AA Group (U.S.) - A LLC
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PROSPECTUS

Spectrum Brands, Inc.

6.375% Senior Notes due 2020 and Related Guarantees

6.625% Senior Notes due 2022 and Related Guarantees

6.125% Senior Notes due 2024 and Related Guarantees

5.750% Senior Notes due 2025 and Related Guarantees

This prospectus may be used by our affiliate, Jefferies LLC or any of its affiliates (which we collectively refer to as Jefferies) in connection with offers and sales by Jefferies of our notes (as defined below) in market-making transactions effected from time to time. Market-making transactions in the notes may occur in the open market or may be privately negotiated at prevailing market prices at a time of resale or at related or negotiated prices. In these transactions, Jefferies may act as principal or agent, including as agent for the counterparty in a transaction in which Jefferies acts as principal, or as agent for both counterparties in a transaction in which Jefferies does not act as a principal. Jefferies may receive compensation in the form of discounts and commissions, including from both counterparties in some cases. We will not receive any proceeds from these market-making transactions. Neither Jefferies, nor any of our affiliates, has any obligation to make a market in the notes, and Jefferies or any such other affiliate may discontinue market-making activities at any time without notice.

The Notes and the Guarantees

The 6.375% Senior Notes due 2020 and certain related guarantees (the 2020 notes) and the 6.625% Senior Notes due 2022 and certain related guarantees (the 2022 notes) are governed by the indenture dated as of November 16, 2012, as supplemented, which we refer to as the 2020/2022 indenture. As of September 30, 2015, we had $520.0 million and $570.0 million aggregate principal amount of the 2020 notes and 2022 notes outstanding, respectively.

The 6.125% Senior Notes due 2024 and certain related guarantees (the 2024 notes) are governed by the indenture dated as of December 4, 2014, as supplemented, which we refer to as the 2024 notes indenture. As of September 30, 2015, we had $250.0 million aggregate principal amount of the 2024 notes outstanding.

The 5.750% Senior Notes due 2025 and certain related guarantees (the 2025 notes) are governed by the indenture dated as of May 20, 2015, as supplemented, which we refer to as the 2025 notes indenture and, collectively with the 2020/2022 indenture and the 2024 notes indenture, the indentures. As of September 30, 2015, we had $1,000.0 million aggregate principal amount of the 2025 notes outstanding.

We refer to the 2020 notes, the 2022 notes, the 2024 notes and the 2025 notes, collectively or individually, as the context requires, as the notes.

The 2020 notes will mature on November 15, 2020. We will pay interest on the 2020 notes semi-annually on May 15 and November 15 of each year at a rate of 6.375% per annum, to holders of record on the May 1 or November 1 immediately preceding the interest payment date.

The 2022 notes will mature on November 15, 2022. We will pay interest on the 2022 notes semi-annually on May 15 and November 15 of each year at a rate of 6.625% per annum, to holders of record on the May 1 or November 1 immediately preceding the interest payment date.

The 2024 notes will mature on December 15, 2024. We will pay interest on the 2024 notes semi-annually on June 15 and December 15 of each year at a rate of 6.125% per annum, to holders of record on the June 1 or December 1 immediately preceding the interest payment date.

The 2025 notes will mature on July 15, 2025. We will pay interest on the 2025 notes semi-annually on July 15 and January 15 of each year at a rate of 5.750% per annum, to holders of record on the July 1 or January 1 immediately preceding the interest payment date.

The notes are guaranteed on a senior unsecured basis by our direct parent, SB/RH Holdings, LLC, and each of our existing and future domestic subsidiaries, which we refer to collectively as the guarantors.

The notes and the related guarantees are the general unsecured obligations of us and the guarantors and will rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness (but effectively subordinated to our secured debt, including the Secured Credit Facilities (as defined herein) to the extent of the value of the assets securing such secured debt), and senior in right of payment to all of our and the guarantors future indebtedness that expressly provides for its subordination to the notes and the related guarantees. See Description of 2020/2022 Notes, Description of 2024 Notes and Description of 2025 Notes, as applicable.

There is no established market for trading the notes. We have not applied, and do not intend to apply, for listing or quotation of the notes on any national securities exchange or automated quotation system.

An investment in the notes involves risks. Please refer to the section in this prospectus entitled Risk Factors commencing on page 15.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is February 2, 2016.

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We have not authorized anyone to give you any information or to make any representations about us or the transactions we discuss in this prospectus other than those contained in this prospectus. We take no responsibility for, and can provide no assurances as to the reliability of, any information that others may give you. This prospectus is not an offer to sell or a solicitation of an offer to buy securities anywhere or to anyone where or to whom we are not permitted to offer or sell securities under applicable law. The delivery of this prospectus does not, under any circumstances, mean that there has not been a change in our affairs since the date of this prospectus. Subject to our obligation to amend or supplement this prospectus as required by law and the rules and regulations of the SEC, the information contained in this prospectus is correct only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of these securities.

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TRADEMARKS

We have proprietary rights to or are exclusively licensed to use a number of registered and unregistered trademarks that we believe are important to our business, including, without limitation, Rayovac, Remington, VARTA, Tetra, 8-in-1, Dingo, Nature s Miracle, IAMS, Eukanuba, Digest-eeze, Liquid Fence, Black Flag, Wild Harvest, Marineland, FURminator, Spectracide, Cutter, Hot Shot, Garden Safe, Repel, George Foreman, Russell Hobbs, Farberware, Toastmaster, Black & Decker, Kwikset, Weiser, Baldwin, National Hardware, Pfister, Armor All, STP, A/C PRO, Arctic Freeze, Sub Zero and Super Seal Stop Leak. We attempt to obtain registration of our key trademarks whenever possible or practicable and pursue any infringement of those trademarks. Solely for convenience, the trademarks, service marks and tradenames referred to in this prospectus are without the ® and TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and tradenames.

MARKET AND INDUSTRY DATA

We obtained the industry, market and competitive position data and information used throughout this prospectus from our own internal company surveys and management estimates as well as from industry and general publications and research, surveys or studies conducted by third parties. Industry and general publications and research, studies and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such data and information. While we believe that these publications and research, studies and surveys are reliable, neither we nor the initial purchasers have independently verified such data and information and neither we nor the initial purchasers make any representation or warranty as to the accuracy of such data and information.

There is only a limited amount of independent data available about our industry, market and competitive position, particularly outside of the United States. As a result, certain data and information are based on our good faith estimates, which are derived from our review of internal data and information, information that we obtain from customers, and other third-party sources. We believe these internal surveys and management estimates are reliable; however, no independent sources have verified such surveys and estimates.

The industry data that we present in this prospectus include estimates that involve risks and uncertainties and are subject to change based on various factors, including those discussed under Risk Factors and those discussed under Cautionary Statement Regarding Forward-Looking Statements.

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PROSPECTUS SUMMARY

The following summary highlights basic information about us and the notes. It may not contain all of the information that is important to you. For a more comprehensive understanding of our business and the offering, you should read this entire prospectus, including the section entitled Risk Factors. Certain statements in this summary are forward-looking statements. See Cautionary Statement Regarding Forward-Looking Statements.

Unless otherwise indicated in this prospectus or the context requires otherwise, Spectrum Brands refers only to Spectrum Brands, Inc. and not to any of its subsidiaries; Spectrum refers to Spectrum Brands, Inc. and, where applicable, its consolidated subsidiaries; SB/RH Holdings, the Company, we, or our refers to the Spectrum Brands parent SB/RH Holdings, LLC and, where applicable, its consolidated subsidiaries, including Spectrum Brands. SB Holdings refers to SB/RH Holdings parent, Spectrum Brands Holdings, Inc. and, where applicable, its consolidated subsidiaries, including SB/RH Holdings.

Our Company

We are a diversified global branded consumer products company. Spectrum Brands is a wholly owned direct subsidiary of SB/RH Holdings, which is a direct subsidiary of SB Holdings. SB Holdings common stock trades on the New York Stock Exchange (the NYSE) under the symbol SPB.

We manufacture and market alkaline, zinc carbon and hearing aid batteries, herbicides, insecticides and repellants and specialty pet supplies. We design and market rechargeable batteries, battery-powered lighting products, electric shavers and accessories, grooming products and hair care appliances. Our operations also include the manufacturing and marketing of specialty pet supplies, and of herbicides, insecticides and insect repellents in North America. We also design, market and distribute a broad range of branded small appliances and personal care products. We also design, manufacture, market, distribute and sell certain hardware, home improvement and plumbing products, and are a leading United States (U.S.) provider of residential locksets and builders hardware and a leading provider of faucets. Our manufacturing and product development facilities are located in the U.S., Europe, Latin America and Asia. Substantially all of our rechargeable batteries, chargers and portable lighting products, shaving and grooming products, small household appliances and personal care products are manufactured by third-party suppliers, primarily located in Asia.

On May 21, 2015, we acquired Armored AutoGroup Parent Inc. (together, as the context requires, with its successor by merger, Armored AutoGroup Inc., AAG). AAG is a consumer products company consisting primarily of Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products. For information pertaining to the AAG Acquisition, see Note 3, Acquisitions to our Consolidated Financial Statements, included elsewhere in this prospectus.

The Company sells its products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and original equipment manufacturers (OEMs) and enjoy strong name recognition in our markets under the Rayovac, VARTA and Remington brands, each of which has been in existence for more than 80 years, and under the Tetra, 8-in-1, Dingo, Nature s Miracle, IAMS, Eukanuba, Healthy-Hide, Digest-eeze, Spectracide, Cutter, Hot Shot, Black & Decker, George Foreman, Russell Hobbs, Farberware, Black Flag, FURminator, Kwikset, Weiser, Baldwin, National Hardware, Stanley, Pfister and the previously mentioned AAG brands. We also have patented technologies such as Smartkey, a rekeyable lockset technology, and Smart Code Home Connect.

Our diversified global branded consumer products have positions in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, auto care and home and garden controls.

Our chief operating decision-maker manages the businesses in five vertically integrated, product-focused reporting segments: (i) Global Batteries & Appliances, which consists of the Company s worldwide battery, personal care and small appliances primarily in the kitchen and home product categories (Global Batteries & Appliances); (ii) Hardware & Home Improvement, which consists of the Company s worldwide hardware, home improvement and plumbing business (Hardware & Home Improvement); (iii) Global Pet Supplies, which consists of the Company s worldwide pet supplies business (Global Pet Supplies); (iv) Home and Garden, which consists of the Company s home and garden and insect control business (Home and Garden); and (v) Global Auto Care, which consists of the Company s automotive aftermarket appearance products, performance chemicals/additives and do-it-yourself automotive air conditioner recharge (Global Auto Care). Management reviews our performance based on these segments. For information pertaining to our business segments, see Note 18, Segment Information, to our audited Consolidated Financial Statements in this prospectus.

Global and geographic strategic initiatives and financial objectives are determined at the corporate level. Each business segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives and has a general manager responsible for sales and marketing initiatives and the financial results for all product lines within that business segment.

Our operating performance is influenced by a number of factors including: general economic conditions; foreign exchange fluctuations; trends in consumer markets; consumer confidence and preferences; our overall product line mix, including pricing and gross margin, which vary by product line and geographic market; pricing of certain raw materials and commodities; energy and fuel prices; and our general competitive position, especially as impacted by our competitors advertising and promotional activities and pricing strategies.

Recent Developments

AAG Acquisition

On May 21, 2015, we completed our acquisition (the AAG Acquisition) of AAG pursuant to the Agreement and Plan of Merger by and among AAG, SB Holdings, Ignite Merger Sub, Inc. and, solely in its capacity as representative, Avista Capital Partners II GP, LLC, dated as of April 28, 2015, for a purchase price of $1.4 billion in cash and an assumption of debt of $540 million.

We funded the AAG Acquisition with the proceeds of our offering of the 2025 notes and gross proceeds from SB Holdings registered offering of its common stock. SB Holdings also contributed to us the additional proceeds received by it in connection with the underwriters exercise of their option to purchase additional shares in the registered offering of its common stock. We expect to use such additional proceeds for general corporate purposes.

Refinancing Transactions

On June 23, 2015, we entered into a Credit Agreement (the Credit Agreement), by and among Spectrum Brands, SB/RH Holdings, Deutsche Bank AG New York Branch, as administrative agent, and the lenders party thereto from time to time. See Description of Other Indebtedness Credit Agreement.

Pursuant to the Credit Agreement, on June 23, 2015, we closed senior secured credit facilities consisting of (a) a $1,450 million U.S. Dollar-denominated term loan facility (the USD Term Loan Facility), (b) a 300 million Euro-denominated term loan facility (the Euro Term Loan Facility), (c) a CAD$75 million Canadian Dollar-denominated term loan facility (the CAD Term Loan Facility and, collectively with the USD Term Loan Facility and the Euro Term Loan Facility, the Term Credit Facilities) and (d) a $500 million cash flow revolving credit facility (the Revolving Credit Facility and, together with the Term Credit Facilities, the Secured Credit Facilities).

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The net proceeds of the Term Credit Facilities were used, among other things, to (i) refinance our Credit Agreement dated as of December 17, 2012 (as amended, modified, supplemented or restated from time to time, the Prior Term Loan Credit Agreement) and repay in full all obligations in respect of the Prior Term Loan Credit Agreement and related loan documents, (ii) repay in full all obligations in respect of our Loan and Security Agreement, dated as of June 16, 2010 (as amended, modified, supplemented or restated from time to time, the Prior ABL Facility Agreement) and (iii) to pay fees and expenses in connection with the transactions referenced in clause (i) and for general corporate purposes. A portion of the net proceeds, together with borrowings under the Revolving Credit Facility, was also used to fund the satisfaction and discharge of the indenture governing Spectrum Brands 6.750% Senior Notes due 2020 (the 6.75% Notes).

The Revolving Credit Facility includes a letter of credit subfacility. Letters of credit issued thereunder were used by Spectrum to replace then-existing letters of credit under the Prior ABL Facility Agreement on the closing date of the Credit Agreement. Letters of credit and proceeds of the loans under the Revolving Credit Facility may be used by Spectrum, the other borrowers and their respective subsidiaries for, among other things, working capital and other general corporate purposes, including the financing of permitted acquisitions and other permitted investments and dividends and other distributions on account of the capital stock of the borrowers, restricted payments and any other use not prohibited by the terms of the loan documents.

Corporate Structure

The chart below is a summary of the organizational structure of the Issuer and its parents and subsidiaries.

[1] SB/RH Holdings (i) is a guarantor of our obligations under the Secured Credit Facilities and pledged only the capital stock issued to it by Spectrum as collateral and (ii) is a guarantor of the notes.

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[2] None of our foreign subsidiaries are, or will be, guarantors of the notes offered hereby. None of our foreign subsidiaries are guarantors under the Secured Credit Facilities as of the closing date of the Secured Credit Facilities.

[3] Our domestic subsidiaries, subject to certain exceptions, are guarantors of the notes offered hereby. Certain of our domestic subsidiaries are guarantors under the Secured Credit Facilities.

Additional Information

Spectrum Brands is a Delaware corporation and the address of our principal executive office is 3001 Deming Way, Middleton, Wisconsin 53562. Our telephone number is (608) 275-3340. Our website address is www.spectrumbrands.com. Information contained on or accessible through our website is not part of, and is not incorporated by reference into, this prospectus.

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Summary of Terms of the 2020 Notes

The following is a summary of the terms of the 2020 notes. For a more complete description of the 2020 notes as well as the definitions of certain capitalized terms used below, see Description of 2020/2022 Notes in this prospectus.

Issuer	Spectrum Brands, Inc.
2020 Notes	6.375% Senior Notes due 2020.
Maturity Date	November 15, 2020.
Interest	The 2020 notes will bear interest at a rate of 6.375% per annum. Interest on the 2020 notes will be payable in cash on May 15 and November 15 of each year.
Optional Redemption	On or after November 15, 2016, we may redeem some or all of the 2020 notes at any time at the redemption prices set forth in Description of 2020/2022 Notes Optional Redemption. In addition, prior to November 15, 2016, we may redeem the 2020 notes at a redemption price equal to 100% of the principal amount plus a make-whole premium.
Change of Control	Upon a Change of Control (as defined under Description of 2020/2022 Notes), we will be required to make an offer to purchase the 2020 notes. The purchase price will equal 101% of the principal amount of the 2020 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any Change of Control to make any required debt repayment (including repurchases of the 2020 notes). See Risk Factors Risks Related to the Notes We may not be able to make the change of control offer required by the indentures.
Guarantees	The 2020 notes will be unconditionally, jointly and severally guaranteed, on a senior unsecured basis, by SB/RH Holdings and all of our domestic subsidiaries.
Ranking	The 2020 notes and the related guarantees will be the senior unsecured obligations of us and the guarantors and will:

rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness, including the other notes; and

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	rank senior in right of payment to all of our and the guarantors future indebtedness that expressly provide for its subordination to the 2020 notes and the related guarantees.
	However, the 2020 notes will be effectively subordinated to any of our secured indebtedness, including under our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. In addition, the 2020 notes will be structurally subordinated to all indebtedness and other liabilities of Spectrum Brands subsidiaries that do not guarantee the 2020 notes.
Certain Covenants	The terms of the 2020/2022 indenture restrict our ability and the ability of certain of our subsidiaries (as described in Description of 2020/2022 Notes) to: incur additional indebtedness; create liens; engage in sale-leaseback transactions; pay dividends or make distributions in respect of capital stock; purchase or redeem capital stock; make investments or certain other restricted payments; sell assets; issue or sell stock of restricted subsidiaries; enter into transactions with affiliates; or effect a consolidation or merger.

However, these limitations will be subject to a number of important qualifications and exceptions. In addition, if the 2020 notes are rated investment grade at any time by both Moody s Investors Service and Standard & Poor s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the 2020/2022 indenture will be suspended.

Absence of a Public Market	The 2020 notes are freely transferable, but there may not be an active trading market for the 2020 notes. We cannot assure you as to the future liquidity of any market.
Trustee	U.S. Bank National Association is serving as trustee under the 2020/2022 indenture.
Use of Proceeds	This prospectus is delivered in connection with the sale of the 2020 notes by Jefferies in market-marking transactions effected from time to time. We will not receive any proceeds from such transactions.
Risk Factors	You should consider all of the information contained in this prospectus before making an investment in the 2020 notes. In particular, you should consider the risks described under Risk Factors.

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Summary of Terms of the 2022 Notes

The following is a summary of the terms of the 2022 notes. For a more complete description of the 2022 notes as well as the definitions of certain capitalized terms used below, see Description of 2020/2022 Notes in this prospectus.

Issuer	Spectrum Brands, Inc.
2022 Notes	6.625% Senior Notes due 2022.
Maturity Date	November 15, 2022.
Interest	The 2022 notes will bear interest at a rate of 6.625% per annum. Interest on the 2022 notes will be payable in cash on May 15 and November 15 of each year.
Optional Redemption	On or after November 15, 2017, we may redeem some or all of the 2022 notes at any time at the redemption prices set forth in Description of 2020/2022 Notes Optional Redemption. In addition, prior to November 15, 2017, we may redeem the 2022 notes at a redemption price equal to 100% of the principal amount plus a make-whole premium.
Change of Control	Upon a Change of Control (as defined under Description of 2020/2022 Notes), we will be required to make an offer to purchase the 2022 notes. The purchase price will equal 101% of the principal amount of the 2022 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any Change of Control to make any required debt repayment (including repurchases of the 2022 notes). See Risk Factors Risks Related to the Notes We may not be able to make the change of control offer required by the indentures.
Guarantees	The 2022 notes will be unconditionally, jointly and severally guaranteed, on a senior unsecured basis, by SB/RH Holdings and all of our domestic subsidiaries.
Ranking	The 2022 notes and the related guarantees will be the senior unsecured obligations of us and the guarantors and will:

rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness, including the other notes; and rank senior in right of payment to all of our and the guarantors future indebtedness that expressly provide for its subordination to the 2022 notes and the related guarantees.

However, the 2022 notes will be effectively subordinated to any of our secured indebtedness, including under our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. In addition, the 2022 notes will be structurally subordinated to all indebtedness and other liabilities of Spectrum Brands subsidiaries that do not guarantee the 2022 notes.

Certain Covenants

The terms of the 2020/2022 indenture restrict our ability and the ability of certain of our subsidiaries (as described in Description of 2020/2022 Notes) to:

- incur additional indebtedness;
- create liens;
- engage in sale-leaseback transactions;
- pay dividends or make distributions in respect of capital stock;
- purchase or redeem capital stock;
- make investments or certain other restricted payments;
- sell assets;
- issue or sell stock of restricted subsidiaries;
- enter into transactions with affiliates; or
- effect a consolidation or merger.

	However, these limitations will be subject to a number of important qualifications and exceptions. In addition, if the 2022 notes are rated investment grade at any time by both Moody s Investors Service and Standard & Poor s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the 2020/2022 indenture will be suspended.
Absence of a Public Market	The 2022 notes are freely transferable, but there may not be an active trading market for the 2022 notes. We cannot assure you as to the future liquidity of any market.
Trustee	U.S. Bank National Association is serving as trustee under the 2020/2022 indenture.
Use of Proceeds	This prospectus is delivered in connection with the sale of the 2022 notes by Jefferies in market-marking transactions effected from time to time. We will not receive any proceeds from such transactions.
Risk Factors	You should consider all of the information contained in this prospectus before making an investment in the 2022 notes. In particular, you should consider the risks described under Risk Factors.

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Summary of Terms of the 2024 Notes

The following is a summary of the terms of the 2024 notes. For a more complete description of the 2024 notes as well as the definitions of certain capitalized terms used below, see Description of 2024 Notes in this prospectus.

Issuer	Spectrum Brands, Inc.
2024 Notes	6.125% Senior Notes due 2024.
Maturity Date	December 15, 2024.
Interest	The 2024 notes will bear interest at a rate of 6.125% per annum. Interest on the 2024 notes will be payable in cash on June 15 and December 15 of each year.
Optional Redemption	On or after December 15, 2019, we may redeem some or all of the 2024 notes at any time at the redemption prices set forth in Description of 2024 Notes Optional Redemption. In addition, prior to December 15, 2019, we may redeem the 2024 notes at a redemption price equal to 100% of the principal amount plus a make-whole premium.
	Before December 15, 2017, we may redeem up to 35% of the 2024 notes, including additional notes, with an amount of cash equal to the net proceeds of equity offerings at a price of 106.125% of principal plus accrued and unpaid interest, provided that at least 65% of the aggregate principal amount of the 2024 notes remains outstanding after the redemption, as further described in Description of 2024 Notes Optional Redemption.
Change of Control	Upon a Change of Control (as defined under Description of 2024 Notes) we will be required to make an offer to purchase the 2024 notes. The purchase price will equal 101% of the principal amount of the 2024 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any Change of Control to make any required debt repayment (including repurchases of the 2024 notes). See Risk Factors Risks Related to the Notes We may not be able to make the change of control offer required by the indentures.
Guarantees	

	The 2024 notes will be unconditionally, jointly and severally guaranteed, on a senior unsecured basis, by SB/RH Holdings and all of our domestic subsidiaries.
Ranking	The 2024 notes and the related guarantees will be the senior unsecured obligations of us and the guarantors and will:
	rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness, including the other notes; and

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	rank senior in right of payment to all of our and the guarantors future indebtedness that expressly provide for its subordination to the 2024 notes and the related guarantees.
	However, the 2024 notes will be effectively subordinated to any of our secured indebtedness, including under our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. In addition, the 2024 notes will be structurally subordinated to all indebtedness and other liabilities of Spectrum Brands subsidiaries that do not guarantee the 2024 notes.
Certain Covenants	The terms of the 2024 notes indenture restrict our ability and the ability of certain of our subsidiaries (as described in Description of 2024 Notes) to: incur additional indebtedness; create liens; engage in sale-leaseback transactions; pay dividends or make distributions in respect of capital stock; purchase or redeem capital stock; make investments or certain other restricted payments; sell assets; issue or sell stock of restricted subsidiaries; enter into transactions with affiliates; or effect a consolidation or merger.

	However, these limitations will be subject to a number of important qualifications and exceptions. In addition, if the 2024 notes are rated investment grade at any time by both Moody s Investors Service and Standard & Poor s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the 2024 notes indenture will be suspended.
Absence of a Public Market	The 2024 notes are freely transferable, but there may not be an active trading market for the 2024 notes. We cannot assure you as to the future liquidity of any market.
Trustee	U.S. Bank National Association is serving as trustee under the 2024 notes indenture.
Use of Proceeds	This prospectus is delivered in connection with the sale of the 2024 notes by Jefferies in market-marking transactions effected from time to time. We will not receive any proceeds from such transactions.
Risk Factors	You should consider all of the information contained in this prospectus before making an investment in the 2024 notes, including the 2024 notes. In particular, you should consider the risks described under Risk Factors.

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Summary of Terms of the 2025 Notes

The following is a summary of the terms of the 2025 notes. For a more complete description of the 2025 notes as well as the definitions of certain capitalized terms used below, see Description of 2025 Notes in this prospectus.

Issuer	Spectrum Brands, Inc.
2025 Notes	5.750% Senior Notes due 2025.
Maturity Date	July 15, 2025.
Interest	The 2025 notes will bear interest at a rate of 5.750% per annum. Interest on the 2025 notes will be payable in cash on July 15 and January 15 of each year.
Optional Redemption	On or after July 15, 2020, we may redeem some or all of the 2025 notes at any time at the redemption prices set forth in Description of 2025 Notes Optional Redemption. In addition, prior to July 15, 2020, we may redeem the 2025 notes at a redemption price equal to 100% of the principal amount plus a make-whole premium.
	Before July 15, 2018, we may redeem up to 35% of the 2025 notes, including additional notes, with an amount of cash equal to the net proceeds of equity offerings at a price of 105.750% of principal plus accrued and unpaid interest, provided that at least 65% of the aggregate principal amount of the 2025 notes remains outstanding after the redemption, as further described in Description of 2025 Notes Optional Redemption.
Change of Control	Upon a Change of Control (as defined under Description of 2025 Notes) we will be required to make an offer to purchase the 2025 notes. The purchase price will equal 101% of the principal amount of the 2025 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any Change of Control to make any required debt repayment (including repurchases of the 2025 notes). See Risk Factors Risks Related to the Notes We may not be able to make the change of control offer required by the indentures.
Guarantees	

	The 2025 notes will be unconditionally, jointly and severally guaranteed, on a senior unsecured basis, by SB/RH Holdings and all of our domestic subsidiaries.
Ranking	The 2025 notes and the related guarantees will be the senior unsecured obligations of us and the guarantors and will:

- rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness, including the other notes; and rank senior in right of payment to all of our and the guarantors future indebtedness that expressly provide for its subordination to the 2025 notes and the related guarantees.

However, the 2025 notes will be effectively subordinated to any of our secured indebtedness, including under our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. In addition, the 2025 notes will be structurally subordinated to all indebtedness and other liabilities of Spectrum Brands subsidiaries that do not guarantee the 2025 notes.

Certain Covenants

The terms of the 2025 notes indenture restrict our ability and the ability of certain of our subsidiaries (as described in Description of 2025 Notes) to:

- incur additional indebtedness;
- create liens;
- engage in sale-leaseback transactions;
- pay dividends or make distributions in respect of capital stock;
- purchase or redeem capital stock;
- make investments or certain other restricted payments;
- sell assets;
- issue or sell stock of restricted subsidiaries;
- enter into transactions with affiliates; or
- effect a consolidation or merger.

	However, these limitations will be subject to a number of important qualifications and exceptions. In addition, if the 2025 notes are rated investment grade at any time by both Moody s Investors Service and Standard & Poor s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the 2025 notes indenture will be suspended.
Absence of a Public Market	The 2025 notes are freely transferable, but there may not be an active trading market for the 2025 notes. We cannot assure you as to the future liquidity of any market.
Trustee	U.S. Bank National Association is serving as trustee under the 2025 notes indenture.
Use of Proceeds	This prospectus is delivered in connection with the sale of the 2025 notes by Jefferies in market-marking transactions effected from time to time. We will not receive any proceeds from such transactions.
Risk Factors	You should consider all of the information contained in this prospectus before making an investment in the 2025 notes, including the 2025 notes. In particular, you should consider the risks described under Risk Factors.

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Summary Historical Financial Data of SB/RH Holdings

The following summary historical financial data have been derived from SB/RH Holdings audited consolidated financial statements included elsewhere in this prospectus. SB/RH Holdings audited consolidated statements of financial position as of September 30, 2015 and 2014; and SB/RH Holdings audited consolidated statements of operations, audited consolidated statements of comprehensive income (loss), audited consolidated statements of shareholder s equity and audited consolidated statements of cash flows, each for the years ended September 30, 2015, 2014 and 2013; are included elsewhere in this prospectus. SB/RH Holdings audited consolidated statement of financial position as of September 30, 2013 is not included in this prospectus.

The financial information and other data indicated may not be indicative of future performance, and the financial information and other data presented for the interim periods may not be indicative of the results for the full year. This financial information and other data should be read in conjunction with the audited financial statements of SB/RH Holdings, including the notes thereto, and Management s Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere in this prospectus.

