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

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 3, 2014

PRESTIGE BRANDS HOLDINGS, INC.

(Exact name of Registrant as specified in its charter)

Delaware	001-32433	20-1297589
(State or other jurisdiction of incorporation)	(Commission file number)	(I.R.S. Employer Identification No.)

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

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

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see: General Instructions A.2. below)

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

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

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

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

EXPLANATORY NOTE

This Current Report on Form 8-K/A is being filed as an amendment to the Current Report on Form 8-K filed by Prestige Brands Holdings, Inc. (the "Company") with the Securities and Exchange Commission (the "Commission") on September 3, 2014 (the "Original Form 8-K") announcing the completion of its previously announced acquisition of Insight Pharmaceuticals Corporation and Subsidiary ("Insight"), a marketer and distributor of feminine care and other OTC healthcare products in North America.This Current Report on Form 8-K/A amends Item 9.01 of the Original Form 8-K to present certain audited financial statements of Insight and to present certain unaudited pro forma financial information in connection with the Company's business combination with Insight, which financial statements and unaudited pro forma information are filed as exhibits hereto. All of the other Items in the Original Form 8-K remain the same and are hereby incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(a)*Financial Statements of Business Acquired*.

(i) The audited financial statements listed below for Insight are set forth in exhibit 99.1 to this Current Report on Form 8-K/A and are incorporated herein by reference.

Independent Auditors Report
Audited Consolidated Balance Sheets at December 31, 2013 and 2012
Audited Consolidated Statements of Operations for the years ended December 31, 2013 and 2012
Audited Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2013 and 2012
Audited Consolidated Statements of Cash Flows for the years ended December 31, 2013 and 2012
Notes to Consolidated Financial Statements for the years ended December 31, 2013 and 2012

(ii) The interim financial statements listed below for Insight are set forth in exhibit 99.2 to this Current Report on Form 8-K/A and are incorporated herein by reference.

Unaudited Consolidated Balance Sheets at June 30, 2014 and December 31, 2013
Unaudited Consolidated Statements of Operations for the six months ended June 30, 2014 and 2013
Unaudited Consolidated Statements of Changes in Stockholders' Equity for the six months ended June 30, 2014
Unaudited Consolidated Statements of Cash Flows for the six months ended June 30, 2014 and 2013
Notes to Consolidated Financial Statements for the six months ended June 30, 2014 and 2013

(b)Pro Forma Financial Information.
The unaudited pro forma combined financial statements listed below of the Company giving effect to the acquisition of Insight are set forth in exhibit 99.3 to this Current Report on Form 8-K/A and are incorporated herein by reference.

Unaudited Pro Forma Combined Statement of Operations for the twelve months ended March 31, 2014
Unaudited Pro Forma Combined Statement of Operations for the six months ended September 30, 2014
Notes to Pro Forma Combined Financial Statements

(d)*Exhibits*.
See Exhibit Index immediately following the signature page to this Current Report on Form 8-K/A.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PRESTIGE BRANDS HOLDINGS, INC.

Date: November 19, 2014

By: /s/ Ronald M. Lombardi
Ronald M. Lombardi
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
23.1	Consent of KPMG, LLP
99.1	Audited Consolidated Financial Statements of Insight for the years ended December 31, 2013 and 2012
99.2	Unaudited Consolidated Financial Statements of Insight for the six months ended June 30, 2014 and 2013
99.3	Unaudited Pro Forma Combined Statements of Operations of the Company giving effect to the acquisition of Insight.

Exhibit 23.1

Consent of Independent Auditors

The Board of Directors
Insight Pharmaceuticals Corporation:

We consent to the incorporation by reference in the registration statements (Nos. 333-123487 and 333-198443) on Form S-8 of Prestige Brands Holding, Inc. of our report dated April 9, 2014, with respect to the consolidated balance sheets of Insight Pharmaceuticals Corporation and Subsidiary as of December 31, 2013 and 2012, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended, included in this Current Report on Form 8-K/A.

