(iii) To the extent that such recall results from the Product Specifications or from the negligence of or any breach of this Agreement relating to the manufacturing, packaging and/or storing of the recalled Product by Buyer, Buyer shall be responsible for all of the expenses incurred by Supplier and Buyer in connection therewith.

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

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

3. Disputes. If there is any dispute concerning which Party's acts or omissions gave rise to such recall of a Product, such dispute shall be referred for decision to an independent expert to be appointed by agreement between Buyer and Supplier. The costs of such independent expert shall be borne equally between Buyer and Supplier. The decision of such independent expert shall be in writing and, except for manifest error on the face of the decision, shall be binding on both Buyer and Supplier.

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

5. Survival. The Sections of this Article shall survive the expiration or termination of this Agreement.

ARTICLE 6 – CONFIDENTIALITY

1. Confidentiality of Exchanged Information. In connection with the transactions contemplated by this Agreement, each Party will obtain or have access to Confidential Information (as defined below) of the other Party. Each Party will hold the Confidential Information in strict confidence and will take all reasonable precautions to prevent unauthorized disclosure of the Confidential Information. Each Party will institute and maintain appropriate security measures in order to maintain the confidentiality of the Confidential Information, including, without limitation, limiting the disclosure of the Confidential Information to those Representatives of such Party who have a need to know. Each Party will (i) not use the other Party's Confidential Information for any purpose other than the performance of this Agreement; (ii) unless required by Applicable Law, not disclose any Confidential Information of the other Party to any third-party (other than non-employee Representatives that are bound by substantially similar confidentiality obligations) without the other Party's prior written consent; and (iii) return all of the other Party's Confidential Information, including all copies thereof, promptly upon the expiration or termination of this Agreement, or upon the other Party's earlier request except that the receiving Party will not be required to return copies of any computer records or files containing Confidential Information that have been created pursuant to any automatic archiving or backup procedures and that cannot reasonably be extracted or deleted; provided that each Party's legal counsel may keep one copy of any Confidential Information of the other Party in a secure file solely for legal and regulatory purposes. Any notes, analyses, compilations, studies, interpretations or other documents prepared by a Party or its Representatives based on the Confidential Information of the other Party shall be destroyed by the Party that prepared such notes, analyses, compilations, studies, interpretations or other documents; such destruction to be certified in writing by the destroying Party to the other Party.

The duration of the covenants in this paragraph shall be the Term plus a period of two (2) years after the end of the Term. The obligations in this paragraph are not intended to abrogate, lessen or supersede any more extensive protection available to the Parties under Applicable Law.

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

3. Survival. The Sections of this Article shall survive the expiration or termination of this Agreement.

ARTICLE 7 – PROPRIETARY RIGHTS

1. Pre-existing Intellectual Property and Intellectual Property Developed During Term of Agreement. Supplier shall retain ownership of all right, title, and interest in and to the Supplier Intellectual Property, including all proprietary rights therein, owned by it as of the date of execution of this Agreement or developed solely by it during the Term independent of this Agreement, except with respect to any Intellectual Property that is developed by Supplier during the Term at the expense of Buyer, which shall be subject to Section 2 of this Article 7.

2. Joint Development of Intellectual Property and Inventions. Any new Intellectual Property and Inventions developed by Supplier at Buyer’s expense in connection with this Agreement (including, as applicable, the formulation and specifications for the Products) and/or any other agreement between the Parties shall be owned by Buyer, notwithstanding the fact the Supplier may have done most of the development work; provided, however, any improvements or incremental changes made to Supplier Intellectual Property shall be owned by Supplier. It is anticipated by the parties that any development of new formulations for Buyer will be subject to the terms of an appropriate Development Agreement.

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

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

ARTICLE 8 - FORCE MAJEURE

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

In the event that Buyer shall have the right to purchase Products from a third-party manufacturer, Supplier shall grant such third-party manufacturer a limited, non-exclusive, non-transferable and royalty-free license, within the Territory and for the remainder of the Term (as if any termination or force majeure event had not occurred, but without any further renewals of the Term), to any and all know-how and proprietary information of Supplier, as will allow such third-party manufacturer to produce such Product for Buyer.

ARTICLE 9 - REPRESENTATIONS AND WARRANTIES

1. Supplier represents and warrants to Buyer that:

(a) Products.