	Year Ended September 30,		
	2015[1]	2014[2]	2013[3]
	(in millions)		
Statement of Operations Data:			
Net sales	$ 4,690.4	$ 4,429.1	$ 4,085.6
Gross profit	1,670.3	1,568.9	1,390.3
Operating income	480.5	484.5	352.9
Interest expense[4]	271.9	202.1	369.5
Other non-operating expense, net	8.9	6.3	3.5
Income (loss) from operations before income taxes	199.7	276.1	(20.1)
Income tax expense[5]	43.9	59.0	27.4
Net income (loss)	155.8	217.1	(47.5)
Net (Loss) income attributable to non-controlling interest	0.4	0.3	(0.1)
Net income (loss) attributable to controlling interest	155.4	216.8	(47.4)
Restructuring and related charges cost of goods sold[6]	2.1	3.7	10.0
Restructuring and related charges operating expenses[6]	26.6	19.2	24.0
Cash Flow and Related Data:			
Net cash provided by operating activities	$ 441.8	$ 434.7	$ 258.2
Capital expenditures	89.1	73.3	82.0
Depreciation and amortization	170.0	157.6	139.9
Statement of Financial Position Data (at period end):			
Cash and cash equivalents	$ 247.9	$ 192.9	$ 198.2
Working capital[7]	666.8	502.3	524.4
Total assets	7,297.9	5,511.3	5,619.0
Total long-term debt, net of current portion	3,937.2	2,894.1	3,115.9
Total debt	4,005.7	3,006.7	3,218.9
Total shareholders equity	1,523.1	1,020.7	884.7

(1) The information presented as of and for the year ended September 30, 2015 includes the results of AAG operations since the acquisition date of May 21, 2015; the results of the Salix operations since the acquisition date of January 16, 2015; the results of the European IAMS and Eukanuba operations since the acquisition date of December 31, 2014; and the results of the Tell operations since the acquisition date of October 1, 2014.

(2) The information presented as of and for the year ended September 30, 2014 includes the results of the Liquid Fence operations since the acquisition date of January 2, 2014.

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(3) The information presented as of and for the year ended September 30, 2013 includes the results of the HHI Business operations since the acquisition date of December 17, 2012, and the results of TLM Taiwan since the acquisition date of April 8, 2013.

(4) During the year ended September 30, 2015, there was interest expense of $58.8 million incurred related to the financing of the acquisition of AAG and the refinancing of the then-existing senior credit facility and asset based revolving loan facility. During the year ended September 30, 2014, a non-cash charge of $9.2 million was recognized as a result of the write-off of unamortized debt issuance costs and unamortized discounts in connection with the amendment of our then existing term loans. During the year ended September 30, 2013, there were $105.6 million fees and expenses along with a $10.9 million non-cash charge for the write-off of unamortized debt issuance cost and unamortized premiums in connection with the extinguishment and replacement of our 9.5% Senior Secured Notes due 2018 (the 9.5% Notes) and then-existing term loan in conjunction with the acquisition of the HHI Business.

(5) During the year ended September 30, 2015, there was a non-cash benefit of $20.2 million from a decrease in the valuation allowance against net deferred tax assets, and a $22.8 million benefit due to the reversal of valuation allowance in conjunction with the acquisition of the AAG business. During the year ended September 30, 2014, there was a non-cash benefit of approximately $115.6 million from a decrease in the valuation allowance against net deferred tax assets. During the year ended September 30, 2013, there was a non-cash charge of approximately $64.4 million from an increase in the valuation allowance against net deferred tax assets, net of a $49.8 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of the HHI Business.

(6) See Note 4, Restructuring and Related Charges, to SB/RH Holdings audited consolidated financial statements, included elsewhere in this prospectus, for further discussion.

(7) Working capital is defined as current assets less current liabilities per the consolidated statements of financial position.

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RISK FACTORS

An investment in the notes involves risks. Before deciding whether to invest in the notes, in addition to the other information included in this prospectus, you should consider the matters addressed in the section entitled Cautionary Statement Regarding Forward-Looking Statements and the risks discussed below. While we believe that these risks are the most important for you to consider, you should read this prospectus carefully, including our financial statements, the notes to our financial statements and management s discussion and analysis of our financial condition and results of operations, which are included elsewhere in this prospectus. These risk factors are not the only risks that we or our subsidiaries may face. Additional risks and uncertainties not presently known to us or not currently believed to be important also may adversely affect our business.

Risks Related to the Notes

The notes will be Spectrum Brands senior unsecured obligations and the guarantees will be unsecured obligations of the guarantors. As such, the notes and the guarantees will be effectively subordinated to any of Spectrum Brands or the guarantors secured debt, including our existing and any future debt under our Secured Credit Facilities.

Spectrum Brands obligations under the notes and the guarantors obligations under the guarantees will not be secured. The notes will be effectively subordinated to Spectrum Brands and the guarantors existing and any future secured indebtedness, including our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness, which assets include substantially all of our assets and the assets of our domestic restricted subsidiaries. As of September 30, 2015, Spectrum Brands and the guarantors had $1,637.1 million of secured indebtedness outstanding. If we are involved in any dissolution, liquidation or reorganization, or if we default under in the indentures governing the notes offered hereby (such indentures, collectively, the Indentures), holders of our secured debt would be paid before holders of the notes receive any amounts due under the notes to the extent of the value of the collateral securing such indebtedness. In that event, holders of the notes may not be able to recover any or all of the principal or interest due under the notes.

The notes will be effectively subordinated to all liabilities of, and claims of creditors of, all of our foreign subsidiaries.

The notes will not be guaranteed by any of our non-U.S. subsidiaries. Any right that we or the guarantors have to receive any assets of any of the foreign subsidiaries upon the liquidation or reorganization of those subsidiaries, and the consequent rights of holders of notes to realize proceeds from the sale of any of those subsidiaries assets, will be effectively subordinated to the claims of those subsidiaries creditors, including trade creditors, and holders of preferred equity interests of those subsidiaries. The Indentures permit these subsidiaries to incur additional debt, subject to certain limits, and will not limit their ability to incur liabilities other than debt. As of September 30, 2015, these non-guarantor subsidiaries had 19% of our total liabilities and generated 54% of our revenue in the twelve months ended September 30, 2015.

If we are unable to comply with the restrictions and covenants in the agreements governing the notes and our other debt, there could be a default under the terms of these agreements, which could result in an acceleration of payment of funds that we have borrowed and would impact our ability to make principal and interest payments on the notes.

If we are unable to comply with the restrictions and covenants in the Indentures, our Secured Credit Facilities or in current or future debt financing agreements, there could be a default under the terms of these agreements. Our ability to comply with these restrictions and covenants, including meeting financial ratios and tests, may be affected by events beyond our control. As a result, we cannot assure you that we will be able to comply with these restrictions and covenants or meet these tests. Any default under the agreements governing our indebtedness, including a default under the aforementioned debt instruments, that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could prevent us from paying

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principal, premium, if any, and interest on the notes and substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants in the instruments governing our indebtedness (including covenants in the aforementioned debt instruments), we could be in default under the terms of the agreements governing such indebtedness. In the event of such default:

- the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest;
- the lenders under the Secured Credit Facilities could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets; and
- we could be forced into bankruptcy or liquidation.

Moreover, the Secured Credit Facilities and the Indentures each contain cross-default or cross-acceleration provisions that would be triggered by the occurrence of a default or acceleration under other instruments governing our indebtedness. If the payment of our indebtedness is accelerated, there can be no assurance that our assets would be sufficient to repay in full that indebtedness and our other indebtedness that would become due as a result of any acceleration.

If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our Secured Credit Facilities to avoid being in default. If we breach our covenants under our Secured Credit Facilities and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our Secured Credit Facilities, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

Despite our current levels of debt, we may still incur substantially more debt ranking equal or effectively senior to the notes and increase the risks associated with our proposed leverage.

Subject to certain restriction and limitation, we or our subsidiaries could incur significant additional indebtedness in the future. The provisions contained in the Indentures and in our other debt agreements limit but do not prohibit our ability to incur additional indebtedness on an equal and ratable basis with the notes. In addition, any of our debt could be secured and therefore would be effectively senior to the notes to the extent of the value of the collateral securing that debt. This may have the effect of reducing the amount of proceeds available for the notes in the event of any bankruptcy, liquidation, reorganization or similar proceeding. If new debt is added to our current debt levels, the related risks that we now face as a result of our indebtedness could intensify.

Fraudulent transfer statutes may limit your rights as a holder of the notes.

Federal and state fraudulent transfer laws as previously interpreted by various courts permit a court, if it makes certain findings, to:

- avoid all or a portion of our obligations to holders of the notes;

- subordinate our obligations to holders of the notes to our other existing and future creditors, entitling such creditors to be paid in full before any payment is made on the notes; and

- take other action detrimental to holders of the notes, including invalidating the notes.

In that event, we cannot assure you that you would ever be repaid. There is also no assurance that amounts previously paid to you pursuant to the notes or guarantees would not be subject to return.

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Under federal and state fraudulent transfer laws, in order to take any of those actions, courts will typically need to find that we or the guarantors received less than fair consideration or reasonably equivalent value for incurring the indebtedness represented by the notes, and at the time the notes were issued:

- were insolvent or were rendered insolvent by reason of the issuance of the notes;
- were engaged, or were about to engage, in a business or transaction for which our capital was unreasonably small;
- intended to incur, or believed or should have believed we would incur, indebtedness beyond our ability to pay as such indebtedness matures; or
- were a defendant in an action for money damages, or had a judgment for money damages docketed against us or such guarantor if, in either case, after final judgment, the judgment was unsatisfied.

A court may also void an issuance of notes, a guarantee or grant of security, without regard to the above factors, if the court found that we issued the notes or the guarantors entered into their respective guaranty with actual intent to hinder, delay or defraud current or future creditors.

Many of the foregoing terms are defined in or interpreted under those fraudulent transfer statutes and as judicially interpreted. A court could find that we did not receive fair consideration or reasonably equivalent value for the incurrence of the indebtedness represented by the notes.

The measure of insolvency for purposes of the foregoing considerations will vary depending on the law of the jurisdiction that is being applied in any such proceeding. Generally, a company would be considered insolvent if, at the time it incurred the indebtedness:

- the sum of its indebtedness (including contingent liabilities) is greater than its assets, at fair valuation;
- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing indebtedness and liabilities (including contingent liabilities) as they become absolute and matured; or
- it could not pay its debts as they became due.

We cannot assure you what standard a court would apply in determining our solvency and whether it would conclude that we were solvent when we incurred our obligations under the notes.

In addition, the guarantees of the notes may also be subject to review under various laws for the protection of creditors. A court would likely find that we or a guarantor did not receive reasonably equivalent value or fair consideration for the notes or the guarantees, respectively, if we or a guarantor did not substantially benefit directly from the issuance of the notes. If a court were to void an issuance of the notes or the guarantees, you would no longer have a claim against us or the guarantors. Sufficient funds to repay the notes (or the related exchange notes) may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from us or the guarantors. In addition, any payment by us pursuant to the notes made at a time we were found to be insolvent could be voided and required to be returned to us or to a fund for the benefit of our creditors if such payment is made to an insider within a one-year period prior to a bankruptcy filing or within 90 days for any outside party and such payment would give the creditors more than such creditors would have received in a distribution under the bankruptcy code.

We may not be able to make the change of control offer required by the Indentures.

Upon a change of control, subject to certain conditions, we are required to offer to repurchase all outstanding notes in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of repurchase. We cannot assure you that we will have sufficient funds at the time of any change of control to make required repurchases of notes tendered. In addition, our other indebtedness agreements provide that certain change of control events will constitute an event of default thereunder. If the holders of the notes exercise their right to require us to repurchase all of the notes upon a change of control, the financial effect of this repurchase could cause a default under our other indebtedness, even if the change of control itself would not cause a default. Accordingly, it is possible that we will not have sufficient funds at the time of any such change of control to make the required repurchase of our other indebtedness and the notes or that restrictions in the Indentures will not allow such repurchases. In addition, holders may not be entitled to require us to repurchase their notes upon a change of control in certain circumstances involving a significant change in the composition of our board of directors, including in connection with a proxy contest where our board of directors does not endorse a dissident slate of directors but approves them for purposes of the Continuing Directors definition. Lastly, certain other corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a Change of Control under the Indentures. See Description of 2020/2022 Notes Repurchase at the Option of Holders Change of Control, Description of 2024 Notes Repurchase at the Option of Holders Change of Control and Description of 2025 Notes Repurchase at the Option of Holders Change of Control, as applicable, for additional information.

The market price of the notes may decline if we enter into a transaction that is not a change of control under the indentures.

We may enter into a highly leveraged transaction, reorganization, merger or similar transaction that is not a change of control under the indentures. Nevertheless, such transactions could result in a downgrade of our credit ratings, thereby negatively affecting the value of the notes.

Changes in credit ratings issued by nationally recognized statistical ratings organizations could adversely affect our cost of financing and the market price of our securities, including the notes.

Credit rating agencies rate our debt securities on factors that include our operating results, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. Actions taken by the rating agencies can include maintaining, upgrading, or downgrading the current rating or placing us on a watch list for possible future downgrading. Downgrading the credit rating of our debt securities or placing us on a watch list for possible future downgrading would likely increase our cost of financing, limit our access to the capital markets and have an adverse effect on the market price of our securities, including the notes offered hereby.

If the notes are rated investment grade at any time by both Moody s Investor Service and Standard & Poor s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the indentures governing the notes will be suspended, resulting in a reduction of credit protection.

If, at any time, the credit rating on the applicable series of notes, as determined by both Moody s Investors Service and Standard & Poor s Ratings Services, equals or exceeds Baa3 and BBB-, respectively, or any equivalent replacement ratings, we will no longer be subject to most of the restrictive covenants and corresponding events of default contained in the applicable indenture. Any restrictive covenants or corresponding events of default that cease to apply to us as a result of achieving these ratings will be restored if one or both of the credit ratings on the notes later falls below these thresholds. However, during any period in which these restrictive covenants are suspended, we may incur other indebtedness, make restricted payments and take other actions that would have been prohibited if these covenants had been in effect. If the restrictive covenants are later restored, the actions taken while the covenants were suspended will not result in an event of default under the applicable indenture even if they would constitute an event of default at the time the covenants are restored. Accordingly, if these covenants and corresponding events of default are suspended, you will have less credit protection than you will at the time the notes are issued. See Description of 2020/2022

Notes Suspension of Certain Covenants, Description of 2024 Notes Suspension of Certain Covenants and Description of 2025 Notes Suspension of Certain Covenants, as applicable.

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There is no assurance of an active trading market for the notes.

We cannot assure you that a liquid market for the notes will develop or, if developed, that it will continue or that you will be able to sell your notes at a particular time or at favorable prices. We have not applied, and do not intend to apply for listing or quotation of the notes on any securities exchange or automated quotation system.

The liquidity of any market for the notes is subject to a number of factors, including:

- our operating performance and financial condition;
- the market for similar securities;
- the interest of securities dealers in making a market in the notes; and
- prevailing interest rates.

We understand that one or more of the initial purchasers with respect to the notes initially issued presently intend to make a market in the notes. However, they are not obligated to do so, and any market-making activity with respect to the notes may be discontinued at any time without notice. In addition, any market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act.

Risks Related To Our Business

Our substantial indebtedness may limit our financial and operating flexibility, and we may incur additional debt, which could increase the risks associated with our substantial indebtedness.

We have, and we expect to continue to have, a significant amount of indebtedness. As of September 30, 2015, we had total indebtedness under Secured Credit Facilities, notes and other debt instruments of approximately $4 billion. Our substantial indebtedness has had, and could continue to have, material adverse consequences for our business, and may:

- require us to dedicate a large portion of our cash flow to pay principal and interest on our indebtedness, which will reduce the availability of our cash flow to fund working capital, capital expenditures, research and development expenditures and other business activities;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

- restrict our ability to make strategic acquisitions, dispositions or to exploit business opportunities;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds (even when necessary to maintain adequate liquidity) or dispose of assets.

Under the Secured Credit Facilities and the Indentures, we may incur additional indebtedness. If new debt is added to our existing debt levels, the related risks that we now face would increase.

Furthermore, a substantial portion of our debt bears interest at variable rates. If market interest rates increase, the interest rate on our variable rate debt will increase and will create higher debt service requirements, which would adversely affect our cash flow and could adversely impact our results of operations. While we may enter into agreements limiting our exposure to higher debt service requirements, any such agreements may not offer complete protection from this risk.

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Restrictive covenants in the Secured Credit Facilities and the Indentures may restrict our ability to pursue our business strategies.

The Secured Credit Facilities and the Indentures each restrict, among other things, asset dispositions, mergers and acquisitions, dividends, stock repurchases and redemptions, other restricted payments, indebtedness and preferred stock, loans and investments, liens and affiliate transactions. The Secured Credit Facilities and the Indentures also contain customary events of default. These covenants could among other things, limit our ability to fund future working capital and capital expenditures, engage in future acquisitions or development activities, or otherwise realize the value of our assets and opportunities fully. In addition, the Secured Credit Facilities and the Indentures require us to dedicate a portion of cash flow from operations to payments on debt and the Secured Credit Facilities contain financial covenants relating to maximum leverage and minimal interest coverage. Such requirements and covenants could limit the flexibility of our restricted entities in planning for, or reacting to, changes in the industries in which they operate. Our ability to comply with these covenants is subject to certain events outside of our control. If we are unable to comply with these covenants, the lenders under our Secured Credit Facilities could terminate their commitments and the lenders under our Secured Credit Facilities or the holders of the notes could accelerate repayment of our outstanding borrowings and, in either case, we may be unable to obtain adequate refinancing of outstanding borrowings on favorable terms or at all. If we are unable to repay outstanding borrowings when due, the lenders under the Secured Credit Facilities will also have the right to proceed against the collateral granted to them to secure the indebtedness owed to them. If our obligations under the Secured Credit Facilities are accelerated, we cannot assure you that our assets would be sufficient to repay in full such indebtedness.

The sale or other disposition by HRG Group, Inc. (HRG), the holder of a majority of the outstanding shares of our common stock, to non-affiliates of a sufficient amount of the common stock of SB Holdings would constitute a change of control under the agreements governing our debt.

HRG owns a majority of the outstanding shares of the common stock of SB Holdings. The sale or other disposition by HRG to non-affiliates of a sufficient amount of the common stock of SB Holdings could constitute a change of control under certain of the agreements governing our debt, including any foreclosure on or sale of the SB Holdings common stock pledged as collateral by HRG pursuant to the indenture governing HRG s 7.875% Senior Secured Notes due 2019. Under the Secured Credit Facilities, a change of control is an event of default and, if a change of control were to occur, we would be required to obtain an amendment to these agreements to avoid a default. If we were unable to obtain such an amendment, the lenders could accelerate the maturity of our Secured Credit Facilities. In addition, under the Indentures, upon a change of control, we are required to offer to repurchase such notes from the holders at a price equal to 101% of the principal amount of the notes plus accrued interest or obtain a waiver of default from the holders of such notes. If we were unable to make the change of control offer, or to obtain a waiver of default, it would be an event of default under the Indentures that could allow holders of such notes to accelerate the maturity of the notes.

We face risks related to the current economic environment.

The economic environment and related turmoil in the global financial system between 2008 and 2012 had an impact on our business and financial condition, and we may face additional challenges if economic and financial market conditions deteriorate in the future.

Global economic conditions have significantly impacted economic markets within certain sectors, with financial services and retail businesses being particularly impacted. Our ability to generate revenue depends significantly on discretionary consumer spending. It is difficult to predict new general economic conditions that could impact consumer and customer demand for our products or our ability to manage normal commercial relationships with our customers, suppliers and creditors. A number of negative economic factors, including constraints on the supply of credit to households, uncertainty and weakness in the labor market and general consumer fears of a new economic downturn could have a negative impact on discretionary consumer spending.

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If the economy deteriorates or fails to further improve, our business could be negatively impacted, including as a result of reduced demand for our products or supplier or customer disruptions. Any weakness in discretionary consumer spending could have a material adverse effect on our revenues, results of operations and financial condition. In addition, our ability to access the capital markets may be restricted at a time when it could be necessary or beneficial to do so, which could have an impact on our flexibility to react to changing economic and business conditions.

In the last few years, concern over continuing high unemployment, stagnant economic performance and government debt levels in many European Union countries caused significant fluctuations of the Euro relative to other currencies, such as the U.S. Dollar. Continued weakness of the European economy could lead to a decrease in consumer confidence, which could cause reductions in discretionary spending and demand for our products. Furthermore, sovereign debt issues could also lead to further significant, and potentially longer-term, economic issues such as reduced economic growth and devaluation of the Euro against the U.S. Dollar, any of which could adversely affect our business, financial conditions and operating results.

We depend on key personnel and may not be able to retain those employees or recruit additional qualified personnel.

We are highly dependent on the continuing efforts of our senior management team and other key personnel. Our business, financial condition and results of operations could be materially adversely affected if we lose any of these persons and are unable to attract and retain qualified replacements.

We participate in very competitive markets and we may not be able to compete successfully, causing us to lose market share and sales.

The markets in which we participate are very competitive. In the consumer battery market, our primary competitors are Duracell (a brand of Procter & Gamble), Energizer and Panasonic (a brand of Matsushita). In the electric shaving and grooming and electric personal care product markets, our primary competitors are Braun (a brand of Procter & Gamble), Norelco (a brand of Philips), and Vidal Sassoon and Revlon (brands of Helen of Troy). In the pet supplies market, our primary competitors are Mars, Hartz and Central Garden & Pet. In the Home and Garden Business, our principal national competitors are Scotts, Central Garden & Pet and S.C. Johnson. Our principal national competitors within our small appliances product category include Jarden Corporation, DeLonghi America, Euro-Pro Operating LLC, Metro Thebe, Inc., (d/b/a HWI Breville) NACCO Industries, Inc. (Hamilton Beach) and SEB S.A. In the hardware and home improvement industry, our principal competitors are Schlage, a division of Allegion, Masco, Fortune Brands, Kohler and American Standard. In the global auto care business, our primary competitors are Valvoline, Prestone, Turtle Wax, Black Magic and Store Brands- In each of these markets, we also face competition from numerous other companies. In addition, in a number of our product lines, we compete with our retail customers, who use their own private label brands, and with distributors and foreign manufacturers of unbranded products. Significant new competitors or increased competition from existing competitors may adversely affect our business, financial condition and results of our operations.

We compete with our competitors for consumer acceptance and limited shelf space based upon brand name recognition, perceived product quality, price, performance, product features and enhancements, product packaging and design innovation, as well as creative marketing, promotion and distribution strategies, and new product introductions. Our ability to compete in these consumer product markets may be adversely affected by a number of factors, including, but not limited to, the following:

We compete against many well-established companies that may have substantially greater financial and other resources, including personnel and research and development, and greater overall market share than us.

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In some key product lines, our competitors may have lower production costs and higher profit margins than us, which may enable them to compete more aggressively in offering retail discounts, rebates and other promotional incentives.

Technological advancements, product improvements or effective advertising campaigns by competitors may weaken consumer demand for our products.

Consumer purchasing behavior may shift to distribution channels, including to online retailers, where we and our customers do not have a strong presence.

Consumer preferences may change to lower margin products or products other than those we market.

We may not be successful in the introduction, marketing and manufacture of any new products or product innovations or be able to develop and introduce, in a timely manner, innovations to our existing products that satisfy customer needs or achieve market acceptance.

Some competitors may be willing to reduce prices and accept lower profit margins to compete with us. As a result of this competition, we could lose market share and sales, or be forced to reduce our prices to meet competition. If our product offerings are unable to compete successfully, our sales, results of operations and financial condition could be materially and adversely affected. In addition, we may be unable to implement changes to our products or otherwise adapt to changing consumer trends. If we are unable to respond to changing consumer trends, our operating results and financial condition could be adversely affected.

Sales of certain of our products are seasonal and may cause our operating results and working capital requirements to fluctuate.

On a consolidated basis our financial results are approximately equally weighted between quarters, however, sales of certain product categories tend to be seasonal. Sales in the consumer battery, electric shaving and grooming and electric personal care product categories, particularly in North America, tend to be concentrated in the December holiday season (our first fiscal quarter). Demand for hardware and home improvement products increases during the spring and summer construction period (our third and fourth fiscal quarters) and demand for pet supplies products remains fairly constant throughout the year. Demand for home and garden control products typically peaks during the first six months of the calendar year (our second and third fiscal quarters). Small Appliances peaks from July through December primarily due to the increased demand by customers in the late summer for back-to-school sales and in the fall for the holiday season. Demand for auto care products is generally at its highest during the period from March to June (Spectrum s second and third fiscal quarters) based upon historical customer seasonal purchasing patterns and timing of promotional activities. As a result of this seasonality, our inventory and working capital needs fluctuate significantly throughout the year. In addition, orders from retailers are often made late in the period preceding the applicable peak season, making forecasting of production schedules and inventory purchases difficult. If we are unable to accurately forecast and prepare for customer orders or our working capital needs, or there is a general downturn in business or economic conditions during these periods, our business, financial condition and results of operations could be materially and adversely affected.

Adverse weather conditions during our peak selling seasons for our home and garden control and auto care products could have a material adverse effect on our Home and Garden Business and auto care business.

Weather conditions have a significant impact on the timing and volume of sales of certain of our lawn and garden and household insecticide and repellent products. For example, periods of dry, hot weather can decrease insecticide sales, while periods of cold and wet weather can slow sales of herbicides. Adverse weather conditions during the first six months of the calendar year (our second and third fiscal quarters), when demand for home and garden control products typically peaks, could have a material adverse effect on our Home and Garden Business and our financial results during such period. Weather can also influence customer behavior for our auto care products, especially with appearance products, which sell best during warm, dry weather. There could be a

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material adverse effect on the auto care segment if the weather is cold or wet, especially during peak sales season.

We are subject to significant international business risks that could hurt our business and cause our results of operations to fluctuate.

Approximately 40% of our net sales for the fiscal year ended September 30, 2015 were to customers outside of the U.S. Our pursuit of international growth opportunities may require significant investments for an extended period before returns on these investments, if any, are realized. Our international operations are subject to risks including, among others:

- currency fluctuations, including, without limitation, fluctuations in the foreign exchange rate of the Euro, British Pound, Brazilian Real, Canadian Dollar, Australian Dollar, Japanese Yen and the Mexican Peso;
- changes in the economic conditions or consumer preferences or demand for our products in these markets;
- the risk that because our brand names may not be locally recognized, we must spend significant amounts of time and money to build brand recognition without certainty that we will be successful;
- labor unrest;
- political and economic instability, as a result of war, terrorist attacks, pandemics, natural disasters or otherwise;
- lack of developed infrastructure;
- longer payment cycles and greater difficulty in collecting accounts;
- restrictions on transfers of funds;
- import and export duties and quotas, as well as general transportation costs;
- changes in domestic and international customs and tariffs;
- changes in foreign labor laws and regulations affecting our ability to hire and retain employees;

inadequate protection of intellectual property in foreign countries;

unexpected changes in regulatory environments;

difficulty in complying with foreign law; and

adverse tax consequences.

The foregoing factors may have a material adverse effect on our ability to increase or maintain our supply of products, financial condition or results of operations.

Our products utilize certain key raw materials; any significant increase in the price of, or change in supply and demand for, these raw materials could have a material and adverse effect on our business, financial condition and profits.

The principal raw materials used to produce our products including zinc powder, brass, electrolytic manganese dioxide powder, petroleum-based plastic materials, steel, aluminum, copper and corrugated materials (for packaging) are sourced either on a global or regional basis by us or our suppliers, and the prices of those raw materials are susceptible to price fluctuations due to supply and demand trends, energy costs, transportation costs, government regulations, duties and tariffs, changes in currency exchange rates, price controls, general economic conditions and other unforeseen circumstances. In particular, during the years 2012 and 2013, we experienced extraordinary price increases for raw materials, particularly as a result of strong demand from China. Although we may increase the prices of certain of our goods to our customers, we may not be able to pass all of these cost increases on to our customers. As a result, our margins may be adversely impacted by such cost increases. We cannot provide any assurance that our sources of supply will not be interrupted due to changes in worldwide supply of or demand for raw materials or other events that interrupt material flow, which may have an adverse effect on our profitability and results of operations.

We regularly engage in forward purchase and hedging derivative transactions in an attempt to effectively manage and stabilize some of the raw material costs we expect to incur over the next 12 to 24 months. However, our hedging positions may not be effective, or may not anticipate beneficial trends, in a particular raw material market or may, as a result of changes in our business, no longer be useful for us. In addition, for certain of the principal raw materials we use to produce our products, such as electrolytic manganese dioxide powder, there are no available effective hedging markets. If these efforts are not effective or expose us to above average costs for an extended period of time, and we are unable to pass our raw materials costs on to our customers, our future profitability may be materially and adversely affected. Furthermore, with respect to transportation costs, certain modes of delivery are subject to fuel surcharges which are determined based upon the current cost of diesel fuel in relation to pre-established agreed upon costs. We may be unable to pass these fuel surcharges on to our customers, which may have an adverse effect on our profitability and results of operations.