/s/ KPMG LLP

Philadelphia, Pennsylvania
November 18, 2014

Exhibit 99.1

INSIGHT PHARMACEUTICALS CORPORATION AND SUBSIDIARY

Consolidated Financial Statements

December 31, 2013 and 2012

(With Independent Auditors' Report Thereon)

INSIGHT PHARMACEUTICALS CORPORATION AND SUBSIDIARY

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KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

The Board of Directors
Insight Pharmaceuticals Corporation:

We have audited the accompanying consolidated financial statements of Insight Pharmaceuticals Corporation and Subsidiary, which comprises the balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Delaware limited liability partnership,
the U.S. member firm of KPMG International Cooperative
("KPMG International"), a Swiss entity.

KPMG

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Insight Pharmaceuticals Corporation and Subsidiary as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

April 9, 2014

INSIGHT PHARMACEUTICALS CORPORATION AND SUBSIDIARY

Consolidated Balance Sheets

December 31, 2013 and 2012

(Dollars in thousands)

Assets		**2013**	**2012**
Current assets:			
Cash and cash equivalents	$	2,865	19,873
Restricted cash		—	7,714
Accounts receivable, less allowances of $2,213 in 2013 and $2,579 in 2012		22,960	28,851
Inventories, net of reserve of $686 in 2013 and $631 in 2012		27,719	22,330
Prepaid expenses and other current assets		1,478	2,351
Deferred income taxes		3,878	14,166
Total current assets		58,900	95,285
Property and equipment, net		1,874	1,188
Trademarks and other intangibles, net		502,840	503,488
Customer relationships, net		92	222
Deferred debt issuance costs, net		11,885	16,356
Goodwill		8,949	8,949
Total assets	$	584,540	625,488
Liabilities and Stockholders' Equity			
Current liabilities:			
Current portion of long-term debt	$	2,794	2,900
Current portion of contingent consideration		5,498	29,755
Accounts payable		11,786	8,901
Accrued liabilities		6,166	12,703
Total current liabilities		26,244	54,259
Long-term debt, net of current portion		385,806	399,100
Contingent consideration, net of current portion		—	5,547
Other liabilities		—	776
Deferred income taxes		36,566	40,632
Total liabilities		448,616	500,314
Commitments and contingencies (note 11)			
Stockholders' equity:			
Class A common stock, $0.001 par value. Authorized, 1,250,000 shares; issued and outstanding, 1,162,500 shares as of December 31, 2013 and 2012		1	1
Class B common stock, $0.001 par value. Authorized, 1,250,000 shares; issued and outstanding, 1,162,500 shares as of December 31, 2013 and 2012		1	1
Class C common stock, $0.001 par value. Authorized, 1 share; issued and outstanding, 1 shares as of December 31, 2013 and 2012		—	—
Additional paid-in capital		114,971	114,581
Retained earnings		20,951	10,591
Total stockholders' equity		135,924	125,174
Total liabilities and stockholders' equity	$	584,540	625,488

See accompanying notes to consolidated financial statements.

INSIGHT PHARMACEUTICALS CORPORATION AND SUBSIDIARY

Consolidated Statements of Operations

Years ended December 31, 2013 and 2012

(Dollars in thousands)

		2013	2012
Net sales	$	175,943	187,879
Cost of goods sold		62,720	67,709
Gross profit		113,223	120,170
Operating expenses (income):			
Marketing and sales		31,364	36,506
Compensation		6,689	6,596
Depreciation and amortization		7,527	4,610
Accretion on contingent consideration		1,637	5,175
Adjustment of contingent consideration		(2,616)	(8,011)
Shipping and handling		3,350	4,084
Consulting, director, and management fees		991	954
General and administrative		3,243	2,480
Research and development		1,434	606
Supply chain transition costs		8,517	—
Loss on disposal of brands		316	—
Total operating expenses		62,452	53,000
Income from operations		50,771	67,170
Other income (expense):			
Interest expense		(33,581)	(38,473)
Gain on interest rate swap and cap		345	214
Other expense		(113)	(68)
Income before income taxes		17,422	28,843
Income tax expense		6,312	12,093
Net income	$	11,110	16,750

See accompanying notes to consolidated financial statements.