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

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

(iii) the manufacture, production, workmanship and quality of the Products shall conform in all respects with all Applicable Laws (including, without limitation, cGMP), Industry Standards and the Purchase Orders; and

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

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

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

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

(d) Supplier Intellectual Property. The Supplier Intellectual Property is valid, subsisting and in full force and effect. Supplier has no knowledge of the existence of any patent, trademark, trade secret, know-how or other Intellectual Property Right owned or controlled by a third-party that would prevent in any material way Supplier from manufacturing in the Territory and/or Buyer from marketing, selling, and distributing

Products throughout the Territory. To Supplier's knowledge, the Products and the technology used to manufacture them will not infringe, misappropriate, dilute or violate valid patent rights of third-parties. There are no pending claims or, to the knowledge of Supplier, threatened claims relating to the Supplier Intellectual Property.

2. Buyer represents and warrants to Supplier that:

(a) Labeling and Marketing. Products shall be labeled and marketed in accordance with Applicable Laws (including, without limitation, cGMP).

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

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

ARTICLE 10 – INDEMNIFICATION

1. Indemnification by Supplier. Subject to the terms of this Article 10, Supplier will defend, indemnify and hold harmless Buyer, its Representatives and their permitted assigns and successors-in-interest (collectively, the "Buyer Indemnitees") from and against any and all liabilities, damages, losses, claims, demands, assessments, actions, causes of action and costs (including reasonable attorneys' fees and court costs) (collectively, "Losses") arising out of or relating to the following indemnification events (the "Supplier Indemnification Events"):

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

(b) any negligence or willful misconduct of Supplier in connection with the manufacturing, packaging and/or storing of the Products for Buyer.

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

2. Indemnification by Buyer. Subject to the terms of this Article 10, Buyer will defend, indemnify and hold harmless Supplier, its Representatives and their permitted assigns and successors-in-interest (collectively, the "Supplier Indemnitees") from and against any and all Losses arising out of or relating to the following indemnification events (the "Buyer Indemnification Events"; and together with the Supplier Indemnification Events, the "Indemnification Events"):

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

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

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

3. Conditions to Indemnification. The indemnification remedy set forth in this Article 10 shall be the sole and exclusive remedy of the indemnified Parties for the Indemnification Events specified herein. Each Party agrees to make reasonable efforts to mitigate damages claimed under this Article 10. A Party's right to indemnification shall be premised on the indemnified Party's providing prompt written notice of the occurrence of the Indemnification Event to the indemnifying Party and all associated details (to the extent then available), including proof of any claimed Losses; provided, however, failure to provide prompt written notice of an Indemnification Event shall not preclude the indemnitee from asserting and pursuing an indemnification claim made hereunder so long as the indemnitor is not irreversibly prejudiced by the indemnitee's failure to provide prompt written notice of such indemnification claim.

4. Survival. The Sections of this Article 10 shall survive the expiration or termination of this Agreement.

ARTICLE 11 - TERM AND TERMINATION

1. Term. The term of this Agreement shall commence as of the Effective Date and shall continue until three (3) years from the Effective Date (the "Expiration Date") or until otherwise terminated pursuant to the terms hereof (the "Term").

2. Termination.

(a) If either Party shall breach any material obligation required under this Agreement, a Purchase Order and/or the Quality Agreement, the other Party may give written notice of its intention to terminate this Agreement, describing in reasonable detail the breach. If the breaching Party fails to remedy such material breach within thirty (30) days following such written notice, or if such breach is not capable of cure within such period, then the

non-breaching Party may, in addition to all other remedies available under this Agreement, terminate this Agreement immediately upon written notice.

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

3. Performance on Termination. Upon termination of this Agreement for any reason: (a) Products being manufactured and packaged pursuant to Purchase Orders shall be delivered by Supplier on the scheduled delivery dates and Buyer shall pay Supplier not later than thirty (30) calendar days after the date of the invoice relating to such Products (provided, that Buyer makes advance payment prior to shipment in the event of termination by Supplier due to payment default by Buyer); and (b) all packaging components and any ingredients or raw materials specific to the Products on hand (as identified in Part 2 of Exhibit A) shall be returned to Buyer by Seller upon payment to Seller of its actual costs for such goods. Buyer shall have the obligation to purchase any finished Products, packaging components and/or ingredients or raw materials specific to the Products (as identified in Part 2 of Exhibit A) being held in Supplier's inventory for which Purchase Orders have been submitted or that are consistent with the ninety (90) days forecast beyond firm Purchase Orders.