In addition, we have exclusivity arrangements and minimum purchase requirements with certain of our suppliers for the Home and Garden Business, which increase our dependence upon and exposure to those suppliers. Some of those agreements include caps on the price we pay for our supplies and in certain instances, these caps have allowed us to purchase materials at below market prices. When we attempt to renew those contracts, the other parties to the contracts may not be willing to include or may limit the effect of those caps and could even attempt to impose above market prices in an effort to make up for any below market prices paid by us prior to the renewal of the agreement. Any failure to timely obtain suitable supplies at competitive prices could materially adversely affect our business, financial condition and results of operations.

We may not be able to fully utilize our U.S. net operating loss carryforwards.

As of September 30, 2015, we had U.S. federal net operating loss carryforwards (NOLs) of $894.5 million and state NOLs of $68.7 million with capital loss carryforwards of $14.2 million. These NOLs expire through years ending in 2035. As of September 30, 2015, we determined that it continues to be more likely than not that the U.S. federal and most of the U.S. state net deferred tax asset, will not be realized in the future and as such recorded a full valuation allowance to offset the net U.S. federal and most of the U.S. state deferred tax asset, including our NOLs. In addition, as a consequence of earlier business combinations and issuances of common stock, the Company and its subsidiaries have had various changes of ownership, as defined under Section 382 of the Internal Revenue Code (the IRC) of 1986, as amended, that continue to subject a significant amount of our U.S. NOLs and other tax attributes to certain limitations.

As of September 30, 2015, we estimate that approximately $272.9 million of the total U.S. federal NOLs with a federal tax benefit of $95.5 million and tax benefits of $16.7 million related to state NOLs would expire unused even if the Company generates sufficient income to otherwise use all its NOLs, due to the limitation in Section 382 of the IRC.

If we are unable to fully utilize our NOLs to offset taxable income generated in the future, our future cash taxes could be materially and negatively impacted.

Consolidation of retailers and our dependence on a small number of key customers for a significant percentage of our sales may negatively affect our business, financial condition and results of operations.

As a result of consolidation of retailers and consumer trends toward national mass merchandisers, a significant percentage of our sales are attributable to a very limited group of customers. Our largest customer

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accounted for 15% of our consolidated net sales for the fiscal year ended September 30, 2015. As these mass merchandisers and retailers grow larger and become more sophisticated, they may demand lower pricing, special packaging or impose other requirements on product suppliers. These business demands may relate to inventory practices, logistics or other aspects of the customer-supplier relationship. Because of the importance of these key customers, demands for price reductions or promotions, reductions in their purchases, changes in their financial condition or loss of their accounts could have a material adverse effect on our business, financial condition and results of operations.

Although we have long-established relationships with many of our customers, we do not have long-term agreements with them and purchases are generally made through the use of individual purchase orders. Any significant reduction in purchases, failure to obtain anticipated orders or delays or cancellations of orders by any of these major customers, or significant pressure to reduce prices from any of these major customers, could have a material adverse effect on our business, financial condition and results of operations. Additionally, a significant deterioration in the financial condition of the retail industry in general, the bankruptcy of any of our customers or if any of our customers were to leave the business, could have a material adverse effect on our sales and profitability.

In addition, as a result of the desire of retailers to more closely manage inventory levels, there is a growing trend among them to purchase products on a just-in-time basis. Due to a number of factors, including (i) manufacturing lead-times, (ii) seasonal purchasing patterns and (iii) the potential for material price increases, we may be required to shorten our lead-time for production and more closely anticipate our retailers and customers demands, which could in the future require us to carry additional inventories and increase our working capital and related financing requirements. This may increase the cost of warehousing inventory or result in excess inventory becoming difficult to manage, unusable or obsolete. In addition, if our retailers significantly change their inventory management strategies, we may encounter difficulties in filling customer orders or in liquidating excess inventories, or may find that customers are cancelling orders or returning products, which may have a material adverse effect on our business. See *We and AAG have similar major customers and the loss of any significant customer may adversely affect our results of operations.*

Furthermore, we primarily sell branded products and a move by one or more of our large customers to sell significant quantities of private label products, which we do not produce on their behalf and which directly compete with our products, could have a material adverse effect on our business, financial condition and results of operations.

As a result of our international operations, we face a number of risks related to exchange rates and foreign currencies.

Our international sales and certain of our expenses are transacted in foreign currencies. During the fiscal year ended September 30, 2015, approximately 40% of our net sales and operating expenses were denominated in foreign currencies. We expect that the amount of our revenues and expenses transacted in foreign currencies

will increase as our Latin American, European and Asian operations grow and as a result of acquisitions in these markets and, as a result, our exposure to risks associated with foreign currencies could increase accordingly. Significant changes in the value of the U.S. dollar in relation to foreign currencies will affect our cost of goods sold and our operating margins and could result in exchange losses or otherwise have a material effect on our business, financial condition and results of operations. Changes in currency exchange rates may also affect our sales to, purchases from and loans to our subsidiaries as well as sales to, purchases from and bank lines of credit with our customers, suppliers and creditors that are denominated in foreign currencies.

We source many products from China and other Asian countries. To the extent the Chinese Renminbi (RMB) or other currencies appreciate with respect to the U.S. dollar, we may experience fluctuations in our results of operations. Since 2005, the RMB has no longer been pegged to the U.S. dollar at a constant exchange rate and instead fluctuates versus a basket of currencies. Although the People s Bank of China regularly

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intervenes in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate, the RMB may appreciate or depreciate within a flexible peg range against the U.S. dollar in the medium to long term. Moreover, it is possible that in the future Chinese authorities may lift restrictions on fluctuations in the RMB exchange rate and lessen intervention in the foreign exchange market.

While we may enter into hedging transactions in the future, the availability and effectiveness of these transactions may be limited, and we may not be able to successfully hedge our exposure to currency fluctuations. Further, we may not be successful in implementing customer pricing or other actions in an effort to mitigate the impact of currency fluctuations and, thus, our results of operations may be adversely impacted.

Our international operations may expose us to risks related to compliance with the laws and regulations of foreign countries.

We are subject to three EU Directives that may have a material impact on our business: Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment, Waste of Electrical and Electronic Equipment and the Directive on Batteries and Accumulators and Waste Batteries, discussed below. Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment requires us to eliminate specified hazardous materials from products we sell in EU member states. Waste of Electrical and Electronic Equipment requires us to collect and treat, dispose of or recycle certain products we manufacture or import into the EU at our own expense. The EU Directive on Batteries and Accumulators and Waste Batteries bans heavy metals in batteries by establishing maximum quantities of heavy metals in batteries and mandates waste management of these batteries, including collection, recycling and disposal systems, with the costs imposed upon producers and importers such as us. The costs associated with maintaining compliance or failing to comply with the EU Directives may harm our business. For example:

- Although contracts with our suppliers address related compliance issues, we may be unable to procure appropriate Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment compliant material in sufficient quantity and quality and/or be able to incorporate it into our product procurement processes without compromising quality and/or harming our cost structure.

- We may face excess and obsolete inventory risk related to non-compliant inventory that we may hold for which there is reduced demand, and we may need to write down the carrying value of such inventories.

- We may be unable to sell certain existing inventories of our batteries in Europe and other countries that have adopted similar regulations.

Many of the developing countries in which we operate do not have significant governmental regulation relating to environmental safety, occupational safety, employment practices or other business matters routinely regulated in the U.S. and EU or may not rigorously enforce such regulation. As these countries and their economies develop, it is possible that new regulations or increased enforcement of existing regulations may increase the expense of doing business in these countries. In addition, social legislation in many countries in which we operate may result in significantly higher expenses associated with labor costs, terminating employees or distributors and closing manufacturing facilities. Increases in our costs as a result of increased regulation, legislation or enforcement could materially and adversely affect our business, results of operations and financial condition.

We may not be able to adequately establish and protect our intellectual property rights, and the infringement or loss of our intellectual property rights could harm our business.

To establish and protect our intellectual property rights, we rely upon a combination of national, foreign and multi-national patent, trademark and trade secret laws, together with licenses, confidentiality agreements and other contractual arrangements. The measures that we take to protect our intellectual property rights may prove inadequate to prevent third parties from infringing or misappropriating our intellectual property. We may need to resort to litigation to enforce or defend our intellectual property rights. If a competitor or collaborator files a patent application claiming technology also claimed by us, or a trademark application claiming a trademark, service mark or trade dress also used by us, in order to protect our rights, we may have to participate in expensive and time consuming opposition or interference proceedings before the U.S. Patent and Trademark Office or a similar foreign agency. Similarly, our intellectual property rights may be challenged by third parties or invalidated through administrative process or litigation. The costs associated with protecting intellectual property rights, including litigation costs, may be material. Furthermore, even if our intellectual property rights are not directly challenged, disputes among third parties could lead to the weakening or invalidation of our intellectual property rights, or our competitors may independently develop technologies that are substantially equivalent or superior to our technology. Obtaining, protecting and defending intellectual property rights can be time consuming and expensive, and may require us to incur substantial costs, including the diversion of the time and resources of management and technical personnel.

Moreover, the laws of certain foreign countries in which we operate or may operate in the future do not protect, and the governments of certain foreign countries do not enforce, intellectual property rights to the same extent as do the laws and government of the U.S., which may negate our competitive or technological advantages in such markets. Also, some of the technology underlying our products is the subject of nonexclusive licenses from third parties. As a result, this technology could be made available to our competitors at any time. If we are unable to establish and then adequately protect our intellectual property rights, our business, financial condition and results of operations could be materially and adversely affected.

We license various trademarks, trade names and patents from third parties for certain of our products. These licenses generally place marketing obligations on us and require us to pay fees and royalties based on net sales or profits. Typically, these licenses may be terminated if we fail to satisfy certain minimum sales obligations or if we breach the terms of the license. The termination of these licensing arrangements could adversely affect our business, financial condition and results of operations.

In our Global Batteries & Appliances segment, we license the use of the Black and Decker brand for marketing in certain small household appliances in North America, South America (excluding Brazil) and the Caribbean. In July 2014, The Black and Decker Corporation (BDC) extended the license agreement through December 2018. The failure to renew the license agreement with BDC or to enter into a new agreement on acceptable terms for the period following December 2018 could have a material adverse effect on our financial condition, liquidity and results of operations. Additionally, in connection with our acquisition of the HHI Business, we received a limited right to use certain Stanley Black and Decker trademarks, brand names and logos in marketing our products and services for only five years. Pursuant to a transitional trademark license agreement, Stanley Black and Decker granted us the right to use the Stanley and Black and Decker marks and logos, and certain other marks and logos, for up to five years after the completion of the HHI Business acquisition in connection with certain products and services. When our right to use these Stanley Black and Decker trademarks, brand names and logos expires, we may not be able to maintain or enjoy comparable name recognition or status under our new brand. If we are unable to successfully manage the transition of our business to our new brand, our reputation among our customers could be adversely affected, and our revenue and profitability could decline.

Claims by third parties that we are infringing their intellectual property and other litigation could adversely affect our business.

From time to time in the past we have been subject to claims that we are infringing the intellectual property of others. We currently are the subject of such claims and it is possible that third parties will assert infringement claims against us in the future. An adverse finding against us in these or similar trademark or other intellectual property litigations may have a material adverse effect on our business, financial condition and results of operations. Any such claims, with or without merit, could be time consuming and expensive, and may require us to incur substantial costs, including the diversion of the resources of management and technical personnel, cause product delays or require us to enter into licensing or other agreements in order to secure continued access to necessary or desirable intellectual property. If we are deemed to be infringing a third party s intellectual property and are unable to continue using that intellectual property as we had been, our business and results of operations could be harmed if we are unable to successfully develop non-infringing alternative intellectual property on a timely basis or license non-infringing alternatives or substitutes, if any exist, on commercially reasonable terms. In addition, an unfavorable ruling in intellectual property litigation could subject us to significant liability, as well as require us to cease developing, manufacturing or selling the affected products or using the affected processes or trademarks. Any significant restriction on our proprietary or licensed intellectual property that impedes our ability to develop and commercialize our products could have a material adverse effect on our business, financial condition and results of operations.

Our dependence on a few suppliers and one of our U.S. facilities for certain of our products makes us vulnerable to a disruption in the supply of our products.

Although we have long-standing relationships with many of our suppliers, we generally do not have long-term contracts with them. An adverse change in any of the following could have a material adverse effect on our business, financial condition and results of operations:

- our ability to identify and develop relationships with qualified suppliers;
- the terms and conditions upon which we purchase products from our suppliers, including applicable exchange rates, transport and other costs, our suppliers willingness to extend credit to us to finance our inventory purchases and other factors beyond our control;
- the financial condition of our suppliers;
- political and economic instability in the countries in which our suppliers are located, as a result of war, terrorist attacks, pandemics, natural disasters or otherwise;
- our ability to import outsourced products;
- our suppliers noncompliance with applicable laws, trade restrictions and tariffs; or
- our suppliers ability to manufacture and deliver outsourced products according to our standards of quality on a timely and efficient basis.

If our relationship with one of our key suppliers is adversely affected, we may not be able to quickly or effectively replace such supplier and may not be able to retrieve tooling, molds or other specialized production equipment or processes used by such supplier in the manufacture of our products. The loss of one or more of our suppliers, a material reduction in their supply of products or provision of services to us or extended disruptions or interruptions in their operations could have a material adverse effect on our business, financial condition and results of operations.

We manufacture the majority of our foil cutting systems for our shaving product lines, using specially designed machines and proprietary cutting technology, at our Portage, Wisconsin facility. In addition, we also manufacture the majority of our residential door locks at our Subic Bay, Philippines facility. Our home and garden products are mainly manufactured from our St. Louis, Missouri, facility. Damage to these facilities, or prolonged interruption in the operations of these facilities whether for repairs, as a result of labor difficulties or for other reasons, could have a material adverse effect on our ability to manufacture and sell our foil shaving, residential door locks and home and garden products which could in turn harm our business, financial condition and results of operations.

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We face risks related to our sales of products obtained from third-party suppliers.

We sell a significant number of products that are manufactured by third party suppliers over which we have no direct control. While we have implemented processes and procedures to try to ensure that the suppliers we use are complying with all applicable regulations, there can be no assurances that such suppliers in all instances will comply with such processes and procedures or otherwise with applicable regulations. Noncompliance could result in our marketing and distribution of contaminated, defective or dangerous products which could subject us to liabilities and could result in the imposition by governmental authorities of procedures or penalties that could restrict or eliminate our ability to purchase products from non-compliant suppliers. Any or all of these effects could adversely affect our business, financial condition and results of operations.

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act includes provisions regarding certain minerals and metals, known as conflict minerals, mined from the Democratic Republic of Congo and adjoining countries. These provisions require companies to undertake due diligence procedures and report on the use of conflict minerals in its products, including products manufactured by third parties. Compliance with these provisions will cause us to incur costs to certify that our supply chain is conflict free and we may face difficulties if our suppliers are unwilling or unable to verify the source of their materials. Our ability to source these minerals and metals may also be adversely impacted. In addition, our customers may require that we provide them with a certification and our inability to do so may disqualify us as a supplier.

Class action and derivative action lawsuits and other investigations, regardless of their merits, could have an adverse effect on our business, financial condition and results of operations.

We and certain of our officers and directors have been named in the past, and, may be named in the future, as defendants of class action and derivative action lawsuits. In the past, we have also received requests for information from government authorities. Regardless of their subject matter or merits, class action lawsuits and other government investigations may result in significant cost to us, which may not be covered by insurance, may divert the attention of management or may otherwise have an adverse effect on our business, financial condition and results of operations.

We may be exposed to significant product liability claims which our insurance may not cover and which could harm our reputation.

In the ordinary course of our business, we may be named as a defendant in lawsuits involving product liability claims. In any such proceeding, plaintiffs may seek to recover large and sometimes unspecified amounts of damages and the matters may remain unresolved for several years. Any such matters could have a material adverse effect on our business, results of operations and financial condition if we are unable to successfully defend against or settle these matters or if our insurance coverage is insufficient to satisfy any judgments against us or settlements relating to these matters. Although we have product liability insurance coverage and an excess umbrella policy, our insurance policies may not provide coverage for certain, or any, claims against us or may not be sufficient to cover all possible liabilities. Additionally, we do not maintain product recall insurance. We may not be able to maintain such insurance on acceptable terms, if at all, in the future. Moreover, any adverse publicity arising from claims made against us, even if the claims were not successful, could adversely affect the reputation and sales of our products. In particular, product recalls or product liability claims challenging the safety of our products may result in a decline in sales for a particular product and could damage the reputation or the value of the related brand. This could be true even if the claims themselves are ultimately settled for immaterial amounts. This type of adverse publicity could occur and product liability claims could be made in the future.

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We may incur material capital and other costs due to environmental liabilities.

We are subject to a broad range of federal, state, local, foreign and multi-national laws and regulations relating to the environment. These include laws and regulations that govern:

- discharges to the air, water and land;
- the handling and disposal of solid and hazardous substances and wastes; and
- remediation of contamination associated with release of hazardous substances at our facilities and at off-site disposal locations.

Risk of environmental liability is inherent in our business. As a result, material environmental costs may arise in the future. In particular, we may incur capital and other costs to comply with increasingly stringent environmental laws and enforcement policies, such as the EU Directives: Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment, Waste of Electrical and Electronic Equipment and the Directive on Batteries and Accumulators and Waste Batteries, discussed above. Our international operations may expose us to risks related to compliance with the laws and regulations of foreign countries. See *Our international operations may expose us to risks related to compliance with the laws and regulations of foreign countries.*

Moreover, there are proposed international accords and treaties, as well as federal, state and local laws and regulations, that would attempt to control or limit the causes of climate change, including the effect of greenhouse gas emissions on the environment. In the event that the U.S. government or foreign governments enact new climate change laws or regulations or make changes to existing laws or regulations, compliance with applicable laws or regulations may result in increased manufacturing costs for our products, such as by requiring investment in new pollution control equipment or changing the ways in which certain of our products are made. We may incur some of these costs directly and others may be passed on to us from our third-party suppliers. Although we believe that we are substantially in compliance with applicable environmental laws and regulations at our facilities, we may not always be in compliance with such laws and regulations or any new laws and regulations in the future, which could have a material adverse effect on our business, financial condition and results of operations.

From time to time, we have been required to address the effect of historic activities on the environmental condition of our properties or former properties. We have not conducted invasive testing at all of our facilities to identify all potential environmental liability risks. Given the age of our facilities and the nature of our operations, material liabilities may arise in the future in connection with our current or former facilities. If previously unknown contamination of property underlying or in the vicinity of our manufacturing facilities is discovered, we could be required to incur material unforeseen expenses. If this occurs, it may have a material adverse effect on our business, financial condition and results of operations. We are currently engaged in investigative or remedial projects at a few of our facilities and any liabilities arising from such investigative or remedial projects at such facilities may have a material effect on our business, financial condition and results of operations.

In addition, in connection with certain business acquisitions, we have assumed, and in connection with future acquisitions may assume in the future, certain potential environmental liabilities. To the extent we have not identified such environmental liabilities or to the extent the indemnifications obtained from our counterparties are insufficient to cover such environmental liabilities, these environmental liabilities could have a material adverse effect on our business.

We are also subject to proceedings related to our disposal of industrial and hazardous material at off-site disposal locations or similar disposals made by other parties for which we are responsible as a result of our relationship with such other parties. These proceedings are under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) or similar state or foreign jurisdiction laws that hold persons who arranged for the disposal or treatment of such substances strictly liable for costs incurred in responding to the

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release or threatened release of hazardous substances from such sites, regardless of fault or the lawfulness of the original disposal. Liability under CERCLA is typically joint and several, meaning that a liable party may be responsible for all of the costs incurred in investigating and remediating contamination at a site. We occasionally are identified by federal or state governmental agencies as being a potentially responsible party for response actions contemplated at an off-site facility. At the existing sites where we have been notified of our status as a potentially responsible party, it is either premature to determine if our potential liability, if any, will be material or we do not believe that our liability, if any, will be material. We may be named as a potentially responsible party under CERCLA or similar state or foreign jurisdiction laws in the future for other sites not currently known to us, and the costs and liabilities associated with these sites may have a material adverse effect on our business, financial condition and results of operations.

Compliance with various public health, consumer protection and other regulations applicable to our products and facilities could increase our cost of doing business and expose us to additional requirements with which we may be unable to comply.

Certain of our products sold through, and facilities operated under, each of our business segments are regulated by the Environmental Protection Agency (EPA), the Food and Drug Administration (FDA) or other federal consumer protection and product safety agencies and are subject to the regulations such agencies enforce, as well as by similar state, foreign and multinational agencies and regulations. For example, in the U.S., all products containing pesticides must be registered with the EPA and, in many cases, similar state and foreign agencies before they can be manufactured or sold. Our inability to obtain, or the cancellation of, any registration could have an adverse effect on our business, financial condition and results of operations. The severity of the effect would depend on which products were involved, whether another product could be substituted and whether our competitors were similarly affected. We attempt to anticipate regulatory developments and maintain registrations of, and access to, substitute chemicals and other ingredients, but we may not always be able to avoid or minimize these risks.

As a distributor of consumer products in the U.S., certain of our products are also subject to the Consumer Product Safety Act, which empowers the U.S. Consumer Product Safety Commission (the Consumer Commission) to exclude from the market products that are found to be unsafe or hazardous. Under certain circumstances, the Consumer Commission could require us to repair, replace or refund the purchase price of one or more of our products, or we may voluntarily do so. Any additional repurchases or recalls of our products could be costly to us and could damage the reputation or the value of our brands. If we are required to remove, or we voluntarily remove our products from the market, our reputation or brands could be tarnished and we may have large quantities of finished products that could not be sold. Furthermore, failure to timely notify the Consumer Commission of a potential safety hazard can result in significant fines being assessed against us. Additionally, laws regulating certain consumer products exist in some states, as well as in other countries in which we sell our products, and more restrictive laws and regulations may be adopted in the future.

The Food Quality Protection Act (FQPA) established a standard for food-use pesticides, which is that a reasonable certainty of no harm will result from the cumulative effect of pesticide exposures. Under the FQPA, the EPA is evaluating the cumulative effects from dietary and non-dietary exposures to pesticides. The pesticides in certain of our products that are sold through the Home and Garden Business continue to be evaluated by the EPA as part of this program. It is possible that the EPA or a third party active ingredient registrant may decide that a pesticide we use in our products will be limited or made unavailable to us. We cannot predict the outcome or the severity of the effect of the EPA s continuing evaluations of active ingredients used in our products.

In addition, the use of certain pesticide products that are sold through our Home and Garden Business may, among other things, be regulated by various local, state, federal and foreign environmental and public health agencies. These regulations may require that only certified or professional users apply the product, that users post notices on properties where products have been or will be applied or that certain ingredients may not be used. Compliance with such public health regulations could increase our cost of doing business and expose us to additional requirements with which we may be unable to comply.

Any failure to comply with these laws or regulations, or the terms of applicable environmental permits, could result in us incurring substantial costs, including fines, penalties and other civil and criminal sanctions or the prohibition of sales of our pest control products. Environmental law requirements, and the enforcement thereof, change frequently, have tended to become more stringent over time and could require us to incur significant expenses.

Most federal, state and local authorities require certification by Underwriters Laboratory, Inc. (UL), an independent, not-for-profit corporation engaged in the testing of products for compliance with certain public safety standards, or other safety regulation certification prior to marketing electrical appliances. Foreign jurisdictions also have regulatory authorities overseeing the safety of consumer products. Our products may not meet the specifications required by these authorities. A determination that any of our products are not in compliance with these rules and regulations could result in the imposition of fines or an award of damages to private litigants.

A cybersecurity breach or failure of one or more key information technology systems could have a material adverse impact on our business or reputation.

We rely extensively on information technology (IT) systems, networks and services, including internet sites, data hosting and processing facilities and tools and other hardware, software and technical applications and platforms, some of which are managed, hosted, provided and/or used by third-parties or their vendors, to assist in conducting our business.

Our IT systems have been, and will likely continue to be, subject to computer viruses or other malicious codes, unauthorized access attempts, phishing and other cyber-attacks. We continue to assess potential threats and make investments seeking to address these threats, including monitoring of networks and systems and upgrading skills, employee training and security policies for the Company and its third-party providers. However, because the techniques used in these attacks change frequently and may be difficult to detect for periods of time, we may face difficulties in anticipating and implementing adequate preventative measures. To date, we have seen no material impact on our business or operations from these attacks; however, we cannot guarantee that our security efforts will prevent breaches or breakdowns to our or our third-party providers databases or systems. If the IT systems, networks or service providers we rely upon fail to function properly, or if we or one of our third-party providers suffer a loss, significant unavailability of or disclosure of our business or stakeholder information, and our business continuity plans do not effectively address these failures on a timely basis, we may be exposed to reputational, competitive and business harm as well as litigation and regulatory action. The costs and operational consequences of responding to breaches and implementing remediation measures could be significant.

Our actual or perceived failure to adequately protect personal data could adversely affect our business, financial condition and results of operations.

A variety of state, national, foreign, and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer, and other processing of personal data. These privacy- and data protection-related laws and regulations are evolving, with new or modified laws and regulations proposed and implemented frequently and existing laws and regulations subject to new or different interpretations. Compliance with these laws and regulations can be costly and can delay or impede the development of new products.

We historically have relied upon adherence to the U.S. Department of Commerce s Safe Harbor Privacy Principles and compliance with the U.S.-EU Safe Harbor Framework agreed to by the U.S. Department of Commerce and the EU. The U.S.-EU Safe Harbor Framework, which established means for legitimizing the transfer of personal data by U.S. companies from the European Economic Area, or EEA, to the U.S., recently was invalidated by a decision of the European Court of Justice, or the ECJ. In light of the ECJ s decision, we are reviewing our business practices and may find it necessary or desirable to make changes to our personal data handling to cause our transfer and receipt of EEA residents personal data to be legitimized under applicable European law. Our actual or alleged failure to comply with applicable laws and regulations, or to protect personal data, could result in enforcement actions and significant penalties against us, which could result in negative publicity, increase our operating costs, subject us to claims or other remedies and have a material adverse effect on our business, financial condition, and results of operations.

Public perceptions that some of the products we produce and market are not safe could adversely affect us.

On occasion, customers have alleged that some products failed to perform up to expectations or have caused damage or injury to individuals or property. Public perception that any of our products are not safe, whether justified or not, could impair our reputation, damage our brand names and have a material adverse effect on our business, financial condition and results of operations. In addition, we rely on certain third party trademarks, brand names and logos over which we do not have exclusive use of. Public perception that any such third party trademarks, band names and logos used by us are not safe, whether justified or not, could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to negotiate satisfactory terms to continue existing or enter into additional collective bargaining agreements, we may experience an increased risk of labor disruptions and our results of operations and financial condition may suffer.

Approximately 16% of our total labor force is covered by collective bargaining agreements. There are 4 collective bargaining agreements that will expire during our fiscal year ending September 30, 2016, which cover approximately 60% of the labor force under collective bargaining agreements, or approximately 10% of our total labor force. While we currently expect to negotiate continuations to the terms of these agreements, there can be no assurances that we will be able to obtain terms that are satisfactory to us or otherwise to reach agreement at all with the applicable parties. In addition, in the course of our business, we may also become subject to additional collective bargaining agreements. These agreements may be on terms that are less favorable than those under our current collective bargaining agreements. Increased exposure to collective bargaining agreements, whether on terms more or less favorable than our existing collective bargaining agreements, could adversely affect the operation of our business, including through increased labor expenses. While we intend to comply with all collective bargaining agreements to which we are subject, there can be no assurances that we will be able to do so and any noncompliance could subject us to disruptions in our operations and materially and adversely affect our results of operations and financial condition.

Significant changes in actual investment return on pension assets, discount rates and other factors could affect our results of operations, equity and pension contributions in future periods.

Our results of operations may be positively or negatively affected by the amount of income or expense we record for our defined benefit pension plans. U.S. Generally Accepted Accounting Principles (GAAP) requires

that we calculate income or expense for the plans using actuarial valuations. These valuations reflect assumptions about financial markets and other economic conditions, which may change based on changes in key economic indicators. The most significant assumptions we use to estimate pension income or expense are the discount rate and the expected long-term rate of return on plan assets. In addition, we are required to make an annual measurement of plan assets and liabilities, which may result in a significant change to equity. Although pension expense and pension funding contributions are not directly related, key economic factors that affect pension expense would also likely affect the amount of cash we would contribute to pension plans as required under the Employee Retirement Income Security Act of 1974, as amended.

If our goodwill, indefinite-lived intangible assets or other long-term assets become impaired, we will be required to record additional impairment charges, which may be significant.

A significant portion of our long-term assets consist of goodwill, other indefinite-lived intangible assets and finite-lived intangible assets recorded as a result of past acquisitions as well as through fresh start reporting. We

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do not amortize goodwill and indefinite-lived intangible assets, but rather review them for impairment on a periodic basis or whenever events or changes in circumstances indicate that their carrying value may not be recoverable. We consider whether circumstances or conditions exist which suggest that the carrying value of our goodwill and other long-lived intangible assets might be impaired. If such circumstances or conditions exist, further steps are required in order to determine whether the carrying value of each of the individual assets exceeds its fair value. If analysis indicates that an individual asset s carrying value does exceed its fair value, the next step is to record a loss equal to the excess of the individual asset s carrying value over its fair value.

The steps required by GAAP entail significant amounts of judgment and subjectivity. Events and changes in circumstances that may indicate that there may be an impairment and which may indicate that interim impairment testing is necessary include, but are not limited to: strategic decisions to exit a business or dispose of an asset made in response to changes in economic, political and competitive conditions; the impact of the economic environment on the customer base and on broad market conditions that drive valuation considerations by market participants; our internal expectations with regard to future revenue growth and the assumptions we make when performing impairment reviews; a significant decrease in the market price of our assets; a significant adverse change in the extent or manner in which our assets are used; a significant adverse change in legal factors or the business climate that could affect our assets; an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset; and significant changes in the cash flows associated with an asset. As a result of such circumstances, we may be required to record a significant charge to earnings in our financial statements during the period in which any impairment of our goodwill, indefinite-lived intangible assets or other long-term assets is determined. Any such impairment charges could have a material adverse effect on our business, financial condition and operating results.

If we are unable to protect the confidentiality of our proprietary information and know-how, the value of our technology, products and services could be harmed significantly.

We rely on trade secrets, know-how and other proprietary information in operating our business. If this information is not adequately protected, then it may be disclosed or used in an unauthorized manner. To the extent that consultants, key employees or other third parties apply technological information independently developed by them or by others to our proposed products, disputes may arise as to the proprietary rights to such information, which may not be resolved in our favor. The risk that other parties may breach confidentiality agreements or that our trade secrets become known or independently discovered by competitors, could harm us by enabling our competitors, who may have greater experience and financial resources, to copy or use our trade secrets and other proprietary information in the advancement of their products, methods or technologies. The disclosure of our trade secrets would impair our competitive position, thereby weakening demand for our products or services and harming our ability to maintain or increase our customer base.

Disruption or failures of our information technology systems could have a material adverse effect on our business.

Our information technology systems are susceptible to security breaches, operational data loss, general disruptions in functionality, and may not be compatible with new technology. We depend on our information technology systems for the effectiveness of our operations and to interface with our customers, as well as to maintain financial records and accuracy. Disruption or failures of our information technology systems could impair our ability to effectively and timely provide our services and products and maintain our financial records, which could damage our reputation and have a material adverse effect on our business.

Our acquisition and expansion strategy may not be successful.

Our growth strategy is based in part on growth through acquisitions, which poses a number of risks. We may not be successful in identifying appropriate acquisition candidates, consummating acquisitions on satisfactory terms or integrating any newly acquired or expanded business with our current operations. We may

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issue additional equity, incur long-term or short-term indebtedness, spend cash or use a combination of these for all or part of the consideration paid in future acquisitions or expansion of our operations. The execution of our acquisition and expansion strategy could entail repositioning or similar actions that in turn require us to record impairments, restructuring and other charges. Any such charges would reduce our earnings. We cannot guarantee that any future business acquisitions will be pursued or that any acquisitions that are pursued will be consummated.

Significant costs have been incurred and are expected to be incurred in connection with the consummation of recent and future business acquisitions and the integration of such acquired businesses with Spectrum into a combined company, including legal, accounting, financial advisory and other costs.

We expect to incur one-time costs in connection with integrating our operations, products and personnel and those of businesses we acquire into a combined company, in addition to costs related directly to completing such acquisitions. We would expect similar costs to be incurred with any future acquisition. These costs may include expenditures for:

- employee redeployment, relocation or severance;
- integration of operations and information systems;
- combination of research and development teams and processes; and
- reorganization or closures of facilities.

In addition, we expect to incur a number of non-recurring costs associated with combining our operations with those of acquired businesses. Additional unanticipated costs may yet be incurred as we integrate our business with acquired businesses. Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of our operations with those of acquired businesses, may offset incremental transaction and transaction-related costs over time, this net benefit may not be achieved in the near term. Additionally, while we expect to benefit from leveraging distribution channels and brand names among the Company and the businesses we acquire, we cannot assure you that we will achieve such benefits.

We may not realize the anticipated benefits of, and synergies from, our business acquisitions and may become responsible for certain liabilities and integration costs as a result.

Business acquisitions involve the integration of new businesses that have previously operated independently from us. The integration of our operations with those of acquired businesses is frequently expected to result in financial and operational benefits, including increased top line growth, margins, revenues and cost savings and be accretive to earnings per share, earnings before interest, taxes, depreciation and amortization and free cash flow before synergies. There can be no assurance, however, regarding when or the extent to which we will be able to realize these increased top line growth, margins, revenues, cost savings or accretions to earnings per share, earnings before interest, taxes, depreciation and amortization or free cash flow or other benefits. Integration may also be difficult, unpredictable, and subject to delay because of possible company culture conflicts and different opinions on technical decisions and product roadmaps. We will often be required to integrate or, in some cases, replace, numerous systems, including those involving management information, purchasing, accounting and finance, sales, billing, employee benefits, payroll and regulatory compliance, many of which may be dissimilar.

In some instances, we and certain acquired businesses have served the same customers, and some customers may decide that it is desirable to have additional or different suppliers. Difficulties associated with the integration of acquired businesses could have a material adverse effect on our business.

We may also acquire partial or full ownership in businesses or may acquire rights to market and distribute particular products or lines of products. The acquisition of a business or the rights to market specific products or use specific product names may involve a financial commitment by us, either in the form of cash or equity consideration. In the case of a new license, such commitments are usually in the form of prepaid royalties and future minimum royalty payments. There is no guarantee that we will acquire businesses or product distribution rights that will contribute positively to our earnings. Anticipated synergies may not materialize, cost savings may be less than expected, sales of products may not meet expectations and acquired businesses may carry unexpected liabilities.

In addition, in connection with business acquisitions, we have assumed, and may assume in connection with future acquisitions, certain potential liabilities. To the extent such liabilities are not identified by us or to the extent the indemnifications obtained from third parties are insufficient to cover such liabilities, these liabilities could have a material adverse effect on our business.

Integrating our business with acquired businesses may divert our management s attention away from operations.

Successful integration of acquired businesses operations, products and personnel with us may place a significant burden on our management and other internal resources. The diversion of management s attention, and any difficulties encountered in the transition and integration process, could harm our business, financial condition and operating results.

As a result of business acquisitions, we may not be able to retain key personnel or recruit additional qualified personnel, which could materially affect our business and require us to incur substantial additional costs to recruit replacement personnel.

We are highly dependent on the continuing efforts of our senior management team and other key personnel. As a result of business acquisitions, our current and prospective employees could experience uncertainty about their future roles. This uncertainty may adversely affect our ability to attract and retain key management, sales, marketing and technical personnel. Any failure to attract and retain key personnel could have a material adverse effect on our business. In addition, we currently do not maintain key person insurance covering any member of our management team.

If any of our key personnel or those of our acquired businesses were to join a competitor or form a competing company, existing and potential customers or suppliers could choose to form business relationships with that competitor instead of us. There can be no assurance that confidentiality, non-solicitation, non-competition or similar agreements signed by former directors, officers, employees or stockholders of us, our acquired businesses or our transactional counterparties will be effective in preventing a loss of business.

General customer uncertainty related to our business acquisitions could harm us.

Our customers may, in response to the announcement or consummation of a business acquisition, delay or defer purchasing decisions. If our customers delay or defer purchasing decisions, our revenues could materially decline or any anticipated increases in revenue could be lower than expected.

We are required to supply certain products and services to Stanley Black & Decker and its subsidiaries pursuant to the terms of certain supply agreements for a period of time after the completion of the HHI Business acquisition. Our provision of products and services under these agreements require us to dedicate resources of the HHI Business and may result in unfavorable results to us.

Certain products and services currently used by Stanley Black and Decker are produced and provided using equipment of the HHI Business which includes the acquired Tong Lung Metal Industry Co. Ltd. (the TLM Business) that we acquired or certain equipment belonging to Stanley Black and Decker and its subsidiaries that will continue to be located for a period of time after the completion of the HHI Business acquisition at facilities operated by the HHI Business and the TLM Business and maintained by us pursuant to certain specifications. We and Stanley Black and Decker entered into supply agreements (each, a Supply Agreement) whereby we provide Stanley Black and Decker and its subsidiaries with certain of these products and services for a period of time. This requires us to dedicate resources of the HHI Business and the TLM Business towards the provision of these products and services and may result in unfavorable results to us. These Supply Agreements are an accommodation to Stanley Black and Decker and its subsidiaries as part of the HHI Business acquisition, and the pricing of the products and services is on terms more favorable to Stanley Black and Decker and its subsidiaries than it would be in the ordinary course of business.

We face significant risks from the AAG Acquisition similar to risks generally associated with our acquisition and expansion strategy.

The AAG Acquisition subjects us to significant risks generally associated with our acquisition and expansion strategy. Significant costs have been incurred and are expected to be incurred in connection with the AAG Acquisition and our integration of AAG with our business, including legal, accounting, financial advisory and other costs. We may also not realize the anticipated benefits of, and synergies from, the AAG Acquisition and will be responsible for certain liabilities and integration costs as a result of the AAG Acquisition. As a result of the AAG Acquisition and other acquisitions, we may also not be able to retain key personnel or recruit additional qualified personnel, which could require us to incur substantial additional costs. Each of these general risks for acquisition and expansion activities, which are described in more detail in this prospectus (See *Our acquisition and expansion strategy may not be successful*), could result in the AAG Acquisition having a material adverse effect on our business.

We and AAG have similar major customers and the loss of any significant customer may adversely affect our results of operations.

A limited number of the same customers represent a large percentage of our and AAG s respective net sales. One of our largest customers accounted for approximately 23% of AAG s net sales for the twelve months ended December 31, 2014. AAG s largest customer accounted for approximately 12% of net sales for the same period and no other customer accounted for more than 10% of AAG s net sales for the same period. The success of our and AAG s businesses depend, in part, on our ability to maintain our level of sales and product distribution through high volume distributors, retailers, super centers and mass merchandisers.

Currently, neither we nor AAG have long-term supply agreements with a substantial number of our retail customers, including our largest customers. These high-volume stores and mass merchandisers frequently reevaluate the products they carry. A decision by our major customers to discontinue or decrease the amount of products purchased from us, sell a national brand on an exclusive basis or change the manner of doing business with us, could reduce our revenues and materially adversely affect our results of operations. See *Consolidation of retailers and our dependence on a small number of key customers for a significant percentage of our sales may negatively affect our business, financial condition and results of operations* .

A change in governmental regulations regarding the use of refrigerant gas R-134a or its potential future substitutes could have a material adverse effect on AAG s ability to sell its aftermarket A/C products.

The refrigerant R-134a is critical component of AAG s aftermarket A/C products and is used in products which comprised approximately 90% of its gross sales in its fiscal year ended December 31, 2014. Older generation refrigerants such as R-12 (Freon) have been regulated for some time in the United States and elsewhere, due to concerns about their potential to contribute to ozone depletion. In recent years, refrigerants such as R-134a, which is an approved substitute for R-12, have also become the subject of regulatory focus due to their potential to contribute to global warming.

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The European Union has passed regulations that require the phase out of R-134a in automotive cooling systems in new vehicles by 2017. In the United States, AAG has reported that it cannot predict what future action, if any, the EPA will take on the regulation of R-134a. But based on currently available information, it believes that it would take some time for suitable alternatives to R-134a to come into full scale commercial production and therefore such alternatives would not be readily available for wide spread use in new car models. If the future use of R-134a is phased out or is limited or prohibited in jurisdictions in which we do business, the future market for AAG s products containing R-134a may be limited, which could have a material adverse impact on its results of operations, financial condition, and cash flows.

In addition, regulations may be enacted governing the packaging, use and disposal of AAG s products containing refrigerants. For example, regulations are currently in effect in California that govern the sale and distribution of products containing R-134a. While AAG has reported that it is not aware of any noncompliance with such regulations, its failure to comply with these or possible future regulations in California, or elsewhere, could result in material fines or costs or the inability to sell its products in those markets, which could have a material adverse impact on the results of operations, financial condition and cash flows. If substitutes for R-134a become widely used in A/C systems and their use for DIY and retrofit purposes are not approved by the EPA, it could have a material adverse effect on AAG s results of operations, financial condition, and cash flows. In addition, the cost of HFO-1234yf, the leading long-term alternative to R-134a being proposed in the United States and the European Union for use in the A/C systems of new vehicles, will likely be higher than that of R-134a. If HFO-1234yf becomes widely used and AAG is able to develop products using HFO-1234yf, but is unable to price its products to reflect the increased cost of HFO-1234yf, it could have a material adverse effect on its results of operations, financial condition and cash flow.

All of AAG s refrigerant products are produced at one facility, and a significant disruption or disaster at such a facility could have a material adverse effect on its results of operations.

AAG s manufacturing facility consists of one site which is located in Garland, Texas and thus it is dependent upon the continued safe operation of this facility. Its facility is subject to various hazards associated with the manufacturing, handling, storage, and transportation of chemical materials and products, including human error, leaks and ruptures, explosions, floods, fires, inclement weather and natural disasters, power loss or other infrastructure failures, mechanical failure, unscheduled downtime, regulatory requirements, the loss of certifications, technical difficulties, labor disputes, inability to obtain material, equipment or transportation, environmental hazards such as remediation, chemical spills, discharges or releases of toxic or hazardous substances or gases, and other risks. Many of these hazards could cause personal injury and loss of life, severe damage to, or destruction of, property and equipment and environmental contamination. In addition, the occurrence of material operation problems at AAG s facility due to any of these hazards could cause a disruption in the production of its products. AAG may also encounter difficulties or interruption as a result of the application of enhanced manufacturing technologies or changes to production lines to improve AAG s throughput or to upgrade or repair its production lines. AAG s insurance policies have coverage in case of significant damage to its manufacturing facility but may not fully compensate AAG for the cost of replacement for any such damage and any loss from business interruption. As a result, AAG may not be adequately insured to cover losses resulting from significant damage to its manufacturing facility. Any damage to its facility or interruption in manufacturing could result in production delays and delays in meeting contractual obligations which could have a material adverse effect on AAG s relationship with its customers and on its results of operations, financial condition or cash flows in any given period.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

We have made or implied certain forward-looking statements in this prospectus. All statements, other than statements of historical facts included in this prospectus, including statements regarding our business strategy, future operations, financial condition, estimated revenues, projected costs, projected synergies, prospects, plans and objectives of management, as well as information concerning expected actions of third parties, are forward-looking statements. When used in this prospectus, the words anticipate, intend, plan, estimate, believe, expect, project, could may and similar expressions are also intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Since these forward-looking statements are based upon our current expectations of future events and projections and are subject to a number of risks and uncertainties, many of which are beyond our control and some of which may change rapidly, actual results or outcomes may differ materially from those expressed or implied herein, and you should not place undue reliance on these statements. Important factors that could cause our actual results to differ materially from those expressed or implied herein include, without limitation:

- the impact of our indebtedness on our business, financial condition and results of operations;
- the impact of restrictions in our debt instruments on our ability to operate our business, finance our capital needs or pursue or expand our business strategies;
- any failure to comply with financial covenants and other provisions and restrictions of our debt instruments;
- the impact of expenses resulting from the implementation of new business strategies, divestitures or current and proposed restructuring activities;
- our inability to successfully integrate and operate new acquisitions, including, but not limited to, the AAG Acquisition, at the level of financial performance anticipated;
- the unanticipated loss of key members of senior management;
- the impact of fluctuations in commodity prices, costs or availability of raw materials or terms and conditions available from suppliers, including suppliers willingness to advance credit;
- interest rate and exchange rate fluctuations;
- the loss of, or a significant reduction in, sales to any significant retail customer(s);

competitive promotional activity or spending by competitors or price reductions by competitors;

the introduction of new product features or technological developments by competitors and/or the development of new competitors or competitive brands;

the effects of general economic conditions, including inflation, recession or fears of a recession, depression or fears of a depression, labor costs and stock market volatility or changes in trade, monetary or fiscal policies in the countries where we do business;

changes in consumer spending preferences and demand for our products;

our ability to develop and successfully introduce new products, protect our intellectual property and avoid infringing the intellectual property of third parties;

our ability to successfully implement, achieve and sustain manufacturing and distribution cost efficiencies and improvements, and fully realize anticipated cost savings;

the cost and effect of unanticipated legal, tax or regulatory proceedings or new laws or regulations (including environmental, public health and consumer protection regulations);

public perception regarding the safety of our products, including the potential for environmental liabilities, product liability claims, litigation and other claims;

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- the impact of pending or threatened litigation;
- changes in accounting policies applicable to our business;
- government regulations;
- the seasonal nature of sales of certain of our products;
- the effects of climate change and unusual weather activity;
- the effects of political or economic conditions, terrorist attacks, cybersecurity attacks, acts of war or other unrest in international markets; and
- various other risks and uncertainties.

Some of the above-mentioned factors are described in further detail in the section entitled Risk Factors set forth above. You should assume the information appearing in this prospectus is accurate only as of the date hereof or as otherwise specified, as our business, financial condition, results of operations and prospects may have changed since that date. Except as required by applicable law, including the securities laws of the U.S. and the rules and regulations of the SEC, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise to reflect actual results or changes in factors or assumptions affecting such forward-looking statements.

We also caution the reader that our estimates of trends, market share, retail consumption of our products and reasons for changes in such consumption are based solely on limited data available to us and our management s reasonable assumptions about market conditions, and consequently may be inaccurate, or may not reflect significant segments of the retail market.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to fixed charges for each of the periods indicated. You should read these ratios in connection with our consolidated financial statements, including the notes to those statements, included elsewhere in this prospectus.

	Year Ended September 30, 2015				
	2015	**2014**	**2013**	**2012**	**2011**
Fixed charges					
Interest expense	271.9	202.1	369.5	192.0	208.5
Total fixed charges	271.9	202.1	369.5	192.0	208.5
Earnings					
Earnings from continuing operations before income taxes	199.7	276.1	(20.1)	113.2	17.7
Add:					
Fixed Charges	271.9	202.1	369.5	192.0	208.5
Total adjusted earnings	471.6	478.2	349.3	305.2	226.2
Ratio of earnings to fixed charges	1.7x	2.4x	0.9x	1.6x	1.1x

USE OF PROCEEDS

This prospectus is delivered in connection with the sale of notes by Jefferies in market-making transactions effected from time to time. We will not receive any proceeds from such transactions.

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CAPITALIZATION

The following table presents the cash and cash equivalents and consolidated capitalization of SB/RH Holdings.

		As of September 30, 2015[1] (in millions)
Cash and cash equivalents	$	247.9
Debt:		
Term Credit Facilities[2]		1,538.4
Revolving Credit Facility[2]		
6.375% Senior Notes due 2020		520.0
6.625% Senior Notes due 2022		570.0
6.125% Senior Notes due 2024		250.0
5.750% Senior Notes due 2025		1,000.0
Capital leases		88.2
Other unsecured debt		45.9
Total debt	$	4,012.5
Total shareholder s equity		1,572.8
Total capitalization	$	5,585.3

(1) Balances are reflected at par.
(2) See Description of Other Indebtedness Credit Agreement.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On May 21, 2015, SB Holdings, the direct parent of SB/RH Holdings, completed the AAG Acquisition pursuant to the Agreement and Plan of Merger by and among AAG, SB Holdings, Ignite Merger Sub, Inc. and, solely in its capacity as representative, Avista Capital Partners II GP, LLC, dated as of April 28, 2015, for a purchase price of $1,471.4 million (consisting of $929.3 million in cash and an assumption of debt of $540.0 million). SB Holdings funded the AAG Acquisition with the proceeds of its initial offering of an aggregate principal amount of $1,000 million of Spectrum Brands 2025 notes and the registered offering of $575 million of shares of SB Holdings common stock (the SB Holdings Equity Offering).

The following unaudited pro forma condensed combined statement of operations for the year ended September 30, 2015 gives effect to the AAG Acquisition for such period. The unaudited pro forma condensed statement of operations shown below reflects historical financial information and has been prepared on the basis that the transaction will be accounted for using the acquisition method of accounting under Accounting Standards Codification Topic 805: *Business Combinations* (ASC 805). Accordingly, the assets acquired and liabilities assumed in the AAG Acquisition were measured at their respective fair values with any excess consideration reflected as goodwill. The unaudited pro forma condensed combined statement of operations presented assumes that AAG is a wholly owned subsidiary of Spectrum Brands. Because the financial position data of AAG is reflected in the consolidated statement of financial position as of September 30, 2015, included elsewhere in this prospectus, no pro forma financial position data is presented below.

The following unaudited pro forma condensed combined statement of operations for the year ended September 30, 2015 is presented on a basis to reflect the AAG Acquisition and related transactions as if they had occurred on October 1, 2014.

Because of different fiscal period ends, and in order to present results for comparable periods, the unaudited pro forma condensed combined statement of operations for the year ended September 30, 2015 combines SB/RH Holdings audited historical consolidated statement of operations for the fiscal year then ended with the AAG historical consolidated statement of operations information for the period of October 1, 2014 through May 20, 2015, the date prior to the close of the AAG Acquisition. The AAG results from October 1, 2014 through May 20, 2015 have been derived by combining the historical unaudited consolidated statement of operations for the three month period ended March 31, 2015, the historical unaudited consolidated statement of operations for the three month period ended December 31, 2014 and the unaudited historical financial information for the period from April 1, 2015 through May 20, 2015. As a result of the foregoing, the AAG historical unaudited consolidated statement of operations for the three month period ended December 31, 2014 is included in the unaudited pro forma condensed combined financial statements for the year ended September 30, 2015. See Note 1 to the unaudited pro forma condensed combined statement of operations for additional information. Pro forma adjustments are made in order to reflect the potential effect of the AAG Acquisition and related transactions on the statement of operations.

The unaudited pro forma condensed combined statement of operations should be read in conjunction with the notes to unaudited pro forma condensed combined statement of operations. The unaudited pro forma condensed combined statement of operations and the notes to unaudited pro forma condensed combined statement of operations are based on, and should be read in conjunction with, the audited consolidated financial statements of SB Holdings and SB/RH Holdings, and the notes thereto, and the AAG historical audited and unaudited consolidated financial statements, and the notes thereto, each included elsewhere in this prospectus.

The process of valuing the AAG tangible and intangible assets acquired and liabilities assumed, as well as evaluating accounting policies for conformity, is still in the preliminary stages. Accordingly, the purchase accounting adjustments included in the unaudited pro forma condensed combined financial statements are preliminary and have been presented solely for the purpose of providing these unaudited pro forma condensed combined financial statements. For purposes of preparing the unaudited pro forma condensed combined financial

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statements, Spectrum Brands has made preliminary adjustments, where sufficient information is available to make a fair value estimate, to reflect those tangible and intangible assets acquired and liabilities assumed based on preliminary estimates of their fair value as of May 21, 2015. For those assets and liabilities where insufficient information is available to make a reasonable estimate of fair value, the unaudited pro forma condensed combined financial statements reflect the historical carrying value of those assets and liabilities at May 21, 2015. A final determination of the fair values of the assets acquired and liabilities assumed will include management s consideration of a final valuation. Spectrum Brands currently expects that the process of determining the fair values of the tangible and intangible assets acquired and liabilities assumed will be completed within one year of the acquisition date. Material revisions to Spectrum Brands preliminary estimates could be necessary as more information becomes available through the completion of this final determination. The final amounts may be materially different from the information presented in these unaudited pro forma condensed combined financial statements due to a number of factors, including changes in market conditions and financial results which may impact cash flow projections used in the valuation, and the identification of additional conditions that existed as of the date of the AAG Acquisition which may impact the fair value of the AAG net assets.

SB/RH Holdings and AAG s historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the AAG Acquisition; (2) factually supportable; and (3) with respect to the unaudited pro forma statements of operations, expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial statements do not reflect any revenue enhancements, cost savings from operating efficiencies, synergies or other restructurings, or the costs and related liabilities that would be incurred to achieve such revenue enhancements and cost savings, which could result from the AAG Acquisition.

The pro forma adjustments are based upon available information and assumptions that the managements of SB Holdings and AAG believe reasonably reflect the AAG Acquisition. The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations of SB Holdings or SB/RH Holdings would have been had the AAG Acquisition occurred on the dates assumed, nor are they necessarily indicative of the future consolidated results of operations of SB Holdings or SB/RH Holdings.

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SB/RH HOLDINGS, LLC

Unaudited Pro Forma Consolidated Statement of Operations

For the year ended September 30, 2015

(in millions)

	SB/RH Holdings, LLC 12 months ended September 30, 2015	Armored AutoGroup Parent Inc. October 1, 2014 May 20, 2015	Pro Forma Adjustments	Note	Pro Forma Combined
Net sales	$ 4,690.4	$ 275.8	$		$ 4,966.2
Cost of goods sold	3,018.0	154.4		(A)	3,172.4
Restructuring and related charges	2.1				2.1
Gross profit	1,670.3	121.4			1,791.7
Selling	720.7	23.2			743.9
General and administrative	332.4	90.0	(59.3)	(B)(C)(F)(G)	363.1
Research and development	51.3	1.9			53.2
Intangible asset and goodwill impairment		7.0			7.0
Acquisition and integration charges	58.8		(21.8)	(H)	37.0
Restructuring and related charges	26.6				26.6
Total operating expenses	1,189.8	122.1	(81.1)		1,230.8
Operating income	480.5	(0.7)	81.1		560.9
Interest expense	271.9	85.2	(46.8)	(D)	310.3
Other expense (income), net	8.9	1.1			10.0
Income (loss) from continuing operations before income taxes	199.7	(87.0)	127.9		240.6
Income tax expense (benefit)	43.9	(11.6)		(E)	32.3
Net income (loss)	155.8	(75.4)	127.9		208.3
Net income attributable to non-controlling interests	0.4				0.4
Net income (loss) attributable to Parent	$ 155.4	$ (75.4)	$ 127.9		$ 207.9

See accompanying notes to unaudited pro forma condensed combined financial statements

(Unaudited).

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SB/RH HOLDINGS, LLC

NOTES TO THE UNAUDITED PRO FORMA CONDENSED

COMBINED FINANCIAL STATEMENTS (Unaudited)

(Amounts in millions of dollars, except for share or as otherwise specified)

(1) Conforming Interim Periods

SB/RH Holdings fiscal year end is September 30 while the AAG fiscal year end is December 31. AAG s latest interim period prior to the consummation of the AAG Acquisition ended on March 31, 2015, and included its first quarter results for the three month period ended March 31, 2015. The unaudited pro forma condensed combined statement of operations for the year ended September 30, 2015 presented herein includes the results for Spectrum Brands latest completed fiscal year and AAG s results for October 1, 2014 through May 20, 2015, the date prior to the close of the AAG Acquisition. Accordingly, the AAG historical financial information for the statement of operations covering the period of October 1, 2014 through May 20, 2015, the date prior to the close of the AAG Acquisition, has been derived by adding the unaudited results for the three month period ended March 31, 2015 to the audited results for the fiscal year ended December 31, 2014, and deducting the unaudited results for the nine months ended September 30, 2014 and adding the unaudited period from April 1, 2015 through May 20, 2015, as follows:

	12 months ended December 31, 2014 A	9 months ended September 30, 2014 B	3 months ended December 31, 2014 (A - B) = C	3 months ended March 31, 2015 D	Period from April 1, 2015 May 20, 2015 E	Period from October 1, 2014 May 20, 2015 C + D + E
Net sales	$ 410.0	$ 341.6	$ 68.4	$ 119.4	$ 88.0	$ 275.8
Cost of goods sold	226.0	185.2	40.8	68.1	45.5	154.4
Restructuring and related charges						
Gross profit	184.0	156.4	27.6	51.3	42.5	121.4
Selling(A)	49.9	41.9	8.0	8.2	7.0	23.2
General and administrative(A)	86.9	65.0	21.9	22.1	46.0	90.0
Research and development	2.9	2.1	0.8	0.7	0.4	1.9
Intangible asset and goodwill impairment	7.0		7.0			7.0
Total operating expenses	146.7	109.0	37.7	31.0	53.4	122.1
Operating income (loss)	37.3	47.4	(10.1)	20.3	(10.9)	(0.7)
Interest expense	71.5	52.1	19.4	19.3	46.5	85.2

Other expense, net		1.3		1.0		0.3		0.4		0.4	1.1
Income (loss) from operations before income taxes		(35.5)		(5.7)		(29.8)		0.6		(57.8)	(87.0)
Income tax expense (benefit)		(11.0)		(0.5)		(10.5)		0.2		(1.3)	(11.6)
Net income (loss)	$	(24.5)	$	(5.2)	$	(19.3)	$	0.4	$	(56.5)	$ (75.4)

(A) The reclassification of the AAG Selling, general and administrative expenses were made to conform to SB/RH Holdings presentation.