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

5. Survival. Sections 3, 4 and 5 of this Article 11 shall survive the expiration or termination of this Agreement.

ARTICLE 12 – INSURANCE

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

2. Insurance Certificates. Within ten (10) business days after receipt of a request from Buyer, Supplier shall furnish Buyer with certificate(s) of insurance evidencing the required insurance coverage, naming Buyer as an additional insured, and providing for at least thirty (30) days' prior

written notice to Buyer of cancellation or modification. Supplier shall furnish updated certificate(s) of insurance upon the request of Buyer so long as Supplier is required to maintain insurance under this Agreement.

ARTICLE 13 – MISCELLANEOUS

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

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

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

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

5. Assignment. None of the Parties hereto may assign any of its rights or delegate any of its duties or obligations under this Agreement without the prior written consent of the other Party hereto and any such attempted assignment without such prior written consent shall be void and of no force and effect; provided, however, either party shall have the right to assign this Agreement and its rights and obligations hereunder to any of its Affiliates or any successor-in-interest (via merger, consolidation, reorganization or otherwise) with the prior consent of the other Party, which consent shall not be unreasonably withheld or delayed. Subject to the foregoing, this Agreement will be binding upon and will inure to the benefit of the Parties and their respective successors and permitted assigns, and no assignment permitted hereunder shall relieve any such assignor from its duties and obligations set forth herein and such assignor shall remain jointly and fully liable for any breach of this Agreement by its assignee.

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

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

If to Supplier:	BestSweet Inc. 288 Mazeppa Road Mooresville, NC 28115 Fax: 704-664-7493 Attention: Steve Berkowitz
If to Buyer:	Medtech Products Inc. 660 White Plains Rd, Suite 205, Tarrytown, NY 10591 Fax: (914) 524-6814 Attention: Senior Vice President - Operations
With a copy to:	Medtech Products Inc. 660 White Plains Rd, Suite 205, Tarrytown, NY 10591 Fax: (914) 524-7488 Attention: Legal Department

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

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

10. Third-Party Beneficiaries. Except as otherwise set forth in Article 10, this Agreement is entered into solely between, and may be enforced only by, Buyer and Supplier, and this Agreement will not be deemed to create any rights in third-parties, including suppliers, customers or subcontractors of a Party, or to create any obligations of a Party to any such third-parties.

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

12. Equitable Relief. Both Parties agree that, because breach or threatened breach of any of the terms of Article 6 and 7 of this Agreement by a Party will result in immediate and irreparable injury to the other Party, such other Party shall be entitled to an injunction restraining the breaching Party from any such breach to the fullest extend allowed by Applicable Law. Any such right of equitable relief granted to the non-breaching Party shall not be deemed to preclude such Party from seeking money damages or any other remedy from the breaching Party and/or its Affiliates and agents in the event of such a breach.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

MEDTECH PRODUCTS INC.
By:/s/ Ron Lombardi
Name: Ron Lombardi
Title: CFO

BESTSWEET INC.
By: /s/ Steve Berkowitz
Name: Steve Berkowitz
Title: Executive Vice President

Exhibit 21.1

SUBSIDIARIES LIST

Direct and Indirect Subsidiaries
of Prestige Brands Holdings, Inc.

Name	Jurisdiction of Incorporated/Organization
Blacksmith Brands, Inc.	Delaware
Medtech Holdings, Inc.	Delaware
Medtech Products Inc.	Delaware
Prestige Brands Holdings, Inc.	Virginia
Prestige Brands, Inc.	Delaware
Prestige Brands International, Inc.	Virginia
Prestige Brands (UK) Limited	England and Wales
Prestige Services Corp.	Delaware
The Cutex Company	Delaware
The Spic and Span Company	Delaware
Wartner USA B.V.	Netherlands

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-123487) of Prestige Brands Holdings, Inc. of our report dated May 17, 2013 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/S/ PricewaterhouseCoopers LLP

Denver, Colorado
May 17, 2013

Exhibit 31.1

CERTIFICATIONS

I, Matthew M. Mannelly, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: May 17, 2013

/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 Annual Report on Form 10-K of Prestige Brands Holdings, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: May 17, 2013

/s/ RONALD M. LOMBARDI

Ronald M. Lombardi

Chief Financial Officer

Exhibit 32.1

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

I, Matthew 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 Annual Report of Prestige Brands Holdings, Inc. on Form 10-K for the year ended March 31, 2013, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as applicable, and that information contained in such Annual 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. Mannelly
Title: *Chief Executive Officer*
Date: May 17, 2013

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 Annual Report of Prestige Brands Holdings, Inc. on Form 10-K for the year ended March 31, 2013, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as applicable, and that information contained in such Annual 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: May 17, 2013