(2) Basis of Presentation

The AAG Acquisition will be accounted for under the acquisition method of accounting in accordance with ASC 805. In accounting for the transaction, Spectrum Brands will apply its historical accounting policies and recognize the assets and liabilities of AAG at their respective fair values as of May 21, 2015, the closing date of the AAG Acquisition. In preparing the unaudited pro forma condensed combined financial statements, the assets

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SB/RH HOLDINGS, LLC

NOTES TO THE UNAUDITED PRO FORMA CONDENSED

COMBINED FINANCIAL STATEMENTS (Unaudited) (Continued)

(Amounts in millions of dollars, except for share or as otherwise specified)

and liabilities of AAG have been measured at their estimated fair values on a preliminary basis using estimates and assumptions that management believes are reasonable based on information currently available. Use of different estimates and judgments could yield materially different results.

For purposes of measuring the estimated fair value of the assets acquired and liabilities assumed for purposes of preparing the unaudited pro forma condensed combined financial statements, Spectrum Brands used the guidance in ASC Topic 820, *Fair Value Measurement and Disclosure* (ASC 820), which established a framework for measuring fair values. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Market participants are assumed to be buyers and sellers in the principal (most advantageous) market for the asset or liability. Additionally, under ASC 820, fair value measurements for an asset assume the highest and best use of that asset by market participants. As a result, Spectrum Brands may be required to value assets of AAG at fair value measures that do not reflect Spectrum Brands intended use of those assets. Use of different estimates and judgments could yield different results.

(3) Significant Accounting Policies

The unaudited pro forma condensed combined financial statements do not assume any differences in accounting policies between Spectrum Brands and AAG. Spectrum Brands is in the process of reviewing the accounting policies of AAG to ensure their conformity with those of Spectrum Brands and, as a result of that review, Spectrum Brands may identify differences between the accounting policies of the two companies, that when conformed, could have a material impact on the unaudited pro forma condensed combined financial statements. At this time, Spectrum Brands is not aware of any differences in accounting policies that would have a material impact on the unaudited pro forma condensed combined financial statements.

(4) Consideration Transferred

The acquisition method of accounting requires that the consideration transferred in a business combination be measured at fair value as of the closing date of the AAG Acquisition. The following summarizes the consideration paid for AAG:

Cash consideration	$	929.3
Assumption of AAG and IDQ Notes[(a)]		540.0

Purchase price of AAG	$ 1,471.4

(a) Consists of $275.0 aggregate principal amount of Armored AutoGroup Inc. s 9¼% Senior Notes due 2018, $220.0 aggregate principal amount of IDQ Holdings, Inc. s 11.500% Senior Secured Notes due 2017 and $45.0 aggregate principal amount of IDQ Acquisition Corp. s 14.00%/14.75% Senior Secured PIK Notes due 2017 (collectively, the AAG and IDQ Notes) assumed (cash was subsequently paid to redeem such notes on June 15, 2015, June 22, 2015 and June 22, 2015, respectively).

(5) Fair Values of Net Assets Acquired

The Company recorded an allocation of the purchase price to the Company s tangible and identifiable intangible assets acquired and liabilities assumed based on their fair values as of the May 21, 2015 acquisition date. The excess of the purchase price (see Note 4) over the fair value of the net tangible assets and identifiable intangible assets was recorded as goodwill. These estimates have been recognized in preparing the unaudited

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SB/RH HOLDINGS, LLC

NOTES TO THE UNAUDITED PRO FORMA CONDENSED

COMBINED FINANCIAL STATEMENTS (Unaudited) - (Continued)

(Amounts in millions of dollars, except for share or as otherwise specified)

pro forma condensed combined financial statements. Spectrum Brands has determined that the amounts recorded in accounting for the AAG Acquisition are as follows:

	Purchase Price Allocation (in millions)
Cash and cash equivalents	$ 30.9
Receivables	156.1
Inventories	84.2
Prepaid expenses and other current assets	8.2
Property, plant and equipment, net	38.3
Goodwill	972.1
Intangible assets	418.0
Deferred charges and other	16.5
Accounts payable and accrued liabilities	(116.1)
Long-term debt	(540.0)
Other long term liabilities	(138.9)
Net assets acquired	$ 929.3

The fair values recorded were determined based upon a valuation and the estimates and assumptions used in such valuation are subject to change, which could be significant. The primary areas of acquisition accounting that are not yet finalized relate to amounts for intangible assets, residual goodwill and income taxes.

(6) Pro Forma Reclassifications and Adjustments for the AAG Acquisition

(A) Costs of sales increased by approximately $18.8 million during the first inventory turn subsequent to the acquisition date as a result of the sale of inventory that was written up to fair value in purchase accounting. This cost has been excluded from the pro forma adjustments as this amount is considered non-recurring.

(B) Adjustment reflects decreased depreciation expense of $0.3 million associated with the adjustment to record the AAG property, plant and equipment at fair value for the period from October 1, 2014 through May 20, 2015.

(C) Adjustment reflects decreased intangible asset amortization expense of $25.1 million associated with the adjustment to record the AAG intangible assets at fair value for the period from October 1, 2014 through May 20, 2015.

SB/RH HOLDINGS, LLC

NOTES TO THE UNAUDITED PRO FORMA CONDENSED

COMBINED FINANCIAL STATEMENTS (Unaudited) (Continued)

(Amounts in millions of dollars, except for share or as otherwise specified)

(D) In connection with the AAG Acquisition, Spectrum Brands issued $1,000.0 million in 2025 notes and incurred related issuance costs. In addition, a substantial portion of the historical AAG debt was repaid in connection with the AAG Acquisition. These changes in the combined debt structure gave rise to interest expense adjustments that resulted in a net decrease of $46.8 million for the period from October 1, 2014 through May 20, 2015. The adjustments consisted of the following:

	October 1, 2014 May 20, 2015
2025 notes USD $1,000.0 million	$ 36.9
Amortization of debt issuance costs of SBI 5.75% Notes	1.0
Total pro forma interest expense on SBI acquisition-related debt	37.9
Less: elimination of interest expense related to prior AAG debt facilities that were repaid	(84.7)
Total pro forma adjustment	(46.8)

(E) As a result of Spectrum Brands valuation allowance, the pro forma adjustments are solely a change in deferred income taxes offset by the change in valuation and do not have income tax consequences.

(F) Adjustment reflects the reversal of $25.5 million of pre-acquisition costs incurred by AAG.

(G) Adjustment reflects the reversal of $8.4 million of pre-acquisition accelerated stock based compensation incurred by AAG in conjunction with the AAG Acquisition.

(H) Adjustment reflects the reversal of $21.8 million of acquisition and integration-related charges incurred by Spectrum Brands in conjunction with the AAG Acquisition.

(7) Transaction Costs

Transaction costs include fees for investment banking services, advisory, legal, accounting, due diligence, tax, valuation, printing and various other services necessary to complete this transaction. In accordance with ASC 805, these fees and expenses are charged to expense as incurred. Spectrum Brands incurred and recorded $21.8 million of acquisition and integration-related costs related to the AAG Acquisition, through September 30, 2015.

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SELECTED HISTORICAL FINANCIAL DATA

The following selected historical financial data have been derived from SB/RH Holdings audited consolidated financial statements. SB/RH Holdings audited Consolidated Statements of Financial Position as of September 30, 2015 and 2014; SB/RH Holdings audited Consolidated Statements of Operations, audited Consolidated Statements of Comprehensive Income (Loss), audited Consolidated Statements of Shareholders Equity and audited Consolidated Statements of Cash Flows for the years ended September 30, 2015, 2014 and 2013 are each included elsewhere in this prospectus.

The following selected financial data, which may not be indicative of future performance, should be read in conjunction with the audited and unaudited financial statements of SB/RH Holdings, including the notes thereto, and Management s Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere in this prospectus.

	Year Ended September 30,				
	2015(1)	**2014**(2)	**2013**(3)	**2012**(4)	**2011**
Statement of Operations Data:					
Net sales	$ 4,690.4	$ 4,429.1	$ 4,085.6	$ 3,252.4	$ 3,186.9
Gross profit	1,670.3	1,568.9	1,390.3	1,115.7	1,128.9
Operating income(5)	480.5	484.5	352.9	306.1	228.7
Interest expense(6)	271.9	202.1	369.5	192.0	208.5
Other expense, net	8.9	6.3	3.5	0.9	2.5
Income (loss) from continuing operations before income taxes	199.7	276.1	(20.2)	113.2	17.7
Income tax expense(7)	43.9	59.0	27.4	60.4	92.3
Net income (loss)	155.8	217.1	(47.5)	52.8	(74.6)
Less: Net income (loss) attributable to non-controlling interest	0.4	0.3	(0.1)		
Net income (loss) attributable to controlling interest	155.4	216.8	(47.4)	52.8	(74.6)
Restructuring and related charges cost of goods sold	2.1	3.7	10.0	9.8	7.8
Restructuring and related charges operating expenses	26.6	19.2	24.0	9.7	20.8
Cash Flow and Related Data:					
Net cash provided by operating activities	$ 441.8	$ 434.7	$ 258.2	$ 252.7	$ 234.7
Capital expenditures	89.1	73.3	82.0	46.8	36.2
Depreciation and amortization	170.0	157.6	139.9	104.6	104.7
Statement of Financial Position Data (at period end):					
Cash and cash equivalents	$ 247.9	$ 192.9	$ 198.2	$ 157.9	$ 142.4
Working capital(8)	666.8	502.3	524.4	454.4	412.0
Total assets	7,297.9	5,511.3	5,619.0	3,753.5	3,622.3
Total long-term debt, net of current portion	3,937.2	2,894.1	3,115.9	1,652.9	1,535.5
Total debt	4,005.7	3,006.7	3,218.9	1,669.3	1,576.6

Total shareholders equity	1,523.1	1,020.7	884.7	992.7	989.1

(1) The information presented as of and for the year ended September 30, 2015 includes the results of the AAG operations since the acquisition date of May 21, 2015; the results of the Salix operations since the acquisition date of January 16, 2015; the results of the European IAMS and Eukanuba operations since the acquisition date of December 31, 2014; and the results of the Tell operations since the acquisition date of October 1, 2014.

(2) The information presented as of and for the year ended September 30, 2014 includes the results of the Liquid Fence operations since the acquisition date of January 2, 2014.

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(3) The information presented as of and for the year ended September 30, 2013 includes the results of the HHI Business operations since the acquisition date of December 17, 2012, and the results of TLM Taiwan since the acquisition date of April 8, 2013.

(4) The information presented as of and for the year ended September 30, 2012 includes the results of the FURminator operations since the acquisition date of December 22, 2011, and the results of Black Flag operations since the acquisition date of October 31, 2011.

(5) During the year ended September 30, 2011, we recorded a non-cash pretax impairment charge of approximately $32.5 million.

(6) During the year ended September 30, 2015, there was interest expense of $58.8 million incurred related to the financing of the acquisition of AAG and the refinancing of the then-existing senior credit facility and asset based revolving loan facility. During the year ended September 30, 2014, a non-cash charge of $9.2 million was recognized as a result of the write-off of unamortized debt issuance costs and unamortized discounts in connection with the amendment of the Company s then existing term loans. During the year ended September 30, 2013, there were $105.6 million fees and expenses along with a $10.9 million non-cash charge for the write-off of unamortized debt issuance cost and unamortized premiums in connection with the extinguishment and replacement of the Company s 9.5% Notes and then-existing term loan in conjunction with the acquisition of the HHI Business. During the year ended September 30, 2012, there was a non-cash charge of $2.1 million related to the write-off of unamortized debt issuance costs and unamortized premiums in connection with the extinguishment and refinancing of the Company s 12% Notes. During the year ended September 30, 2011, there was a non-cash charge of $24.4 million related to the write-off of unamortized debt issuance costs and unamortized discounts in conjunction with the refinancing of the Company s Term Loan facility.

(7) During the year ended September 30, 2015, there was a non-cash benefit of $20.2 million from a decrease in the valuation allowance against net deferred tax assets, and a $22.8 million benefit due to the reversal of valuation allowance in conjunction with the acquisition of the AAG business. During the year ended September 30, 2014, there was a non-cash benefit of approximately $115.6 million from a decrease in the valuation allowance against net deferred tax assets. During the year ended September 30, 2013, there was a non-cash charge of approximately $64.4 million from an increase in the valuation allowance against net deferred tax assets, net of a $49.8 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of the HHI Business. During the year ended September 30, 2012, there was a non-cash charge of approximately $13.9 million from an increase in the valuation allowance against net deferred tax assets, net of a $14.5 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of FURminator. During the year ended September 30, 2011, there was a non-cash charge of approximately $68.6 million from an increase in the valuation allowance against net deferred tax assets.

(8) Working capital is defined as current assets less current liabilities per the consolidated statements of financial position.

MANAGEMENT S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

The following is management s discussion of the financial results, liquidity and other key items related to our performance and should be read in conjunction with Selected Historical Financial Data and our Consolidated Financial Statements and related notes elsewhere in this prospectus. Solely for the purposes of this section, unless the context indicates otherwise, the terms: the Company, Spectrum, we, our or us are used to refer to SB/RH Holdin LLC and its subsidiaries.

Business Overview

See Business included elsewhere within this prospectus for an overview of our business.

Our operating performance is influenced by a number of factors including: general economic conditions; foreign exchange fluctuations; trends in consumer markets; consumer confidence and preferences; our overall product line mix, including pricing and gross margin, which vary by product line and geographic region; pricing of certain raw materials and commodities; energy and fuel prices; and our general competitive position, especially as impacted by our competitors advertising and promotional activities and pricing strategies.

Fiscal Year

The Company s fiscal year ends on September 30. Throughout the year, the Company reports its results using a fiscal calendar whereby each three month quarterly reporting period is approximately thirteen weeks in length and ends on a Sunday. The exceptions are the first quarter, which begins on October 1, and the fourth quarter, which ends on September 30. For the year ended September 30, 2015, the fiscal quarters were comprised of the three months ended December 28, 2014, and March 29, June 28 and September 30, 2015.

Acquisitions

The application of acquisition accounting as a result of business combinations can significantly affect certain assets, liabilities and expenses. Over the last three fiscal years, the Company has completed a number of acquisitions as outlined below.

Armored AutoGroup On May 21, 2015, the Company completed the acquisition of AAG, a consumer products company consisting primarily of Armor All branded appearance products, STP branded performance chemicals, and A/C PRO branded do-it-yourself automotive air conditioner recharge products. The results of AAG s operations since May 21, 2015 are included in the Company s Consolidated Statements of Operations for the year ended September 30, 2015. AAG is reported as a separate segment, Global Auto Care.

Salix On January 16, 2015, the Company completed the acquisition of Salix, a vertically integrated producer and distributor of premium, natural rawhide dog chews, treats and snacks. The results of Salix s operations since January 16, 2015 are included in the Company s Consolidated Statements of Operations for the year ended September 30, 2015, and as part of the Global Pet Supplies segment.

European IAMS and Eukanuba On December 31, 2014, the Company completed the acquisition of Procter & Gamble s European IAMS and Eukanuba pet food business (European IAMS and Eukanuba), including its leading premium brands for dogs and cats. The results of the European IAMS and Eukanuba s operations since December 31, 2014 are included in the Company s Consolidated Statements of Operations for the year ended September 30, 2015, and as part of the Global Pet Supplies segment.

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Tell Manufacturing On October 1, 2014, the Company completed the acquisition of Tell Manufacturing, Inc. (Tell), a leading manufacturer and distributor of commercial doors, locks and hardware. The results of Tell s operations since October 1, 2014 are included in the Company s Consolidated Statements of Operations for the year ended September 30, 2015, and as part of the Hardware and Home Improvement segment.

Liquid Fence On January 2, 2014, the Company completed the acquisition of the Liquid Fence Company (Liquid Fence), a producer of animal repellents. The results of Liquid Fence s operations since January 2, 2014 are included in the Company s Consolidated Statements of Operations for the years ended September 30, 2015 and 2014, as part of the Home and Garden segment.

HHI Business On December 17, 2012, the Company completed the acquisition of the Hardware and Home Improvement Business from Stanley Black & Decker (the HHI Business). A portion of the HHI Business, consisting of the purchase of certain assets of TLM Taiwan, closed on April 8, 2013. The HHI Business is a major manufacturer and supplier of residential locksets, residential builders hardware and faucets with a portfolio of recognized brand names, including Kwikset, Weiser, Baldwin, National Hardware, Stanley and Pfister, as well as patented technologies such as the SmartKey, a re-keyable lockset technology, and Smart Code Home Connect. The results of the HHI Business operations since December 17, 2012 are included in the Company s Consolidated Statements of Operations for the years ended September 30, 2015, 2014 and 2013, as part of the Hardware & Home Improvement segment. The results of the TLM Business operations since April 8, 2013 are included in the Company s Consolidated Statements of Operations for the years ended September 30, 2015, 2014 and 2013, and as part of the Hardware and Home Improvement segment.

See Note 3, Acquisitions in the Notes to the Consolidated Financial Statements, included elsewhere within this prospectus, for further additional detail regarding acquisition activity.

Restructuring Activity

We continually seek to improve our operational efficiency, match our manufacturing capacity and product costs to market demand and better utilize our manufacturing resources. We have undertaken various initiatives to reduce manufacturing and operating costs. The most significant of these initiatives are outlined below.

HHI Business Rationalization Initiatives During the fourth quarter of the fiscal year ended September 30, 2014, the Company implemented a series of initiatives throughout the Hardware & Home Improvement business segment to reduce operating costs and exit low margin business outside of the U.S. These initiatives will include headcount reductions, the exit of certain facilities and the sale of a portion of the global Hardware & Home Improvement operations. Costs associated with these initiatives, which are expected to be incurred through September 30, 2016, are projected to be approximately $15 million.

Global Expense Rationalization Initiatives During the third quarter of the year ended September 30, 2013, the Company implemented a series of initiatives to reduce operating costs. These initiatives consist of headcount reductions in the Global Batteries & Appliances and Global Pet Supplies segments and in Corporate. Costs associated with these initiatives are expected to be approximately $46 million and are anticipated to be incurred through September 30, 2018.

Global Cost Reduction Initiatives During the fiscal year ended September 30, 2009, the Company implemented a series of initiatives within the Global Batteries & Appliances, the Global Pet Supplies and the Home and Garden segments. These initiatives included headcount reductions and the exit of certain facilities within each of these segments, as well as consultation, legal and accounting fees related to the evaluation of the Company s capital structure. Costs associated with the initiative, which was completed during the year ended September 30, 2015, were $101.8 million.

See Note 4, Restructuring and Related Charges in the Notes to the Consolidated Financial Statements, included elsewhere within this prospectus, for additional detail regarding restructuring and related activity.

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Refinancing Activity

During the year ended September 30, 2015, we refinanced a portion of our debt to improve leverage and reduce borrowing costs. On May 20, 2015, in connection with the acquisition of AAG, we issued $1,000 million aggregate principal amount of 5.75% unsecured notes due 2025 (the 5.75% Notes). On June 23, 2015, we entered into term loan facilities pursuant to a Senior Credit Agreement consisting of (i) a $1,450 million USD Term Loan due June 23, 2022, (ii) a $75 million CAD Term Loan due June 23, 2022 and (iii) a 300 million Euro Term Loan due June 23, 2022, (collectively, Term Loans) and (iv) entered into a $500 million Revolver Facility due June 23, 2020 (the Revolver). The proceeds from the Term Loans and draws on the Revolver were used to repay our then-existing senior term credit facility, repay our outstanding 6.75% senior unsecured notes due 2020, repay and replace our then-existing asset based revolving loan facility and to pay fees and expenses in connection with the refinancing and for general corporate purposes.

During the year ended September 30, 2014, the Company amended its then-existing senior term credit facility, issuing two tranches maturing September 4, 2019 which provide for borrowings in the principal amounts of $215.0 million and 225.0 million. The proceeds from the amendment were used to refinance a portion of the then-existing senior term credit facility which was scheduled to mature December 17, 2019, in an amount outstanding of $513.3 million prior to refinancing. The $215.0 million U.S. dollar denominated portion was combined with the then-existing Tranche C maturing September 4, 2019. These loans were refinanced during the year ended September 30, 2015 as described above.

See Note 9, Debt in the Notes to the Consolidated Financial Statements, included elsewhere within this prospectus, for additional detail regarding debt.

Consolidated Results of Operations

Fiscal Year Ended September 30, 2015 Compared to Fiscal Year Ended September 30, 2014

Net Sales. Net sales for the year ended September 30, 2015 increased $261.3 million, or 5.9%, to $4,690.4 million from $4,429.1 million for the year ended September 30, 2014. The following tables set forth our consolidated net sales by segment for the years ended September 30, 2015 and 2014 and the principal components of the change in net sales from the year ended September 30, 2014 to the year ended September 30, 2015:

(in millions)	**2015**	**2014**
Consumer batteries	$ 829.5	$ 957.8
Small appliances	734.6	730.8
Personal care	528.1	542.1
Global Batteries & Appliances	$ 2,092.2	$ 2,230.7
Hardware & Home Improvement	1,205.5	1,166.0
Global Pet Supplies	758.2	600.5
Home and Garden	474.0	431.9
Global Auto Care	160.5	
Net sales	$ 4,690.4	$ 4,429.1

Net sales as of September 30, 2014	$ 4,429.1
Addition of auto care products	160.5
Increase in pet supplies	184.3
Increase in home and garden products	42.2
Increase in personal care products	35.5
Increase in hardware and home improvement products	60.1
Increase in small appliances	51.3
Decrease in consumer batteries	(42.8)
Foreign currency impact, net	(229.8)
Net sales as of September 30, 2015	$ 4,690.4

Consumer battery sales decreased $128.3 million, or 13.4% during the year ended September 30, 2015 compared to the year ended September 30, 2014. Excluding the impact of negative foreign exchange of $85.5 million, global consumer battery sales decreased $42.8 million. The constant currency decrease in global consumer battery sales was primarily attributable to the decrease in North American sales of $75.8 million, partially offset by an increase in European consumer battery sales of $29.4 million. The North American battery decrease was due to lower sales of alkaline batteries of $54.6 million, specialty batteries of $11.1 million and $10.1 million in lights. The decrease in North American alkaline batteries was primarily attributable to continued competitor discounting coupled with a retail customer bankruptcy. The decrease in North American specialty batteries and lights was primarily attributable to distribution loss to a competitor at a major retailer and timing associated with holiday sales. The increase in European sales was due to gains of $24.4 million in alkaline batteries attributed to new customers and increased volume at existing retailers and private label customers; increases of $2.4 million in specialty batteries due to new customers and higher sales volume of hearing aid batteries and $2.6 million in lights as a result of new products and increased promotional activity.

Small appliance sales increased $3.8 million, or 0.5%, during the year ended September 30, 2015 compared to the year ended September 30, 2014, including a negative foreign currency impact of $47.5 million. Excluding the foreign currency impact, small appliance sales increased $51.3 million, driven by increased sales in North America of $25.1 million, Europe of $24.9 million and $2.0 million in Latin America. The increase in North American sales was attributable to the continued success of new product launches. The increase in European sales was attributable to promotions at current customers coupled with new customers. Latin American sales growth resulted from new product introductions and volume increases in certain product lines.

Personal care sales decreased $14.0 million, or 2.6%, including a negative foreign currency impact of $49.4 million, during the year ended September 30, 2015 compared to the year ended September 30, 2014. Excluding the foreign currency impact, personal care product sales increased $35.5 million, driven by increased sales in North America, Europe and Latin America of $11.6 million, $16.6 million and $5.3 million, respectively. The North American sales increase was primarily a result of product display location changes at a major customer, promotional activity and continued growth through the e-commerce channel. The European sales increase was due to a combination of sales from new products and continued expansion into Eastern European markets. The Latin American sales increase was primarily attributable to growth in Mexico, new customers and effective promotional sales within the region.

Hardware and home improvement sales increased $39.5 million, or 3.4%, during the year ended September 30, 2015 compared to the year ended September 30, 2014. Excluding a negative foreign exchange impact of $20.6 million, the increase in sales was $60.1 million. The increase in sales was attributable to the acquisition of Tell, which added $39.4 million, and an increase in North America of $34.9 million, offset by a decrease in sales in the Asia-Pacific region of $14.2 million. North American sales increased as a result of gains in domestic security and plumbing sales from retailers due to customer gains and from non-retailers through pricing and market growth. The decrease in Asia-Pacific sales was driven by the exit of products in China and the expiration of a customer tolling agreement.

Global pet supplies sales increased $157.7 million, or 26.3%, during the year ended September 30, 2015 compared to the year ended September 30, 2014, including a negative foreign exchange impact of $26.6 million. Excluding the foreign currency impact, the increase in sales was $184.3 million, which was attributable to the European IAMS & Eukanuba acquisition and the Salix acquisition that together contributed $200.1 million; partially offset by decrease in aquatics sales of $12.8 million. The decline in aquatics sales was primarily due to a reduction in promotion activity related to low margin products.

Home and garden sales increased $42.1 million, or 9.7%, during the year ended September 30, 2015 compared to the year ended September 30, 2014. The increase in sales were attributed to increases in lawn & garden control products of $13.1 million, repellants of $16.2 million and household insect control products of

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$12.8 million. The sales increase for all categories within home and garden was a result of distribution gains, strong point of sale activity driving replenishment orders at existing customers and market share gains on certain brands.

Net sales from auto care products relate to the acquired AAG business subsequent to the acquisition date of May 21, 2015. The results of AAG s operations since the acquisition date are reported as a separate segment, Global Auto Care.

Gross Profit. Gross profit and gross profit margin for the year ended September 30, 2015 were $1,670.3 million and 35.6%, respectively, compared to the year ended September 30, 2014 of $1,568.9 million and 35.4%, respectively. The increase in gross profit was attributable to an increase in sales and the improvement in gross profit margin was primarily attributable to a shift towards higher margin sales and continuing cost improvements.

Operating Expenses. Operating expenses for the year ended September 30, 2015 were $1,189.8 million compared to $1,084.4 million for the year ended September 30, 2014. The $105.4 million increase in operating expenses during the year ended September 30, 2015 was primarily attributable to an increase of $55.9 million in selling and general and administrative expenses as a result of increased sales and increased acquisition and integration costs of $38.7 million as a result of the acquisitions of AAG, Salix, European IAMS and Eukanuba, and Tell during the year ended September 30, 2015. Acquisition and integration related charges include, but are not limited to, transaction costs such as banking, legal and accounting professional fees directly related to acquisitions, termination and related costs for transitional and certain other employees, integration related professional fees and other post business combination related expenses associated with our acquisitions. See Note 3, Acquisitions in Notes to Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our acquisition and integration related charges.

Restructuring and Related Charges. See Note 4, Restructuring and Related Charges, of Notes to Consolidated Financial Statements included elsewhere in this prospectus for information regarding our restructuring and related charges.

Interest Expense. Interest expense for the year ended September 30, 2015 was $271.9 million compared to $202.1 million for the year ended September 30, 2014. The increase of $69.8 million is primarily attributable to $58.8 million of non-recurring costs incurred related to the financing of the acquisition of AAG and the refinancing activity previously discussed, plus additional interest expense on debt issued in conjunction with the acquisitions of Tell, European IAMS and Eukanuba and Salix during the year ended September 30, 2015. Interest expense incurred in conjunction with the AAG acquisition included $14.1 million of costs related to bridge financing commitments and $4.5 million of costs related to interest on the assumed AAG senior notes from the date of the acquisition through the time of payoff in June 2015. Interest expense related to the refinancing of certain debt instruments included the following: (i) $16.9 million of cash expense related to the call premium upon the repayment of 6.75% senior unsecured notes; (ii) $4.1 million of non-cash expense for the write-off of debt issuance costs associated with the repayment of 6.75% senior unsecured notes; (iii) $10.4 million cash expense related to fees associated with refinancing of the then-existing senior term credit facility; and (iv) $8.8 million of non-cash expense for the write-off of unamortized deferred financing fees and unamortized discounts on the then-existing senior credit facility and asset based revolving loan facility. See Note 9, Debt in the Notes to the Consolidated Financial Statements, included elsewhere within this prospectus, for additional information regarding our outstanding debt.

Income Taxes. During the year ended September 30, 2015, we recorded income tax expense of $43.9 million on pre-tax income from continuing operations of $199.7 million, compared to the income tax expense of $59.0 million recorded on pre-tax income of $276.1 million for the year ended September 30, 2014. Our effective tax rate was 21.9% for the year ended September 30, 2015 compared to 21.3% for the year ended September 30, 2014. Our effective tax rate differs from the U.S. federal statutory rate of 35% primarily due to (i) income earned outside the

U.S. that is subject to statutory rates lower than 35%; (ii) the release of valuation allowance on U.S.

net operating loss deferred tax assets offsetting tax expense on both U.S. pretax income and foreign income not permanently reinvested; and (iii) deferred income tax expense related to the change in book versus tax basis of indefinite-lived intangibles, which are amortized for tax purposes but not for book purposes. Additionally for the year ended September 30, 2015, we recorded a tax benefit of $22.8 million for the reversal of a portion of the U.S. valuation allowance on deferred tax assets as a result of the AAG acquisition. For the year ended September 30, 2015, the Company also recognized $23.3 million of deferred tax assets related to its investment in one of its foreign subsidiaries because that timing difference is expected to reverse in the foreseeable future, but due to the US valuation allowance against deferred tax assets there is no net tax benefit for this item.

See Note 13, Income Taxes, of Notes to Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding income taxes.

Fiscal Year Ended September 30, 2014 Compared to Fiscal Year Ended September 30, 2013

Net Sales. Net sales for year ended September 30, 2014 increased $343.5 million, of 8.4%, to $4,429.1 million from $4,085.6 million for the year ended September 30, 2013. The following tables set forth our consolidated net sales by segment for the years ended September 30, 2014 and 2013 and the principal components of the change in net sales from the year ended September 30, 2013 to the year ended September 30, 2014:

(in millions)	**2014**	**2013**
Consumer batteries	$ 957.8	$ 931.6
Small appliances	730.8	740.3
Personal care	542.1	531.7
Global Batteries & Appliances	2,230.7	$ 2,203.6
Hardware & Home Improvement	1,166.0	869.6
Global Pet Supplies	600.5	621.9
Home and Garden	431.9	390.5
Net sales	$ 4,429.1	$ 4,085.6

Net sales as of September 30, 2013	$ 4,085.6
Increase in hardware and home improvement products	296.4
Increase in home and garden products	41.4
Increase in consumer batteries	28.5
Increase in personal care products	12.1
Decrease in small appliances	(4.5)
Decrease in pet supplies	(22.7)
Foreign currency impact, net	(7.7)
Net sales as of September 30, 2014	$ 4,429.1

Consumer battery sales increased $26.2 million, or 2.8%, during the year ended September 30, 2014 compared to the previous year. Excluding the negative impact of foreign currency of $2.3 million, global consumer battery sales increased $28.5 million. The constant currency increase in global consumer battery sales was attributable to increases in European and Latin American consumer battery sales of $24.4 million and $9.8 million respectively, partially offset by a decrease in North American consumer battery sales of $5.7 million. The increases in European and Latin American sales were a result of retailer distribution gains, new customers and products, successful promotion activities and geographic expansion. The decrease in North America was primarily driven by the non-recurrence of approximately $10.0 million of flashlight sales in North America related to storm activity in the first quarter of the year ended September 30, 2013.

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Small appliance sales decreased $9.5 million, or 1.3%, during the year ended September 30, 2014 compared to the previous year. Excluding the negative exchange impact of $5.0 million, small appliances decreased $4.5 million. Excluding foreign exchange impacts, North American sales declined $20.2 million, which was tempered by gains in Europe and Latin America of $13.5 million and $2.2 million, respectively. The North American sales declines were due to our exit of low-margin promotions during the year ended September 30, 2014. The European and Latin American sales gains were attributable to promotions with existing retailers, coupled with innovative new product launches.

Personal care sales increased $10.4 million, or 1.9%, during the year ended September 30, 2014 compared to the previous year. Excluding the negative impact of foreign currency of $1.7 million, sales increased $12.1 million. The constant currency increase was attributable to European sales increases of $7.6 million and Latin America sales increases of $6.5 million, offset by a $2.1 million decline in North American sales. The gains in Europe were due to innovative new product launches, promotional activities and expansion into new channels. Latin America sales gains were attributable to volume expansion in Colombia, successful hair care accessories product launches throughout Central America, distribution gains in Brazil and increased promotional activities. The decrease in North America was due to the non-recurrence of promotions during the first quarter of the year ended September 30, 2013 and customer inventory management, offset by North American sales of innovative new products and successful promotions.

Hardware and home improvement sales increased $296.4 million, or 34.1%, during the year ended September 30, 2014 compared to the previous year. On a pro forma basis, as if the acquisition of the HHI Business had occurred at the beginning of the year ended September 30, 2013, hardware and home improvement sales increased approximately $104.8 million, or 9.8%, to $1,166.0 million for the year ended September 30, 2014 versus $1,061.2 million in the year ended September 30, 2013. This increase was attributable to the residential security category which accounted for $90.7 million of the increase due to strong retail positioning in North America coupled with the continued recovery of the U.S. housing market. The plumbing category increased $16.7 million while the hardware product category decreased $2.6 million. The plumbing product category increased due to growth in the U.S. from both retail and non-retail channels. Also contributing to the increase in sales was the TLM Business acquisition, as prior year results did not include the TLM Business until April 8, 2013.

Pet supply sales decreased $21.4 million, or 3.4%, during the year ended September 30, 2014 compared to the previous year, including a positive foreign currency exchange impact of $1.3 million. Excluding foreign exchange impacts, aquatic sales and companion animal sales decreased $18.6 million and $4.1 million, respectively. The decline in aquatic sales was driven by lower kit and equipment sales in North America and lower aquatic food sales internationally coupled with a one-time negative impact from product registration issues in Russia during the third and fourth quarters of the year ended September 30, 2014. The decline in companion animal sales was driven by adverse weather in North America, which negatively affected retail store traffic during the second quarter of the year ended September 30, 2014, and the non-recurrence of companion animal promotions that took place during the first quarter of the year ended September 30, 2013.

Home and garden sales increased $41.4 million, or 10.6%, during the year ended September 30, 2014 compared to the previous year. The increase in sales was attributable to increases in repellent product sales and lawn and garden control sales of $22.6 million and $20.2 million, respectively. The repellent product sales increase was driven by market share gains, the extended selling season due to favorable weather and a $12.6 million increase due to the Liquid Fence acquisition. The increase in lawn and garden control sales was primarily driven by distribution gains at key retailers and the extended selling season discussed above. These gains were partially offset by a slight decline in household insect control sales of $1.5 million.

Gross Profit. Gross profit and gross profit margin for the year ended September 30, 2014 was $1,568.9 million and 35.4%, respectively, compared to $1,390.3 million and 34.0%, respectively, for the year ended September 30, 2013. The increase in gross profit and improvement in gross profit margin was primarily attributable to an increase in sales, particularly the shift towards higher margin sales, and continuing cost improvements. In addition, the increase in gross profit margin was driven by the non-recurrence of a $30.5 million increase to cost of goods sold due to the sale of inventory that was revalued in connection with the acquisition of the HHI Business during the year ended September 30, 2013.

Operating Expenses. Operating expenses for the year ended September 30, 2014 were $1,084.4 million compared to $1,037.4 million for the year ended September 30, 2013. The $47.0 million increase in operating expenses during the year ended September 30, 2014 is primarily attributable to an increase of $75.5 million in selling and general and administrative expenses as a result of increased sales partially offset by a $28.3 million decrease in acquisition and integration related charges as a result of the HHI Business acquisition during the year ended September 30, 2013. Acquisition and integration related charges include, but are not limited to, transaction costs such as banking, legal and accounting professional fees directly related to acquisitions, termination and related costs for transitional and certain other employees, integration related professional fees and other post business combination related expenses associated with our acquisitions. See Note 3, Acquisitions in the Notes to the Consolidated Financial Statements included in this elsewhere in this prospectus for additional information regarding our acquisition and integration charges.

Restructuring and Related Charges. See Note 4, Restructuring and Related Charges, of Notes to Consolidated Financial Statements included elsewhere in this prospectus for information regarding our restructuring and related charges.

Interest Expense. Interest expense for the year ended September 30, 2014 was $202.1 million compared to $369.5 million for the year ended September 30, 2013. The decrease in interest expense of $167.4 million is primarily due to a non-recurrence of $122.2 million of costs related to extinguishment of our 9.5% senior unsecured notes in the year ended September 30, 2013 coupled with ongoing interest cost savings of $56.1 million from the refinancing of those notes, non-recurrence of expenses of $28.8 million related to financing for the HHI Business acquisition in the year ended September 30, 2013. These savings are partially offset by $11.3 million in costs related to the refinancing of our then-existing senior term loan facility in the year ended September 30, 2014, consisting of the write off of unamortized deferred financing fees and original issue discount, and the inclusion of a full year of interest related to the HHI Business acquisition financing during the year ended September 30, 2014. See Note 9, Debt, of Notes to the Consolidated Financial Statements included in this prospectus.

Income Taxes. During the year ended September 30, 2014, we recorded income tax expense of $59.0 million on pre-tax income from continuing operations of $276.1 million, compared to income tax expense of $27.4 million on pre-tax loss from continuing operations of $20.1 million for the year ended September 30, 2013. Our effective tax rate was 21.3% for the year ended September 30, 2014 compared to (136.3)% for the year ended September 30, 2013. During the year ended September 30, 2014, our effective tax rate differs from the U.S. federal statutory rate of 35% primarily due to (i) income earned outside the U.S. that is subject to statutory rates lower than 35%; (ii) the release of valuation allowance on U.S. net operating loss deferred tax assets offsetting tax expense on both U.S. pretax income and foreign income not permanently reinvested; and (iii) deferred income tax expense related to the change in book versus tax basis of indefinite-lived intangibles, which are amortized for tax purposes but not for book purposes. During the year ended September 30, 2013, our effective tax rate differed from the U.S. federal statutory rate of 35% principally due to: (i) losses in the U.S. and certain foreign jurisdictions for which no tax benefit can be recognized due to full valuation allowances that have been provided on our net operating loss carryforward tax benefits and other deferred tax assets; (ii) deferred income tax expense related to the change in book versus tax basis of indefinite lived intangibles, which are amortized for tax purposes but not for book purposes and (iii) the reversal of U.S. valuation allowances of $49.8 million on deferred tax assets as a result of the acquisition of the HHI Business. Additionally, in the year ended September 30, 2013, the consolidated pretax income was close to break even, resulting in a higher effective tax rate. See Note 13, Income Taxes of Notes to the Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding income taxes.

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Segment Financial Data

The Company manages its business in five vertically integrated, product-focused reporting segments: (i) Global Batteries & Appliances, (ii) Global Pet Supplies, (iii) Home and Garden, (iv) Hardware & Home Improvement and (v) Global Auto Care. See Note 18, Segment Information of Notes to the Consolidated Financial Statements, included elsewhere in this prospectus for more information pertaining to segments

Segment profit does not include corporate expenses, acquisition and integration related charges, restructuring and related charges, impairment charges, interest expense, income tax expense, and other non-operating expenses. Corporate expenses primarily include general and administrative expenses and the costs of stock compensation plans which are evaluated on a consolidated basis and not allocated to the segments.

EBITDA and Adjusted EBITDA. The Company defines EBITDA as net income (loss) before interest expense, income tax expense (benefit), and depreciation and amortization expense. The Company defines Adjusted EBITDA as EBITDA, excluding share based compensation, acquisition and integration related charges, restructuring and related charges, purchase accounting fair value adjustments, and other items that are unusual in nature or not comparable from period to period.

Adjusted EBITDA is a metric used by management and frequently used by the financial community which provides insight into an organization s operating trends and facilitates comparisons between peer companies, since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company s ability to service debt and is one of the measures used for determining our debt covenant compliance.

While we believe that EBITDA and Adjusted EBITDA is useful supplemental information, such adjusted results are not intended to replace our financial results in accordance with Accounting Principles Generally Accepted in the United States (GAAP) and should be read in conjunction with those GAAP results.

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Below is a reconciliation of net income (loss) to EBITDA and Adjusted EBITDA for each segment and the consolidated SB/RH Holdings, LLC group for the years ended September 30, 2015, 2014 and 2013:

SB/RH HOLDINGS, LLC (in millions)	Global Batteries & Appliances	Hardware & Home Improvement	Global Pet Supplies	Home and Garden	Global Auto Care	Corporate / Unallocated Items	Consolidated
For the year ended September 30, 2015							
Net income (loss), as adjusted	$ 219.6	$ 166.5	$ 60.0	$ 108.3	$ 18.2	$ (416.8)	$ 155.8
Income tax expense(1)						43.9	43.9
Interest expense(1)						271.9	271.9
Depreciation and amortization	71.0	39.4	39.7	13.3	6.6		170.0
EBITDA	290.6	205.9	99.7	121.6	24.8	(101.0)	641.6
Share based compensation						41.8	41.8
Acquisition and integration related charges	4.6	9.1	13.7	2.3	3.8	25.3	58.8
Restructuring and related charges	9.2	9.7	8.9	0.6		0.3	28.7
Purchase accounting fair value adjustment		0.8	2.2		18.7		21.7
Venezuela devaluation	2.5						2.5
Other(2)						6.1	6.1
Adjusted EBITDA	$ 306.9	$ 225.5	$ 124.5	$ 124.5	$ 47.3	$ (27.5)	$ 801.2
For the Year Ended September 30, 2014							
Net income (loss), as adjusted	$ 234.6	$ 157.2	$ 78.7	$ 88.1	$	$ (341.5)	$ 217.1
Income tax expense(1)						59.0	59.0
Interest expense(1)						202.1	202.1
Depreciation and amortization	73.1	40.4	31.5	12.6			157.6
EBITDA	307.7	197.6	110.2	100.7		(80.4)	635.8
Share based compensation						44.9	44.9
Acquisition and integration related charges	7.8	4.4		1.1		6.8	20.1
Restructuring and related charges	11.1	8.3	3.0			0.5	22.9
Other(3)						1.3	1.3
Adjusted EBITDA	$ 326.6	$ 210.3	$ 113.2	$ 101.8	$	$ (26.9)	$ 725.0
For the Year Ended September 30, 2013							
Net income (loss), as adjusted	$ 213.6	$ 75.4	$ 77.0	$ 77.7	$	$ (491.2)	$ (47.5)
Income tax expense(1)						27.4	27.4
Interest expense(1)						369.5	369.5
Depreciation and amortization	67.3	31.3	29.6	11.7			139.9

EBITDA	280.9	106.7	106.6	89.4		(94.3)	489.3
Share based compensation						43.1	43.1
Acquisition and integration related charges	6.1	7.4	2.2	0.1		32.6	48.4
Restructuring and related charges	14.8	6.2	11.2	0.6		1.2	34.0
Pre-acquisition earnings of HHI[(4)]		30.3					30.3
Purchase accounting fair value adjustment		31.5					31.5
Venezuela devaluation	1.9						1.9
Adjusted EBITDA	$ 303.7	$ 182.1	$ 120.0	$ 90.1	$	$ (17.4)	$ 678.5

(1) The Company s policy is to record income tax expense and interest expense on a consolidated basis. Accordingly, such amounts are not reflected in the operating results of the operating segments and are presented within Corporate/Unallocated Items.

(2) For the year ended September 30, 2015, other includes costs associated with onboarding for a key executive coupled with costs associated with exiting another key executive.

(3) For the year ended September 30, 2014, other includes costs associated with onboarding for a key executive.

(4) For the year ended September 30, 2013, the pre-acquisition earnings of HHI do not include the TLM Taiwan business as stand-alone financial data is not available for the periods presented. The TLM Taiwan business is not deemed material to the Company s operating results.

Global Batteries & Appliances

	2015	**2014**	**2013**
Net Sales	$ 2,092.2	$ 2,230.7	$ 2,203.6
Segment Profit	$ 240.8	$ 256.5	$ 237.5
Segment Profit as a % of net sales	11.5%	11.5%	10.8%
Adjusted EBITDA	$ 306.9	$ 326.6	$ 303.7

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Refer to Consolidated Results of Operations section for discussion on changes in net sales.

Segment profit for the year ended September 30, 2015 decreased $15.7 million from $256.5 million for the year ended September 30, 2014 to $240.8 million for the year ended September 30, 2015. Segment profit as a percentage of sales remained consistent for both years at 11.5%. The decrease in segment profit is attributable to the decreased sales as previously discussed, which was partially offset by cost improvements and favorable product mix. Adjusted EBITDA for the year ended September 30, 2015 decreased $19.7 million to $306.9 million from $326.6 million for the year ended September 30, 2014. The decrease was attributable to the factors discussed above.

Segment profit for the year ended September 30, 2014 increased to $256.5 million from $237.5 million for the year ended September 30, 2013. Segment profit as a percentage of net sales increased slightly to 11.5% for the year ended September 30, 2014 versus 10.8% for the year ended September 30, 2013. The increase was primarily attributable to increased sales as previously discussed and cost improvements, which were partially offset by unfavorable product mix and pricing pressures in the U.S. and Europe. Adjusted EBITDA for the year ended September 30, 2014 increased to $326.6 million from $303.7 million for the year ended September 30, 2013. The increase was driven by the factors discussed above.

Hardware & Home Improvement

	2015	2014	2013
Net Sales	$ 1,205.5	$ 1,166.0	$ 869.6
Segment Profit	$ 185.2	$ 172.2	$ 88.7
Segment Profit as a % of net sales	15.4%	14.8%	10.2%
Adjusted EBITDA	$ 225.5	$ 210.3	$ 182.1

Refer to Consolidated Results of Operations section for discussion on changes in net sales.

Segment profit increased $13.0 million from $172.2 million for the year ended September 30, 2014 to $185.2 for the year ended September 30, 2015. Segment profit as a percentage of net sales of 15.4% for the year ended September 30, 2015, was up from 14.8% for the year ended September 30, 2014. The increase in segment profit was primarily driven by the increase in sales volumes discussed above along with cost improvements and inclusion of Tell acquired during the year ended September 30, 2015. The cost improvements were responsible for the increase in segment profit as a percentage of net sales. Adjusted EBITDA was $225.5 million for the year ended September 30, 2015, increase of $15.2 million compared to $210.3 million for the year ended September 30, 2014. The increase in Adjusted EBITDA was attributable to the factors discussed above.

Segment profit increased $83.5 million to $172.2 million for the year ended September 30, 2014 compared to $88.7 million for the year ended September 30, 2013. Segment profit as a percentage of net sales was 14.8% for the year ended September 30, 2014 and 10.2% for the year ended September 30, 2013. Results of the HHI Business relate to operations subsequent to the acquisition of the HHI Business (on December 17, 2012) during the fiscal year ended September 30, 2013. A portion of the HHI Business, consisting of the TLM Business, is included in the results of the Hardware and Home Improvement segment subsequent to its acquisition on April 8, 2013. The increase was primarily driven by the inclusion of the HHI Business for an entire fiscal year for the year ended September 30, 2014 compared to a partial year due to the acquisition of the segment during the year ended September 30, 2013. Furthermore, the increase was driven by cost improvements, coupled with the non-recurrence of a $31.5 million cost of goods sold charge during the year ended September 30, 2013 associated with the sale of acquired inventory adjusted to fair value on the date of acquisition. Adjusted EBITDA was $210.3 million for the year ended September 30, 2014 compared to

$182.1 million for the year ended September 30, 2013. The increase in Adjusted EBITDA was driven by the increased sales, cost improvements and other factors discussed above.

Global Pet Supplies

	2015	2014	2013
Net Sales	$ 758.2	$ 600.5	$ 621.9
Segment Profit	$ 83.9	$ 82.4	$ 91.1
Segment Profit as a % of net sales	11.1%	13.7%	14.6%
Adjusted EBITDA	$ 124.5	$ 113.2	$ 120.0

Refer to Consolidated Results of Operations section for discussion on changes in net sales.

Segment profit for the year ended September 30, 2015 was $83.9 million, an increase of $1.5 million from $82.4 million for the year ended September 30, 2014. Segment profit as a percentage of net sales decreased from 13.7% for the year ended September 30, 2014 to 11.1% for the year ended September 30, 2015. The decrease in segment profit as a percentage of net sales is attributable to increased product costs due to product mix compared to the prior year. Partially offsetting the decrease in segment profit was sales from the Salix and European IAMS and Eukanuba acquisitions. Adjusted EBITDA increased $11.3 million from $113.2 million to $124.5 million. The increase in Adjusted EBITDA is attributable to the factors discussed above and the inclusion of the Salix and European IAMS and Eukanuba acquisitions during the year ended September 30, 2015.

Segment profit decreased $8.7 million to $82.4 million for the year ended September 30, 2014 compared to $91.1 million for the year ended September 30, 2013. Segment profit as a percentage of net sales for the year ended September 30, 2014 decreased to 13.7%, compared to 14.6% for the year ended September 30, 2013. The decrease in segment profit and segment profitability as a percentage of sales was primarily driven by unfavorable product mix during the year ended September 30, 2014 as compared to year ended September 30, 2013, which was partially offset by cost improvements in manufacturing and sourcing. Also contributing to the decrease in segment profit was the decrease in sales previously discussed. Adjusted EBITDA for the year ended September 30, 2014 decreased $6.8 million to $113.2 million from $120.0 million for the year ended September 30, 2013. The decrease was driven by the unfavorable product mix discussed above.

Home and Garden Business

	2015	2014	2013
Net Sales	$ 474.0	$ 431.9	$ 390.5
Segment Profit	$ 111.2	$ 89.3	$ 78.5
Segment Profit as a % of net sales	23.5%	20.7%	20.1%
Adjusted EBITDA	$ 124.5	$ 101.8	$ 90.1

Refer to Consolidated Results of Operations section for discussion on changes in net sales.

Segment profit for the year ended September 30, 2015 increased $21.9 million to $111.2 million compared to $89.3 million for the year ended September 30, 2014. Segment profit as a percentage of net sales also increased to 23.5% for the year ended September 30, 2015 compared to 20.7% for the year ended September 30, 2014. Increases in segment profit and segment profit as a percentage of net sales were driven by cost improvements compared to the prior year. Also contributing to the increase in segment profit was the increase in sales previously discussed. Adjusted EBITDA was $124.5 million for the year ended September 30, 2015, increase of $22.7 million from $101.8 million for the year ended September 30, 2014. The increase in Adjusted EBITDA is attributable to the increased sales and cost improvements discussed above.

Segment profit for the year ended September 30, 2014 increased $10.8 million to $89.3 million from $78.5 million for the year ended September 30, 2013. Segment profit as a percentage of net sales for the year ended September 30, 2014 increased to 20.7% from 20.1%. Increases in segment profit and segment profit as a percentage of net sales were driven by the acquisition of Liquid Fence during the year ended September 30,

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2014. Also contributing to the increase in segment profit was the increase in sales previously discussed. Adjusted EBITDA increased $11.7 million to $101.8 million for the year ended September 30, 2014 compared to segment Adjusted EBITDA of $90.1 million for the year ended September 30, 2013. The increases are driven by the increase in net sales coupled with cost and operating expense improvements.

Global Auto Care

	2015
Net Sales	$ 160.5
Segment Profit	$ 21.8
Segment Profit as a % of net sales	13.6%
Adjusted EBITDA	$ 47.3

Results of the AAG business, reported as a separate business segment, Global Auto Care, relate to operations subsequent to the acquisition date of May 21, 2015.

Liquidity and Capital Resources

The following is a summary of the Company s cash flows for the years ended September 30, 2015, 2014 and 2013:

	SB/RH Holdings, LLC		
(in millions)	**2015**	**2014**	**2013**
Net cash provided by operating activities	$ 441.8	$ 434.7	$ 258.2
Net cash used by investing activities	$ (1,279.7)	$ (93.5)	$ (1,476.7)
Net cash provided (used) by financing activities	$ 922.6	$ (338.2)	$ 1,263.4
Effect of exchange rate changes on cash and cash equivalents	$ (29.7)	$ (8.3)	$ (4.5)

Net cash provided by operating activities

The $7.1 million increase in cash provided by operating activities for the year ended September 30, 2015 was primarily due to: (i) cash generated from higher Adjusted EBITDA of $76.2 million; (ii) decrease in cash paid for taxes of $26.3 million; and (iii) decrease in cash paid for restructuring and related charges of $8.1 million; which was partially offset by (i) increased cash paid for acquisition and integration costs of $9.8 million from increased acquisition activity; (ii) increased cash paid for interest of $71.6 million due to charges associated with financing the AAG acquisition and increased debt; and (iii) $22.1 million of incremental use of cash from working capital driven by higher inventory and other working capital items partially offset by lower accounts receivable and higher accounts payable and other working capital accruals.

The $176.5 million increase in cash provided by operating activities for the year ended September 30, 2014 was primarily due to: (i) cash generated from higher Adjusted EBITDA of $79.3 million, excluding pre-acquisition earnings of the HHI Business; (ii) $67.5 million of additional generation of cash from working capital and other items driven by lower accounts receivable and inventory, partially offset by lower accounts payable and other working capital items; (iii) lower cash payments for interest of $46.4 million due to refinancing; and (iv) lower cash acquisition, integration and restructuring related costs of $14.0 million; which was partially offset by higher cash payments for income taxes of $30.7 million.

Net cash used by investing activities

The $1,186.2 million increase in cash used by investing activities during the year ended September 30, 2015 was primarily attributable to the cash used for acquisitions of $1,191.1 million during the year ended September 30, 2015, which related to the $898.4 million, net cash acquired, for the AAG acquisition; $147.8

million, net cash acquired, for the Salix acquisition; $115.7 million, net cash acquired, for the European IAMS and Eukanuba acquisition and $29.2 million, net cash acquired, for the Tell acquisition, compared to the $27.6 million, net cash acquired, used for the Liquid Fence acquisition during the year ended September 30, 2014.

The $1,383.2 million decrease in cash used by investing activities during the year ended September 30, 2014 was primarily driven by a decrease in cash used for acquisitions of $1,366.0 million, which related to the $1,351.0 million, net of cash acquired, for the HHI Business acquisition and the $42.6 million, net of cash acquired, for the Shaser acquisition during the year ended September 30, 2013, compared to the $27.6 million, net of cash acquired, used for the Liquid Fence acquisition during the year ended September 30, 2014.

Net cash provided (used) by financing activities

Net cash used by financing activities for the year ended September 30, 2015 consist of: (i) refinancing of the then-existing senior term facilities resulting in $2.036.5 million of proceeds for the issuance of the new Term Loans and $1,589.6 million payment on the then existing senior term facilities; (ii) $1,000.0 million proceeds from the issuance of the 5.75% Notes (iii) $540.0 million repayment of AAG debt assumed as part of the AAG acquisition (iv) $250.0 million proceeds from the issuance of the 6.125% Notes; (v) $300.0 million repayment of the 6.75% Notes; (vi) $363.6 million of amortizing payments on debt; (vii) payment of debt issuance costs of $37.8 million; (vi) $528.3 million of proceeds from the parent, SBH; and (vii) cash dividends paid to SBH of $72.1 million.

Net cash used by financing activities for the year ended September 30, 2014 consisted of: (i) proceeds related to the issuance of debt under our former senior term loans of $523.7 million; (ii) repayment of $764.9 million under the former senior credit facilities and $6.0 million of other debt; (iii) dividend payments to SBH of $77.0 million; (iv) payment of share-based tax withholdings of employees for vested stock awards of $24.9 million; and (v) payment of debt issuance costs of $5.4 million.

Net cash provided by financing activities for the year ended September 30, 2013 consisted of: (i) proceeds related to the issuance of debt under our former term facilities of $1,936.3 million, issuance of 6.625% Notes of $570.0 million, and issuance of 6.375% Notes of $520.0 million; (ii) extinguishment of 9.5% Notes of $950.0 million and repayment of former senior credit facilities of $571.1 million; (iii) payment of debt issuance costs of $60.9 million; (iv) dividend payment to SBH of $88.7 million; (v) payment of share-based tax withholdings of employees for vested stock awards of $20.1 million; (vi) proceeds from a $28.6 million contribution from parent and (ix) $11.9 million of proceeds from other financing activities.

Capital Expenditures

Capital expenditures for the Company totaled $89.1 million, $73.3 million and $82.0 million for the years ended September 30, 2015, 2014, and 2013, respectively. We expect to make investments in capital projects similar to historical levels, as well as incremental investments in high return cost reduction projects slightly above historical levels.

Depreciation and Amortization

Depreciation and amortization for the Company totaled $170.0 million, $157.6 million and $139.9 million for the years ended September 30, 2015, 2014, and 2013, respectively. The increase in depreciation and amortization for the year ended September 30, 2015 is due to the recognition of property, plant and equipment and definite lived intangible assets from the acquisitions of AAG, European IAMS and Eukanuba, Salix and Tell. The increase in depreciation and amortization for the year ended September 30, 2014 is due to the recognition of property, plant and equipment and definite lived intangible assets from the acquisition of Liquid Fence.

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Indebtedness

Refer to Note 9, Debt of Notes to Consolidated Financial Statements included elsewhere in this prospectus for additional information.

In addition to the outstanding principal on our debt obligations, we have annual interest payment obligations of $202.7 million in the aggregate. This includes interest under our: (i) 6.375% Notes of approximately $33.2 million; (ii) 6.625% Notes of approximately $37.8 million (iii) 6.125% Notes of approximately $15.3 million; (iv) 5.75% Notes of $57.5 million and (iv) Term Loans of $58.9 million. Interest on the 6.375% Notes, the 6.625% Notes, the 6.125% Notes and the 5.75% Notes is payable semi-annually in arrears and interest under the Term Loan and the Revolver Facility is payable on various interest payment dates as provided in the Senior Credit Agreement. We are required to pay certain fees in connection with our outstanding debt obligations including a quarterly commitment fee of up to 0.50% on the unused portion of the Revolver Facility and certain additional fees with respect to the letter of credit sub-facility under the Revolver Facility.

At September 30, 2015, we were in compliance with all covenants under the Senior Credit Agreement, the indenture governing both the 6.375% Notes and the 6.625% Notes, the indenture governing the 6.125% Notes, and the indenture governing the 5.75% Notes. See Risk Factors , for further a discussion of the risks associated with our ability to service all of our existing indebtedness, our ability to maintain compliance with financial and other covenants related to our indebtedness and the impact of other economic factors.

Credit Ratings

The Company s access to the capital markets and financing costs in those markets may depend on the credit ratings of the Company when it is accessing the capital markets. None of the Company s current borrowings are subject to default or acceleration as a result of a downgrading of credit ratings, although a downgrade of the Company s credit ratings could increase fees and interest charges on future borrowings.

Liquidity Outlook

The Company s ability to make principal and interest payment on borrowings under its U.S. and foreign credit facilities and its ability to fund planned capital expenditures will depend on its ability to generate cash in the future, which, to a certain extent, is subject to general economic, financial, competitive, regulatory and other conditions. Based on its current level of operations, the Company believes that its existing cash balances and expected cash flows from operations will be sufficient to meet its operating requirements for at least the next 12 months. However, the Company may request borrowings under its credit facilities and seek alternative forms of financing or additional investments to achieve its longer-term strategic plans.

At September 30, 2015, based on the Company s current tax strategy, there are no significant foreign cash balances available for repatriation. For the year ending September 30, 2016, we expect to generate between $75 million and $125 million of foreign cash that may be repatriated for general corporate purposes.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

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Contractual Obligations & Other Commercial Commitments

The following table summarizes our contractual obligations as of September 30, 2015 and the effect such obligations are expected to have on our liquidity and cash flow in future periods:

		Contractual Payments Due by Period			
(in millions)	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**Thereafter**
Debt, excluding capital lease obligations[1]	$ 3,889.6	$ 26.6	$ 30.8	$ 30.8	$ 3,801.4
Interest payments excluding capital lease obligations	1,530.9	203.8	403.5	401.2	522.4
Capital lease obligations[2]	119.7	11.1	20.2	17.1	71.3
Operating lease obligations	151.5	39.7	60.0	31.2	20.6
Employee benefit obligations[3]	111.9	9.3	19.6	22.1	60.9
Other purchase obligations	29.7	23.6	5.7	0.4	
Total Contractual Obligations[4]	$ 5,833.3	$ 314.1	$ 539.8	$ 502.8	$ 4,476.6

(1) See Note 9 Debt , included elsewhere in this prospectus.

(2) Capital lease payments due by fiscal year include executory costs and imputed interest not reflected in the Consolidated Statements of Financial Position included elsewhere in this prospectus.

(3) Employee benefit obligations represent the sum of our estimated future minimum required funding for our qualified defined benefit plans based on actuarially determined estimates and projected future benefit payments from our unfunded postretirement plans. For additional information about our employee benefit obligations, see Note 12, Employee Benefit Plans, of Notes to Consolidated Financial Statements, included elsewhere in this prospectus.

(4) At September 30, 2015, our Consolidated Statements of Financial Position includes reserves for uncertain tax positions. However, it is not possible to predict or estimate the timing of payments for these obligations. The Company cannot predict the ultimate outcome of income tax audits currently in progress for certain of our companies; however, it is reasonably possible that during the next 12 months, some portion of our unrecognized tax benefits could be recognized.

The following table summarizes our other commercial commitments as of September 30, 2015, consisting entirely of standby letters of credit that back the performance of certain of our entities under various credit facilities, insurance policies and lease arrangements:

		Contractual Payments Due by Period			
(in millions)	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**Thereafter**
Letters of credit	$ 32.7	$ 24.7	$ 8.0	$	$

Quantitative and Qualitative Disclosures About Market Risk

Market Risk Factors

We have market risk exposure from changes in interest rates, foreign currency exchange rates and commodity prices. We, when appropriate, use derivative financial instruments to mitigate the risk from such exposures. A discussion of our accounting policies for derivative financial instruments is included in Note 11, Derivatives, to our Consolidated Financial Statements included elsewhere in this prospectus.

Interest Rate Risk

A substantial portion of our debt bears interest at variable rates. If market interest rates increase, the interest rate on our variable rate debt will increase and will create higher debt service requirements, which would adversely affect our cash flow and could adversely impact our results of operations. We also have bank lines of credit at variable interest rates. The general levels of U.S., Canadian and European Union interest rates, LIBOR, CDOR and Euro LIBOR affect interest expense. We periodically use interest rate swaps to manage such risk. The net amounts to be paid or received under interest rate swap agreements are accrued as interest rates change, and are recognized over the life of the swap agreements as an adjustment to interest expense from the underlying debt to which the swap is designated. The related amounts payable to, or receivable from, the contract counterparties are included in accrued liabilities or accounts receivable.

At September 30, 2015 we had $1,549.0 million or 39% of our total debt subject to variable interest rates, the majority related to our term loan of $1,538.4 million, subject to a 0.75% floor. After inclusion of $300.0 million interest rate swaps fixing a portion of the variable rate debt, $1,249.0 million or 31% of our debt is subject to variable rates. Assuming an increase to market rates of 1% as of September 30, 2015, we would incur an increase to interest expense of $5.6 million.

At September 30, 2015, the potential change in fair value of our outstanding interest rate derivative instruments assuming a 1 percent decline in interest rates would be a loss of $0.6 million. The net impact on reported earnings, after also including the effect of the change on one year s underlying interest rate exposure on our variable rate Term Loan, would be a net loss of $0.6 million.

Foreign Exchange Risk

We are subject to risk from sales and loans to and from our subsidiaries as well as sales to, purchases from and bank lines of credit with, third-party customers, suppliers and creditors denominated in foreign currencies. Foreign currency sales and purchases are made primarily in Euro, Pounds Sterling, Mexican Pesos, Canadian Dollars, Australian Dollars and Brazilian Reals. We manage our foreign exchange exposure from such sales, accounts receivable, intercompany loans, firm purchase commitments, accounts payable and credit obligations through the use of naturally occurring offsetting positions (borrowing in local currency), forward foreign exchange contracts, foreign exchange rate swaps and foreign exchange options. The related amounts payable to, or receivable from, the contract counter-parties are included in accounts payable or accounts receivable.

At September 30, 2015, we had $350.0 million equivalent of debt denominated in foreign currencies. Other than our Euro-denominated term loan in the equivalent of $255.8 million recorded in a U.S. Dollar function entity, the remaining debt is recorded in countries with the same function currency as the debt. The foreign currency exposure from the Euro-denominated term loan is substantially offset by a Euro-denominated intercompany loan receivable recorded in a U.S. Dollar-function entity.

At September 30, 2015, the potential change in fair value of outstanding foreign exchange derivative instruments, assuming a 10% unfavorable change in the underlying exchange rates, would be a loss of $34.2 million. The net impact on reported earnings, after also including the effect of the change in the underlying foreign currency-denominated exposures, would be a net gain of $17.2 million.

Commodity Price Risk

We are exposed to fluctuations in market prices for purchases of zinc and brass used in our manufacturing processes. We use commodity swaps and calls to manage such risk. The maturity of, and the quantities covered by, these contracts are closely correlated to our anticipated commodity purchases. The cost of calls is amortized over the life of the contracts and recorded in cost of goods sold, along with the effects of the swap and call contracts. The related amounts payable to, or receivable from, the counter-parties are included in accounts payable or accounts receivable.

At September 30, 2015, the potential change in fair value of outstanding commodity price derivative instruments, assuming a 10% decline in the underlying commodity prices, would be a loss of $2.5 million. The net impact on reported earnings, after also including the reduction in cost of one year s purchases of the related commodities due to the same change in commodity prices, would be a gain of $0.6 million.

Critical Accounting Policies and Estimates

Our Consolidated Financial Statements have been prepared in accordance with GAAP and fairly present our financial position and results of operations. The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company bases its accounting estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, and evaluates its estimates on an ongoing basis. The following policies are considered by management to be the most critical to understanding the judgments that are involved in the preparation of our consolidated financial statements and the uncertainties that could impact our results of operations, financial position and cash flows. The application of these accounting policies requires judgment and use of assumptions as to future events and outcomes that are uncertain and, as a result, actual results could differ from these estimates. Refer to Note 2 Summary of Significant Accounting Policies of Notes to the Consolidated Financial Statements for all relevant accounting policies.

Goodwill, Intangible Assets and Other Long-Lived Assets

The Company s goodwill, intangible assets and tangible fixed assets are stated at historical cost, net of depreciation and amortization, less any provision for impairment. Intangible and tangible assets with determinable lives are amortized or depreciated on a straight line basis over estimated useful lives. Refer to Note 2 Significant Accounting Policies and Practices of Notes to Consolidated Financial Statements for more information about useful lives.

On an annual basis, or more frequently if triggering events occur, the Company compares the estimated fair value of its reporting units to the carrying value to determine if potential goodwill impairment exists; our reporting units are consistent with our segments (See Note 18, Segment Information for further discussion over operating and reporting segments). If the fair value of a reporting unit is less than its carrying value, an impairment loss, if any, is recorded for the difference between the implied fair value of the reporting unit goodwill and its carrying value. The estimated fair value represents the amount at which a reporting unit could be bought or sold in a current transaction between willing parties on an arms-length basis. In estimating the fair value of the reporting unit, we used a discounted cash flows methodology, which requires us to estimate future revenues, expenses, and capital expenditures and make assumptions about our weighted average cost of capital and perpetuity growth rate, among other variables. We test the aggregate estimated fair value of our reporting units by comparison to our total market capitalization, including both equity and debt capital. The fair value of Global Batteries & Appliances, Hardware and Home Improvement, Global Pet Supplies, and Home & Garden reporting units exceeded their carrying value by 54%, 38%, 29% and 66%, respectively.

As a result of the AAG acquisition in the third quarter of the year ended September 30, 2015, a new reporting unit and segment was established, Global Auto Care. Due to the recent closing of the acquisition and the measurement of net assets acquired to fair value, a qualitative assessment of the carrying value of goodwill was performed for this reporting unit. This included the evaluation of factors such as macroeconomic conditions, industry and market conditions, cost factors, overall financial performance and reporting unit factors, among others. Based on its qualitative assessment, management concluded that it is not more likely than not that the fair value of this reporting unit is less than its carrying amount, and a quantitative impairment test of the acquired goodwill for Global Auto Care was not deemed necessary.

In addition to goodwill, the Company has indefinite-lived intangible assets that consist of acquired tradenames. On an annual basis, or more frequently if triggering events occur, the Company compares the estimated fair value of the identified trade names to the carrying value to determine if potential impairment exists. If the fair value is less than its carrying value, an impairment loss is recorded for the excess. The fair value of indefinite-lived intangible assets is determined using an income approach, the relief from royalty methodology, which requires us to make estimates and assumptions about future revenues, royalty rates, and the discount rate, among others. The fair value of our tradenames exceeded the carrying values as of the date of our latest annual impairment testing resulting in no impairment of our indefinite lived intangible assets for the year ended September 30, 2015.

The Company also reviews other definite-lived intangible assets and tangible fixed assets for impairment when events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Circumstances such as the discontinuation of a product or product line, a sudden or consistent decline in the sales forecast for a product, changes in technology or in the way an asset is being used, a history of operating or cash flow losses or an adverse change in legal factors or in the business climate, among others, may trigger an impairment review. If such indicators are present, the Company performs undiscounted cash flow analyses to determine if impairment exists. The asset value would be deemed impaired if the undiscounted cash flows expected to be generated by the asset did not exceed the carrying value of the asset. If impairment is determined to exist, any related impairment loss is calculated based on fair value. There were no triggering events identified during the year that necessitated an impairment test over definite-lived assets.

A considerable amount of judgment and assumptions is required in performing the impairment tests, principally in determining the fair value of each reporting unit and assets subject to impairment testing. While the Company believes its judgments and assumptions are reasonable, different assumptions could change the estimated fair value and therefore, additional impairment changes could be required. The Company is subject to financial statement risk in the event that business or economic conditions unexpectedly decline and impairment is realized.

Pensions

The Company recognizes amounts on the consolidated financial statements related to defined benefit pension plans using a September 30 measurement date. The accounting for these plans requires us to recognize the overfunded and/or underfunded status of each pension plan (i.e. the estimated present value of future benefits, net of plan assets) on the consolidated statement of financial position. A substantial portion of our pension obligations are related to defined benefit pension plans in the U.S., a majority of which are frozen. The determination of the estimated present value of future benefits includes several important assumptions, particularly around discount rates, expected returns on plan assets, and retirement and mortality rates.

The Company s discount rate assumptions are based on the interest rate of high-quality corporate bonds, with appropriate consideration of our plans participants demographics and benefit payment terms. For the year ended September 30, 2015, we used discount rates ranging from 1.75% to 13.81%. We believe the discount rates used are reflective of the rates at which pension benefits could be effectively settled. If interest rates decline resulting in a lower discount rate, our pension liability, will increase along with the related pension expense and required funding contributions.

The Company s expected return on plan assets assumptions are based on our expectation of long-term average rates of return on assets in the pension funds, which reflect both the current and projected asset mix of the funds and consider the historical returns earned on the fund. If the actual rates of return are lower than we assume, our future pension expense and required funding contributions may increase. Actual returns above the assumed level could decrease future pension expense and lower the amount of required funding contributions. For the year ended September 30, 2015, we used an expected return on plan assets of 7.25%. If plan assets decline due to poor market performance, our pension liability will increase along with increasing pension expense and required funding contributions may increase.

The Company reviews its actuarial assumptions on an annual basis and makes modifications based on current rates and trends when appropriate. Based on the information provided by independent actuaries and other relevant sources, the Company believes that the assumptions used are reasonable; however, changes in these assumptions could impact our financial position, results of operations or cash flows in the future. See Note 12, Employee Benefit Plans, of Notes to Consolidated Financial Statements included elsewhere in this prospectus for further discussion of our employee benefit plans.

Acquisition Accounting

The fair value of the consideration we pay for each new acquisition is allocated to tangible assets and identifiable intangible assets, liabilities assumed, any non-controlling interest in the acquired entity and goodwill. The accounting for acquisitions involves a considerable amount of judgment and estimate, including the fair value of certain forms of consideration; fair value of acquired intangible assets involving projections of future revenues and cash flows that are then either discounted at an estimated discount rate or measured at an estimated royalty rate; fair value of other acquired assets and assumed liabilities, including potential contingencies; and the useful lives of the acquired assets. The assumptions used are determined at the time of the acquisition in accordance with accepted valuation models. Projections are developed using internal forecasts, available industry and market data and estimates of long-term rates of growth for our business. The impact of prior or future acquisitions on our financial position or results of operations may be materially impacted by the change in or initial selection of assumptions and estimates. Refer to Note 3, Acquisitions of Notes to Consolidated Financial Statements included elsewhere in this prospectus for further discussion of business combination accounting valuation methodology and assumptions. See Note 3, Acquisitions of Notes to the Consolidated Financial Statements included elsewhere in this prospectus for further discussion of our acquisition and valuation assumptions.

Restructuring and Related Charges

Restructuring charges include, but are not limited to, termination and related costs consisting primarily of one-time termination benefits such as severance costs and retention bonuses, and contract termination costs consisting primarily of lease termination costs. Related charges, as defined by us, include, but are not limited to, other costs directly associated with exit and relocation activities, including impairment of property and other assets, departmental costs of full-time incremental employees, and any other items related to the exit or relocation activities. Costs for such activities are estimated by us after evaluating detailed analyses of the costs to be incurred.

Liabilities from restructuring and related charges are recorded for estimated costs of facility closures, significant organizational adjustments and measures undertaken by us to exit certain activities. Costs for such activities are estimated by us after evaluating detailed analyses of the costs to be incurred. Such liabilities could include amounts for items such as severance costs and related benefits (including settlements of pension plans), impairment of property and equipment and other current or long term assets, lease termination payments and any other items directly related to the exit activities.

Restructuring and related charges associated with manufacturing and related initiatives are reported in cost of goods sold. Restructuring and related charges reflected in cost of goods sold include, but are not limited to, termination and related costs associated with manufacturing employees, asset impairments relating to manufacturing initiatives and other costs directly related to the restructuring initiatives implemented. Restructuring and related charges associated with administrative functions are reported in operating expenses, such as initiatives impacting sales, marketing, distribution or other non-manufacturing related functions. Restructuring and related charges reflected in operating expenses include, but are not limited to, termination and related costs, any asset impairments relating to the administrative functions and other costs directly related to the initiatives implemented.

While the actions are carried out as expeditiously as possible, restructuring and related charges are estimates. Changes in estimates resulting in an increase to or a reversal of a previously recorded liability may be required as we execute a restructuring plan. See Note 4, Restructuring and Related Charges of Notes to Consolidated Financial Statements included elsewhere in this prospectus for a more complete discussion of our restructuring initiatives and related costs.

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Income Taxes

The Company is subject to income taxes in the U.S. and numerous foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes and recording the related deferred tax assets and liabilities.

The Company assesses its income tax positions and records tax liabilities for all years subject to examination based upon management s evaluation of the facts and circumstances and information available for reporting. For those income tax positions where it is more-likely-than-not that a tax benefit will not be sustained upon conclusion of an examination, the Company has recorded a reserve based upon the largest amount of tax benefit having a cumulatively greater than 50% likelihood of being realized upon ultimate settlement with the applicable taxing authority assuming that it has full knowledge of all relevant information. For those income tax positions where it is more-likely-than-not that a tax benefit will be sustained, the Company did not recognize a reserve. As of September 30, 2015, the total amount of unrecognized tax benefits, including interest and penalties, that if not recognized, would affect the effective tax rate in future periods was $14.3 million. Our effective tax rate includes the impact of income tax reserves and changes to those reserves when considered appropriate. A number of years may elapse before a particular matter for which we have established a reserve is finally resolved. Unfavorable settlement of any particular issue may require the use of cash or a reduction in our net operating loss carryforwards. Favorable resolution would be recognized as a reduction to the effective rate in the year of resolution.

The Company recognizes deferred tax assets and liabilities for future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases, net operating losses, tax credit, and other carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company regularly reviews its deferred tax assets for recoverability and establishes a valuation allowance based on historical losses, projected future taxable income, expected timing of the reversals of existing temporary differences, and ongoing prudent and feasible tax planning strategies. We base these estimates on projections of future income, including tax planning strategies, in certain jurisdictions. Changes in industry conditions and other economic conditions may impact our ability to project future income. Should we determine that we would not be able to realize all or part of our net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period we make that determination.

As of September 30, 2015, we have U.S. federal net operating loss carryforwards (NOLs) of $894.5 million, with a federal tax benefit of $313.1 million and future tax benefits related to state NOLs of $68.7 million and capital loss carryforwards of $14.2 million with a federal and state tax benefit of $5.4 million. Our total valuation allowance for the tax benefit of deferred tax assets that may not be realized is $305.4 million at September 30, 2015. Of this amount, $268.7 million relates to U.S. net deferred tax assets and $36.7 million relates to foreign net deferred tax assets. For the year ended September 30, 2015, we generated domestic pretax profits of $9.8 million. Should we continue to generate domestic pretax profits in subsequent periods, there is a reasonable possibility that some or most of the domestic valuation allowance of $268.7 million could be released at some future date, which could result in a material tax benefit. We estimate that $118.6 million of valuation allowance related to domestic deferred tax assets cannot be released regardless of the amount of domestic operating income generated due to prior period ownership changes that limit the amount of NOLs we can use and legal limitations on the use of capital losses.

As of September 30, 2015, we have provided no residual US taxes on earnings not yet taxed in the U.S. Due to the valuation allowance recorded against U.S. net deferred tax assets, including NOLs, we do not recognize any incremental U.S. tax expense on the expected future repatriation of foreign earnings. Should the U.S. valuation allowance be released at some future date, the U.S. tax on future foreign earnings not considered to be permanently reinvested might have a material effect on our effective tax rate. As of September 30, 2015, we project $2.4 million of additional tax expense from non-U.S. withholding and other taxes expected to be incurred on repatriation of foreign earnings.

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See Note 13, Income Taxes of Notes to Consolidated Financial Statements elsewhere included in this prospectus.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition.* This ASU requires revenue recognition to depict the transfer of goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new revenue recognition model requires identifying the contract and performance obligations, determining the transaction price, allocating the transaction price to performance obligations and recognizing the revenue upon satisfaction of performance obligations. This ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments, and assets recognized from costs incurred to obtain or fulfill a contract. This ASU can be applied either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the updates recognized at the date of the initial application along with additional disclosures. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606) Deferral of the Effective Date*, which amends the previously issued ASU to provide for a one year deferral from the original effective date. As a result, the ASU will become effective for us beginning in the first quarter of our fiscal year ending September 30, 2019, with early application only being for us beginning in the first quarter of our fiscal year ending September 30, 2018. We are currently assessing the impact this pronouncement will have on the consolidated financial statements of the Company.

In August 2015, the FASB issued ASU 2015-16, *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments*. The amendments require that an acquirer (i) recognize measurement period adjustments to estimated amounts in the reporting period in which the adjustment amounts are determined; (ii) record, in the same period s financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the estimated amounts, calculated as if the accounting had been completed at the acquisition date; and (iii) present separately on the face of the income statement or disclose in the notes the portion of the amount recorded in current period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the estimated amounts had been recognized as of the acquisition date. The ASU will become effective for us beginning in the first quarter of our fiscal year ending September 30, 2017, with early adoption permitted. The amendments are applied to adjustments to provision amounts that occur after the effective date and the impact of the adoption of this guidance on the Company s consolidated financial statements will depend on the future business combination activity.

In July 2015, the FASB issued ASU 2015-11, *Inventory (Topic 330) Simplifying the Measurement of Inventory*, which changes the measurement principle for inventory from the lower of cost or market to lower of cost and net realizable value. Net realizable value is defined as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. This ASU eliminates the guidance that entities consider replacement cost or net realizable value less an approximately normal profit margin in the subsequent measurement of inventory when cost is determined on a first-in, first-out or average cost basis. The ASU will become effective for us beginning in the first quarter of our fiscal year ending September 30, 2018, with early adoption permitted. We are currently assessing the impact this pronouncement will have on the consolidated financial statements of the Company.

In April 2015, the FASB issued ASU No. 2015-03, *Interest Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs.* This ASU requires debt issuance costs related to a recognized debt liability to be presented on the balance sheet as a direct deduction from the debt liability, similar to the presentation of debt discounts. This ASU will become effective for us beginning in the first quarter of our

fiscal year ending September 30, 2017, with early adoption permitted. We are currently assessing the impact this pronouncement will have on the consolidated financial statements of the Company.

In April 2015, the FASB issued ASU No. 2015-05, *Intangibles Goodwill and Other Internal-Use Software (Subtopic 350-40) Customer s Accounting for Fees Paid in Cloud Computing Arrangements*, which provides for guidance on the accounting for fees paid in cloud computing arrangements. The ASU provides guidance to customers about whether the cloud computing arrangement includes a software license, which could be accounted for as a separate element of the arrangement similar to the acquisition of other software licenses. The absence of a software license would result in recognizing the arrangement as a service contract. This ASU will become effective for us beginning in the first quarter of our fiscal year ending September 30, 2017, with early adoption permitted. We are currently assessing the impact this pronouncement will have on the consolidated financial statements of the Company.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements Going Concern (Subtopic 205-40) Disclosure of Uncertainties about the Entity s Ability to Continue as a Going Concern,* which provides guidance on determining when and how reporting entities must disclose going-concern uncertainties in their financial statements. The new standard requires management to perform interim and annual assessments of an entity s ability to continue as a going concern for a period of one year from the date of issuance of the entity s financial statements. Further, an entity must provide certain disclosures if there is substantial doubt about the entity s ability to continue as a going concern. This ASU will become effective for us beginning in the first quarter of our fiscal year ending September 30, 2017. The adoption of this guidance is not expected to have a material impact on the Company s consolidated financial statements.

In April, 2014, the FASB issued ASU No. 2014-08, *Presentation of Financial Statements (Topic 2015) and Property, Plant and Equipment (Topic 360) Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*. This ASU changes the criteria for reporting discontinued operations where only disposals representing a strategic shift in operations should be presented as discontinued operations. Such strategic shifts should have a major effect on the organization s operating and financial results. This new guidance also expanded the disclosure requirements about discontinued operations. This ASU will become effective for us during our fiscal year ending September 30, 2016. The impact of the adoption of this guidance on the Company s consolidated financial statements will depend on the Company s future disposal activity.

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BUSINESS

General

We are a diversified global branded consumer products company. The Company manufactures, markets and/or distributes its products in approximately 160 countries in the North America, Europe, Middle East & Africa (MEA), Latin America and Asia-Pacific regions through a variety of trade channels, including retailers, wholesalers and distributors, original equipment manufacturers (OEMs), construction companies and hearing aid professionals. We enjoy strong name recognition in our regions under our various brands and patented technologies. Our diversified global branded consumer products have positions in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, home and garden and auto care. We manage the businesses in five vertically integrated, product-focused segments: (i) Global Batteries & Appliances, (ii) Global Pet Supplies, (iii) Home and Garden, (iv) Hardware & Home Improvement and (v) Global Auto Care. Global and geographic strategic initiatives and financial objectives are determined at the corporate level. Each segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives and has a general manager responsible for sales and marketing initiatives and the financial results for all product lines within that segment. See Note 18, Segment Information of Notes to the Consolidated Financial Statements, included elsewhere in this prospectus for more information pertaining to segments. The following table summarizes the respective product types, brands, and regions for each of the segments:

Segment	Products	Brands	Regions
Global Batteries & Appliances	*Consumer batteries:* Alkaline, zinc carbon, and NiMH rechargeable batteries; hearing aid and other specialty battery products; battery powered portable lighting products.	*Consumer batteries:* Rayovac, VARTA. *Small appliances:* Black & Decker, George Foreman, Russell Hobbs, Juiceman, Breadman, and Toastmaster. *Personal care:* Remington.	North America Europe/MEA Latin America Asia-Pacific
	Small appliances: small kitchen and home appliances. *Personal care:* electric shaving and grooming products, hair care appliances and accessories.		
Hardware & Home Improvement	*Hardware and home improvement:* Residential locksets and door hardware including hinges, security hardware, screen and storm door products, garage hardware, window hardware and floor protection; commercial doors, locks, and hardware; kitchen, bath and shower faucets and plumbing products.	*Hardware and home improvement:* Kwikset, Weiser, Baldwin, National Hardware, Stanley, Tell, Pfister.	North America Europe/MEA Latin America Asia-Pacific
Global Pet Supplies	*Pet supplies:* Dog, cat and small animal food and treats; clean-up and training aid products and accessories; pet health and grooming products; aquariums and aquatic health supplies.	*Pet Supplies:* 8-in-1, Dingo, Nature s Miracle, Wild Harvest, Littermaid, Tetra, Marineland, Whisper, Jungle, Instant Ocean, FURminator, IAMS, Eukanuba,	North America Europe/MEA Latin America Asia-Pacific

		Healthy-Hide, Digest-eeze.	
Home and Garden	*Home and garden:* Household insecticides; insect and animal repellent products; insect and weed control solutions.	*Home and garden:* Cutter, Repel, Spectracide, Garden Safe, Liquid Fence, Hot Shot, Black Flag.	North America Latin America
Global Auto Care[(1)]	*Auto care:* Aftermarket appearance products; performance chemicals & additives; do-it-yourself air conditioner recharge products.	*Auto care:* Armor All, STP, A/C PRO.	North America Europe/MEA Latin America Asia-Pacific

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(1) On May 21, 2015, the Company acquired Armored AutoGroup Parent Inc. (AAG). For more information pertaining to the AAG acquisition, see Note 3, Acquisitions in the Notes to the Consolidated Financial Statements included elsewhere in this prospectus.

Our operating performance is influenced by a number of factors including: general economic conditions; foreign exchange fluctuations; trends in consumer markets; consumer confidence and preferences; our overall product line mix, including pricing and gross margin, which vary by product line and geographic market; pricing of certain raw materials and commodities; energy and fuel prices; and our general competitive position, especially as impacted by our competitors advertising and promotional activities and pricing strategies.

Our Products

Net sales of each product category sold, as a percentage of net sales of our consolidated operations for the years ended September 30, 2015, 2014 and 2013, are as follows.

	2015	2014	2013
Hardware and home improvement products	26%	26%	21%
Consumer batteries	18%	22%	23%
Small appliances	16%	16%	18%
Pet supplies	16%	14%	15%
Personal care products	11%	12%	13%
Home and garden products	10%	10%	10%
Auto care products	3%	%	%
	100%	100%	100%

Hardware and Home Improvement Products

In the hardware and home improvement product category we market and sell a broad range of residential locksets and door hardware, including knobs, levers, deadbolts, handlesets and electronics. We offer our security hardware under three main brands, Kwikset, Weiser and Baldwin. On a global basis we are one of the largest producers of tubular residential locksets. Kwikset includes opening to mid-price point residential door hardware sold primarily in the U.S. retail and wholesale channels. Products are offered under the three brands Safe Lock, Kwikset and Kwikset Signature Series. Weiser offers opening to mid-price point residential door hardware sold primarily in the Canadian retail and wholesale channels. Baldwin offers high price point luxury hardware sold globally through the showroom and lumber yard channels.

As a demonstration of our design and engineering team s ability to innovate, our patented SmartKey technology enables consumers to easily rekey their locks without hiring a locksmith. SmartKey is sold across all channels of distribution and provides opportunities for further growth. Market share gains stemming from our SmartKey products further augment our overall market share in the residential lockset space. Also in security, we are capitalizing on the emerging trend in home automation and have developed further innovation in electronics where we utilize open-platform electronics to build scalable partnerships with technology and access control industry leaders.

Our Kwikset brand has launched the Kevo Bluetooth enabled deadbolt. The Kevo Bluetooth deadbolt turns a smart phone into a key and allows authorized users to open their Kwikset deadbolt by simply touching the lock. Owners of Kevo can also send digital EKeys and monitor the use of their lock by downloading the Kevo app for Apple iPhone and Google Android phone users.

We also offer other hardware products that include hinges, security hardware, screen and storm door products, garage door hardware, window hardware and floor protection under the Stanley and National Hardware brand names throughout the U.S. and Canada. Although the product line is largely harmonized between the brands, the dual branding approach has been utilized to protect legacy business with key customers and avoid channel conflict.

On October 1, 2014, the Company acquired privately owned Tell Manufacturing, Inc. (Tell), a leading U.S. manufacturer and distributor of commercial doors, locks and hardware. Tell provides the Hardware and Home Improvement segment with an established commercial security sales position through a high-quality and well recognized brand and a platform to expand our patented SmartKey and Kevo residential lock technologies into growing commercial channels. Tell also adds doors and hollow metal door manufacturing capabilities, a strategically important adjacent category.

Furthermore, we provide kitchen, bath and shower faucets as well as other plumbing products through our Pfister brand. Pfister is recognized for bringing showroom styles to the mass market at affordable prices and offers a lifetime warranty on all of its products. We have combined robust customer collaboration with consumer driven research to drive innovative products that are well-received by the market. With its affordable, quick-to-market and custom designed solutions, Pfister has an established capability to effectively service hospitality and international markets. Pfister seeks to differentiate itself from competition through its breadth of styles and finishes designed to meet consumer, plumber and builder needs.

Consumer Batteries

We market and sell a full line of alkaline batteries to both retail and industrial customers. Our alkaline batteries are marketed and sold primarily under the Rayovac and VARTA brands. We also manufacture alkaline batteries for third parties who sell the batteries under their own private labels. Our zinc carbon batteries are also marketed and sold primarily under the Rayovac and VARTA brands and are designed for low and medium drain battery powered devices. We also sell Nickel Metal Hydride (NiMH) rechargeable batteries and a variety of battery chargers under the Rayovac and VARTA brands. Recently, Rayovac introduced its highest performing alkaline battery, FUSION. Rayovac s FUSION features a slim seal technology and optimized chemistry.

We believe that we are currently the largest worldwide marketer and distributor of hearing aid batteries. We sell our hearing aid batteries through retail trade channels and directly to professional audiologists under several brand names and private labels, including Beltone, Miracle Ear and Starkey. Our other specialty battery products include camera batteries, lithium batteries, silver oxide batteries, keyless entry batteries and coin cells for use in watches, cameras, calculators, communications equipment, medical instruments and on the go chargers.

We also offer a broad line of battery-powered, portable lighting products, including flashlights and lanterns for both retail and industrial markets. We sell our portable lighting products under the Rayovac and VARTA brand names, under other proprietary brand names and pursuant to licensing arrangements with third parties. Recently, Rayovac introduced an outdoor portable charging line including the Rescuer™, the Adventurer™ and the rechargeable Power Pack duo, consisting of the DayTripper™ and Weekender™ Power Packs. The featured portable chargers were designed for the outdoor enthusiast. Rayovac s flagship chargers were named International CES Innovations 2014 Design and Engineering Award Honorees.

Small Appliances

We market and sell a broad range of products in the branded small household appliances category under the George Foreman, Black & Decker, Russell Hobbs, Juiceman and Breadman brands, including grills, bread makers, sandwich makers, kettles, toaster ovens, toasters, blenders, juicers, can openers, coffee grinders, coffeemakers, electric knives, deep fryers, food choppers, food processors, hand mixers, rice cookers and steamers. We also market small home product appliances, including hand-held irons, vacuum cleaners, air purifiers, clothes shavers and heaters, primarily under the Black & Decker and Russell Hobbs brands.

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The Black and Decker brand debuted a new look in 2014 and continues to release new lines of products to meet customer needs. These items include FusionBlade Technology blenders, a variety of coffee makers, choppers and a new category for the brand, slow cookers. Black and Decker also premiered its 5 Minute Pizza Oven and Snack Maker, which cooks frozen or fresh pizzas, frozen snacks, baked goods and more. Additionally, the George Foreman brand continues to introduce new grilling systems, including its Evolve Grill System that comes with advanced ceramic and accessory plates such as baking dishes and muffin pans, the Camp & Tailgate Propane Grill, the Dual Surface Friddle + Grill, and the Grill & Broil which broils and top melts. The George Foreman iConnect Platform, a platform of smart device connected products, has also been introduced.

Pet Supplies

In the pet supplies product category we market and sell a variety of leading branded pet supplies for fish, dogs, cats, birds and other small domestic animals. We have a broad line of consumer and commercial aquatics products, including integrated aquarium kits, stand-alone tanks and stands, filtration systems, heaters, pumps, and other equipment, fish food and water treatment products. Our largest aquatics brands are Tetra, Marineland, Whisper, Jungle and Instant Ocean. We also sell a variety of specialty pet products, including dog and cat treats, small animal food and treats, clean up and training aid products, health and grooming aids, bedding products, and consumable accessories including privacy tents, litter carpets, crystal litter cartridges, charcoal filters, corn-based litter and replaceable waste receptacles. Our largest specialty pet brands include FURminator, 8-in-1, Dingo, Nature s Miracle, Wild Harvest and Littermaid.

On December 31, 2014, we completed the acquisition of Procter & Gamble s European pet food business, consisting of the complementary IAMS and Eukanuba premium brands for dogs and cats, which are in an adjacent category to our global pet business. The acquired business provides access to the growing European dog and cat food market. Eukanuba, a premium brand in the pet specialty channel, is a popular brand with breeders and veterinarians in Europe. IAMS, a premium brand with broad consumer appeal, has a leadership share of the premium dry dog food market in the United Kingdom primarily through the food and mass merchandiser channel with opportunities to grow further across Europe. IAMS is positioned for consumers who treat their pets as family members and view the food they feed their pets as a way to make them happy.

On January 16, 2015, we acquired privately owned Salix Animal Health, a vertically integrated producer and distributor of premium, natural rawhide dog chews, treats and snacks, offering a comprehensive line of chews made from beef hides, pork, chicken, beef and other various proteins. Branded and private label products are sold to mass merchandisers, grocery stores, pet specialty stores and warehouse clubs. Its two flagship brands are Healthy-Hide that is marketed across the Good n Fun, Good n Fit, and Good n Tasty family of brands, and Digest-eeze. With a flexible supply chain, including multiple manufacturing plants in Ecuador, Mexico and two in Colombia, Salix will provide the Pet Supplies segment with increased optionality for a low-cost global rawhide production and supply; and expand our strong Dingo dog treats business with complementary product offerings.

Personal Care Products

Our personal care products, marketed and sold under the Remington brand name, include hand-held dryers, curling irons, straightening irons, brush irons, hair setters, facial brushes, skin appliances, electric toothbrushes and hair accessories.

We market and sell a broad line of electric shaving and grooming products under the Remington brand name, including men s rotary and foil shavers, beard and mustache trimmers, body, nose and ear trimmers, women s shavers, haircut kits and intense pulsed light hair removal systems. Recently, we introduced the Remington SmartEdge Foil

Shaver. This shaving system combines the closeness of a foil and mobility of a rotary to create ActiveHybrid technology. Additionally, our Remington brand introduced other new personal care products such as the HyperFlex rotary shaver, Vacuum Beard and Grooming kit and Virtually Indestructible Hair Clipper.

Home and Garden Products

In the home, lawn and garden products category, we currently sell and market a variety of leading insect and weed control products, including household insecticides, insect repellents, and lawn insect and weed control solutions. We offer a broad array of household pest control solutions such as spider and scorpion killers; roach and ant killers; flying insect killers; insect foggers; wasp and hornet killers; bedbug, flea and tick control products; and roach and ant baits. We also offer powerful rodent traps and rodenticides with discreet designs that are easy to refill and reuse. Our largest brands in the household insect control and rodenticide category are Hot Shot and Black Flag. Recently we introduced our novel, award-winning Black Flag Refillable Rat Bait Station, a reusable rodenticide product that is easy to refill.

This segment also manufactures and markets a complete line of insect repellent products that provide protection from various outdoor nuisance pests, especially mosquitoes. These products include both personal repellents available in a variety of formulas (such as aerosols, lotions, pump sprays and wipes) to match consumers dynamic needs, as well as area repellents (such as yard sprays, citronella candles and patio lanterns) that let consumers enjoy the outdoors without bothersome pests. Our brands in the insect repellents category are Cutter and Repel. We have recently increased our pest repellent offerings with the Cutter Backwoods Dry Insect Repellent aerosol and the Repel Tick Defense aerosol.

In addition to providing pest solutions, our line of outdoor insect and weed control solutions allows consumers to conquer bugs and weeds, and tackle their biggest lawn and landscaping projects themselves. From selective and non-selective herbicides to pest-specific solutions, our outdoor products are available in easy-to-use formulations (such as aerosols, granules, ready-to-use or hose-end ready-to-sprays) designed to fulfill a variety of consumer needs. Our outdoor insecticide and herbicide brands include Spectracide, Garden Safe and Liquid Fence. Continuing our pursuit of innovation, we started offering the Mulch-Lock Ready-to-Use and Mulch-Lock Concentrate, which are versatile landscaping tools that can be used to eliminate frequent groundcover maintenance and help customers save time, effort and money. The Spectracide brand recently introduced the AccuShot Sprayer, which was recognized recently with a Gold Innovation Award from Home Improvement Executive magazine. The AccuShot Sprayer is a handheld applicator that allows for continuous spraying and precise application of product. It features a comfortable, ergonomic grip, and an extendable wand that makes it easier to target only the pests and weeds you want to kill. In addition, it features a one-touch continuous spray that requires no repetitive squeezing, pumping or pulling. Another key benefit for consumers is the fact that the AccuShot Sprayer is reusable with exclusive refill products available for purchase.

Auto Care Products

On May 21, 2015, we completed the acquisition of AAG, a consumer products company consisting primarily of Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively; and the A/C Pro Brand of do-it-yourself automotive air conditioner recharge products.

Armor All is a leading automotive aftermarket appearance product brand in the United States with a comprehensive line of products. We believe that Armor All has distinguished itself as a leader in the automotive aftermarket appearance products category based upon its household name, high quality product formulations, convenient application methods and tradition of innovation. Armor All s current product line of protectants, wipes, tire and wheel care products, glass cleaners, leather care products, air fresheners and washes is designed to clean, shine, refresh and protect interior and exterior automobile surfaces.

The STP brand has been characterized by a commitment to technology, performance and motor sports partnerships for over 60 years. We believe the STP brands fuel and oil additives, functional fluids and automotive appearance products benefit from a rich heritage in the car enthusiast and racing scenes. We believe that the strong brand equity of STP also provides for attractive licensing opportunities that augment our presence in our core performance categories.

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The results of AAG s operations are included as a new segment, Global Auto Care, within the Company s consolidated operating results from the acquisition date of May 21, 2015.

Sales and Distribution

We sell our products through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, construction companies and OEMs. Our sales generally are made through the use of individual purchase orders, consistent with industry practice. Retail sales of the consumer products we market have been increasingly consolidated into a small number of regional and national mass merchandisers. This trend towards consolidation is occurring on a worldwide basis. As a result of this consolidation, a significant percentage of our sales are attributable to a very limited group of retailer customers, including Wal-Mart, The Home Depot, Lowe s, Carrefour, Target, PetSmart, Canadian Tire, PetCo and Gigante. Our sales to our largest customer represented approximately 15% of our consolidated net sales for the fiscal year ended September 30, 2015. No other customer accounted for more than 10% of our consolidated net sales in the fiscal year ended September 30, 2015.

Segment information as it relates to revenues, profits and total assets as well as information concerning our revenues and long-lived assets by geographic location is set forth in Note 18, Segment Information, of Notes to Consolidated Financial Statements included elsewhere in this prospectus. Sales and distribution practices in each of our reportable segments are as set forth below.

Global Batteries & Appliances

We manage our Global Batteries & Appliances sales force by geographic region and product group. Our sales team is divided into four major geographic territories: North America, Latin America, Europe and Asia-Pacific. Within each major geographic territory, we have additional subdivisions designed to meet our customers needs. We manage our sales force in North America by distribution channel. We maintain separate sales groups to service (i) our retail sales and distribution channel, (ii) our hearing aid professionals channel and (iii) our industrial distributors and OEM sales and distribution channel. In addition, we utilize a network of independent brokers to service participants in selected distribution channels. We manage our sales force in Latin America by distribution channel and geographic territory. We sell primarily to large retailers, wholesalers, distributors, food and drug chains and retail outlets. In countries where we do not maintain a sales force, we sell to distributors who market our products through all channels in the market. The sales force serving our customers in Europe and Asia-Pacific is supplemented by an international network of distributors to promote the sale of our products. Our sales operations throughout Europe and Asia-Pacific are organized by geographic territory and the following sales channels: (i) food/retail, which includes mass merchandisers, discounters and drug and food stores; (ii) specialty trade, which includes clubs, consumer electronics stores, department stores, photography stores and wholesalers/distributors; and (iii) industrial, government, hearing aid professionals and OEMs.

Global Pet Supplies

Our Global Pet Supplies sales force is aligned by customer, geographic region and product group. We sell pet supply products to mass merchandisers, grocery and drug chains, pet superstores, independent pet stores and other retailers.

Home and Garden

The Home and Garden Business sales force is geographically aligned with our key customers. We sell primarily to home improvement centers, mass merchandisers, dollar stores, hardware stores, home and garden distributors, and food and drug retailers primarily in the U.S.

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Hardware & Home Improvement

The sales force of the Hardware & Home Improvement business is aligned by customer and geographic region. We sell primarily to large retailers, non-retail distributors, home improvement centers, hardware stores, home builders and other retailers.

Global Auto Care

The Global Auto Care business sales force is geographically aligned with key customers. We sell primarily to big box auto, auto specialty retail, mass retailers, food and drug retailers, and convenience retailers. We market our products in the U.S. through a number of channels and use a number of sales strategies. Sales personnel call directly on major accounts and have support teams for supply and marketing. Our small regional and convenience store customers are serviced by brokers and distributors. International distribution varies by region and is often executed on a country-by-country basis. A majority of international sales are completed using distributors.

Manufacturing, Raw Materials and Suppliers

The principal raw materials used in manufacturing our products are zinc, electrolytic manganese dioxide, brass and steel that are sourced either on a global or regional basis. The prices of these raw materials are susceptible to price fluctuations due to supply and demand trends, energy costs, transportation costs, government regulations and tariffs, changes in currency exchange rates, price controls, general economic conditions and other unforeseen circumstances. We have regularly engaged in forward purchase and hedging derivative transactions in an attempt to effectively manage the raw material costs we expect to incur over the next 12 to 24 months.

Substantially all of our rechargeable batteries and chargers, portable lighting products, hair care and other personal care products and our electric shaving and grooming products and small appliances are manufactured by third party suppliers that are primarily located in the Asia-Pacific region. We maintain ownership of most of the tooling and molds used by our suppliers.

We continually evaluate our manufacturing facilities capacity and related utilization. As a result of such analyses, we have closed a number of manufacturing facilities during the past five years. In general, we believe our existing facilities are adequate for our present and foreseeable needs.

Research and Development

Our research and development strategy is focused on new product development and performance enhancements of our existing products. We plan to continue to use our strong brand names, established customer relationships and significant research and development efforts to introduce innovative products that offer enhanced value to consumers through new designs and improved functionality.

During the years ended September 30, 2015, 2014 and 2013, we invested $51.3 million, $47.9 million and $43.3 million, respectively, in product research and development.

Patents and Trademarks

We use and maintain a number of trademarks in our business, including, among others, RAYOVAC, VARTA, REMINGTON, GEORGE FOREMAN, RUSSELL HOBBS, FARBERWARE, TOASTMASTER, BREADMAN, JUICEMAN, BLACK & DECKER, TETRA, 8IN1, DINGO, NATURE S MIRACLE, WILD HARVEST,

MARINELAND, FURMINATOR, LITTERMAID, BIRDOLA, HEALTHY HIDE, DIGEST-EEZE, IAMS, EUKANUBA, SPECTRACIDE, CUTTER, HOT SHOT, REAL KILL, ULTRA KILL, BLACK FLAG, LIQUID FENCE, RID-A-BUG, TAT, GARDEN SAFE, REPEL, KWIKSET, WEISER, BALDWIN, NATIONAL HARDWARE, FANAL, PFISTER, TELL, ARMOR ALL, STP, and A/C PRO. We seek trademark protection in the U.S. and in foreign countries.

We own or license from third parties a significant number of patents and patent applications throughout the world relating to products we sell and manufacturing equipment we use. We hold a license that expires in March 2022 for certain alkaline battery designs, technology and manufacturing equipment from Matsushita Electrical Industrial Co., Ltd. (Matsushita), to whom we pay a royalty.

As a result of the October 2002 sale by VARTA AG of substantially all of its consumer battery business to us and VARTA AG s subsequent sale of its automotive battery business to Johnson Controls, Inc. (Johnson Controls), we acquired rights to the VARTA trademark in the consumer battery category and Johnson Controls acquired rights to the trademark in the automotive battery category. VARTA AG continues to have rights to use the trademark with travel guides and industrial batteries and VARTA Microbattery GmbH has the right to use the trade mark with micro batteries. We are party to a Trademark and Domain Names Protection and Delimitation Agreement that governs ownership and usage rights and obligations of the parties relative to the VARTA trademark.

As a result of the common origins of the Remington Products, L.L.C. (Remington Products) business we acquired in September 2003 and the Remington Arms Company, Inc. (Remington Arms), the REMINGTON trademark is owned by us and by Remington Arms each with respect to its principal products as well as associated products. Accordingly, we own the rights to use the REMINGTON trademark for electric shavers, shaver accessories, grooming products and personal care products, while Remington Arms owns the rights to use the trademark for firearms, sporting goods and products for industrial use, including industrial hand tools. In addition, the terms of a 1986 agreement between Remington Products and Remington Arms provides for the shared rights to use the REMINGTON trademark on products which are not considered principal products of interest for either company. We retain the REMINGTON trademark for nearly all products which we believe can benefit from the use of the brand name in our distribution channels.

We license the Black and Decker brand in North America, Latin America (excluding Brazil) and the Caribbean for four core categories of household appliances: beverage products, food preparation products, garment care products and cooking products. We have licensed the Black and Decker brand since 1998 for use in marketing various household small appliances. In July 2014, Spectrum Brands and The Black and Decker Corporation (BDC) extended the trademark license agreement through December 2018. Under the agreement as extended, Spectrum Brands agreed to pay BDC royalties based on a percentage of sales, with minimum annual royalty payments of $15.0 million through calendar year 2018. The agreement also requires us to comply with maximum annual return rates for products. If BDC does not agree to renew the license agreement, we have 18 months to transition out of the brand name. No minimum royalty payments will be due during such transition period. BDC has agreed not to compete in the four core product categories for a period of five years after the end of the transition period following termination of the license agreement. Upon request, BDC may elect to extend the license to use the Black & Decker brand to certain additional product categories. BDC has approved several extensions of the license to additional categories and geographies.

Through the acquisition of the residential hardware and home improvement business (the HHI Business), we own the patented SmartKey technology, which enables customers to easily rekey their locks without hiring a locksmith.

We own a 56% interest in Shaser, Inc. Through this ownership we have patented technology that is used in our i-Light and i-Light Reveal product line.

Competition

In our retail markets, we compete for limited shelf space and consumer acceptance. Factors influencing product sales include brand name recognition, perceived quality, price, performance, product packaging, design innovation, and consumer confidence and preferences as well as creative marketing, promotion and distribution strategies.

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The following factors contribute to our ability to succeed in these highly competitive product categories:

Strong Diversified Global Brand Portfolio. We have a global portfolio of well-recognized consumer product brands. We believe that the strength of our brands positions us to extend our product lines and provide our retail customers with strong sell-through to consumers.

Strong Global Retail Relationships. We have well-established business relationships with many of the top global retailers, distributors and wholesalers, which have assisted us in our efforts to expand our overall market penetration and promote sales.

Expansive Distribution Network. We distribute our products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, construction companies and Original Equipment Manufacturers.

Innovative New Products, Packaging and Technologies. We have a long history of product and packaging innovations in each of our seven product categories and continually seek to introduce new products both as extensions of existing product lines and as new product categories.

Experienced Management Team. Our management team has substantial consumer products experience. On average, each senior management team member has more than 20 years of experience at Spectrum Brands, VARTA, Remington, Russell Hobbs or other branded consumer product companies such as Newell Rubbermaid.

Global Batteries & Appliances

The consumer battery product category consists of non-rechargeable alkaline or zinc carbon batteries in cell sizes of AA, AAA, C, D and 9-volt, specialty batteries, which include rechargeable batteries, hearing aid batteries, photo batteries and watch/calculator batteries; and portable lighting products. The battery product category is highly competitive. Most consumer batteries manufactured throughout the world are sold by one of four global companies: Spectrum Brands (manufacturer/seller of Rayovac and VARTA brands); Energizer Holdings, Inc. (Energizer) (manufacturer/seller of the Energizer brand); The Procter & Gamble Company (Procter & Gamble) (manufacturer/seller of the Duracell brand); and Matsushita (manufacturer/seller of the Panasonic brand). We also face competition from the private label brands of major retailers, particularly in Europe. The offering of private-label batteries by retailers may create pricing pressure in the consumer battery market. Typically, private-label brands are not supported by advertising or promotion, and retailers sell these private label offerings at prices below competing name-brands. The main barriers to entry for new competitors are investment in technology research, cost of building manufacturing capacity and the expense of building retail distribution channels and consumer brands.

The majority of consumers in North America and Europe purchase alkaline batteries. The Latin America market consists primarily of zinc carbon batteries but is gradually converting to higher-priced alkaline batteries as household disposable income grows. In the U.S. alkaline battery category, the Rayovac brand is positioned as a value brand, which is typically defined as a product that offers comparable performance at a lower price. In Europe, the VARTA brand is competitively priced with other premium brands. In Latin America, where zinc carbon batteries outsell alkaline batteries, the Rayovac brand is competitively priced.

We believe that we are the largest worldwide marketer of hearing aid batteries and that we continue to maintain a leading global market position. We believe that our close relationship with hearing aid manufacturers and other customers, as well as our product performance improvements and packaging innovations, position us for continued success in this category.

Products in our small appliances category consist of small electrical appliances primarily in the kitchen and home product categories. Primary competitive brands in the small appliance category include Hamilton Beach, Proctor Silex, Sunbeam, Mr. Coffee, Oster, General Electric, Rowenta, DeLonghi, Kitchen Aid, Cuisinart, Krups, Braun, Rival, Europro, Kenwood, Philips, Morphy Richards, Breville and Tefal. The key competitors in this market in the U.S. and Canada include Jarden Corporation, DeLonghi America, Euro-Pro Operating LLC, Metro Thebe, Inc., d/b/a HWI Breville, NACCO Industries, Inc. (Hamilton Beach) and SEB S.A. In addition, we compete with retailers who use their own private label brands for household appliances (for example, Wal-Mart).

We also operate in the personal care product category, consisting of electric shavers and accessories, electric grooming products and hair care appliances and accessories. Electric shavers include men s and women s shavers (both rotary and foil design) and electric shaver accessories consisting of shaver replacement parts (primarily foils and cutters), pre-shave products and cleaning agents. Electric shavers are marketed primarily under our Remington brand. Electric grooming products include beard and mustache trimmers, nose and ear trimmers, body groomers and haircut kits and related accessories. Hair care appliances include hair dryers, straightening irons, styling irons and hair-setters. Europe and North America account for the majority of our worldwide personal care product category sales.

Our primary competitors in the personal products category are Norelco, a division of Koninklijke Philips Electronics NV (Philips), which sells and markets rotary shavers, and Braun, a division of Procter & Gamble, which sells and markets foil shavers. Through our Remington brand, we sell both foil and rotary shavers. Other major competitors in the electric personal care product category are Conair Corporation, Wahl Clipper Corporation and Helen of Troy Limited (Helen of Troy).

Global Pet Supplies

Our global pet supplies segment comprises aquatics equipment (aquariums, filters, pumps, etc.), aquatics consumables (fish food, water treatments and conditioners, etc.) and specialty pet products for dogs, cats, birds and other small domestic animals. The pet supplies product category is highly fragmented with over 500 manufacturers in the U.S. alone, with no competitor holding a market share greater than twenty percent and consists primarily of small companies with limited product lines. We believe that our brand positioning, including the leading global aquatics brand in Tetra, our diverse array of innovative and attractive products and our strong retail relationships and global infrastructure will allow us to remain competitive in this fast growing industry.

Our largest competitors in this category are Mars Corporation (Mars), The Hartz Mountain Corporation (Hartz) and Central Garden & Pet Company (Central Garden & Pet). Both Hartz and Central Garden & Pet sell a comprehensive line of pet supplies and compete with a majority of the products we offer. Mars sells primarily aquatics products.

Home and Garden

Products in our home and garden segment are sold primarily in the U.S. market under the major brand names Spectracide, Hot Shot, Cutter, Repel, Black Flag, Garden Safe and Liquid Fence. We manufacture and market outdoor and indoor insect control products, rodenticides, herbicides, insect repellents and lawn maintenance products. In addition, we produce and market several private-label brands for many major retailers. Our marketing position is primarily that of a value brand, enhanced and supported by innovative products of outstanding quality and appealing packaging that is designed to drive sales at the point of purchase. Our commitment to quality and value has earned the trust of consumers and the confidence of retailers, who count on us to deliver the fast-selling products, merchandising solutions and quality service they require.

Products we sell in the home and garden category face competition from The Scotts Miracle-Gro Company (Scotts Company), which markets lawn and garden products under the Scotts, Ortho, Roundup, Miracle-Gro, and Tomcat brand names; Central Garden & Pet, which markets garden products under the AMDRO and Sevin brand names; and Bayer A.G., which markets home and garden products under the Bayer Advanced brand name.

Products we sell in the household insect control product category face competition from S.C. Johnson & Son, Inc. (S.C. Johnson), which markets insecticide and repellent products under the Raid and OFF! brands; Scotts Company, which markets household insect control products under the Ortho brand; and Henkel KGaA, which markets insect control products under the Combat brand.

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Hardware & Home Improvement

The Hardware & Home Improvement segment has developed a market-leading franchise with leading brands, making it a desired manufacturer among top home builders and major retailers. Hardware & Home Improvement is acclaimed as a market leader in the U.S. and Canadian lockset business. Competition within the industry varies based on location as well as product segment.

The main source of competition for residential locksets includes other third party manufacturers such as Schlage, a division of Allegion, and private label import brands such as Defiant and Gatehouse. Major competitors for hardware include The Hillman Group, Hampton Hardware, Crown Bolt and private label competitors. In plumbing, Pfister s major U.S. competitors are Masco, Fortune Brands, Kohler, and American Standard, as well as Glacier Bay and AquaSource, and the private label brands of The Home Depot and Lowe s.

Global Auto Care

During the year ended September 30, 2015, we entered the Global Auto Care segment with our acquisition of AAG, which consists of Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products.

Products we sell in the auto care product category compete with other widely advertised brands and with private label brands, including Valvoline, Prestone, Turtle Wax, Black Magic and private label brands. We also encounter competition from similar and alternative products, many of which are produced and marketed by major multinational or national companies, including Mothers, Meguiars, Lucas, and Sea Foam.

Some of our major competitors have greater resources and greater overall market share than we do. They have committed significant resources to protect their market shares or to capture market share from us and may continue to do so in the future. In some key product lines, our competitors may have lower production costs and higher profit margins than we do, which may enable them to compete more aggressively in advertising and in offering retail discounts and other promotional incentives to retailers, distributors, wholesalers and, ultimately, consumers.

Seasonality

On a consolidated basis our financial results are approximately equally weighted among our quarters, however, sales of certain product categories tend to be seasonal. Sales in the consumer battery and electric personal care product categories, particularly in North America, tend to be concentrated in the December holiday season (the Company s first fiscal quarter). Small appliances peak from July through December primarily due to the increased demand by customers in the late summer for back-to-school sales and in the fall for the holiday season. Sales for hardware and home improvement products increase during the spring and summer construction period (the Company s third and fourth fiscal quarters). Sales for pet supplies products remain fairly constant throughout the year. Sales for home and garden control products typically peak during the first six months of the calendar year (the Company s second and third fiscal quarters). Demand for auto care products is generally at its highest during the period from March to June (Spectrum s second and third fiscal quarters) based upon historical customer seasonal purchasing patterns and timing of promotional activities. Information about our sales by quarter as a percentage of annual sales during the years ended September 30, 2015, 2014 and 2013 is as follows:

Fiscal Quarter Ended	2015	2014	2013
First Quarter	23%	25%	21%
Second Quarter	23%		