INSIGHT PHARMACEUTICALS CORPORATION AND SUBSIDIARY

Consolidated Statements of Changes in Stockholders' Equity

Years ended December 31, 2013 and 2012

(Dollars in thousands)

	Class A common stock		Class B common stock		Class C common stock		Additional paid-in capital	Retained earnings (deficit)	Total
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, December 31, 2011	1,162,500	$ 1	1,162,500	$ 1	1	$ —	114,289	(5,283)	109,008
Stock-based compensation expense	—	—	—	—	—	—	292	—	292
Dividends paid	—	—	—	—	—	—	—	(876)	(876)
Net income	—	—	—	—	—	—	—	16,750	16,750
Balance, December 31, 2012	1,162,500	1	1,162,500	1	1	—	114,581	10,591	125,174
Stock-based compensation expense	—	—	—	—	—	—	390	—	390
Dividends paid	—	—	—	—	—	—	—	(750)	(750)
Net income	—	—	—	—	—	—	—	11,110	11,110
Balance, December 31, 2013	1,162,500	$ 1	1,162,500	$ 1	1	$ —	114,971	20,951	135,924

See accompanying notes to consolidated financial statements.

INSIGHT PHARMACEUTICALS CORPORATION AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years ended December 31, 2013 and 2012

(Dollars in thousands)

		2013	2012
Cash flows from operating activities:			
Net income	$	11,110	16,750
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation		348	225
Amortization and impairment		7,179	4,385
Deferred income tax expense		6,222	11,996
Loss on disposal of brands		316	—
Accretion on contingent consideration, net of payments		118	3,498
Adjustment of contingent consideration		(2,616)	(8,011)
Provision for inventory reserves		(55)	(76)
Provision for accounts receivable allowances		(366)	186
Gain on interest rate swap and cap		(345)	(214)
Stock-based compensation		390	292
Changes in assets and liabilities net of the effect of acquisitions:			
Accounts receivable		6,257	(10,600)
Inventories		(5,334)	(580)
Prepaid expenses and other current assets		873	(671)
Accounts payable		2,885	(825)
Accrued liabilities		(7,192)	(3,203)
Other liabilities		(776)	(473)
Net cash provided by operating activities		19,014	12,679
Cash flows from investing activities:			
Purchases of property and equipment		(1,034)	(955)
Acquisition of licenses and intellectual property		(2,500)	—
Proceeds from the sale of brands		253	450
Change in restricted cash		7,714	32,311
Net cash provided by investing activities		4,433	31,806
Cash flows from financing activities:			
Payment of contingent consideration		(27,305)	(30,671)
Repayment of long-term debt		(13,400)	(35,550)
Deferred payment on acquisition of license and intellectual property		1,000	—
Proceeds from new debt		—	38,187
Payment of debt issuance costs		—	(3,862)
Payment of Class C dividends		(750)	(876)
Net cash used in financing activities		(40,455)	(32,772)
Net (decrease) increase in cash and cash equivalents		(17,008)	11,713
Cash and cash equivalents, beginning of year		19,873	8,160
Cash and cash equivalents, ending of year	$	2,865	19,873
Supplemental disclosures of cash flow information:			
Interest paid	$	39,673	40,135
Income taxes paid		242	192

See accompanying notes to consolidated financial statements.

(1) Nature of Business

Insight Pharmaceuticals Corporation and Subsidiary (hereinafter referred to as the Company or Insight) markets, distributes, and sells quality healthcare products to consumers, principally through the drug, mass merchandising, and food channels of distribution. The Company outsources its warehousing and distribution operations and employs contract manufacturers to make products that are sold primarily in North America.

(2) Summary of Significant Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements of the Company include the accounts of Insight Pharmaceuticals Corporation and its wholly owned subsidiary, Insight Pharmaceuticals, LLC. All significant intercompany accounts and transactions have been eliminated in consolidation.

(b) Revenue Recognition

Revenue is recognized when the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists, and the sales price is fixed and determinable. Net sales include the sales price, net of promotional allowances specifically identified for the related products sold, less sales returns, pricing credits, unsalables, and miscellaneous sales adjustments. Sales returns and pricing credits are directly attributable to the products sold. The Company estimates its sales returns allowance based on past experience.

(c) Cash and Cash Equivalents and Restricted Cash

For purposes of reporting cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company maintains its cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. The Company does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Restricted cash represented cash that the Company was required to maintain in a separate account solely for the purpose of paying contingent consideration to the seller of the Monistat brand. During 2013, the Company made payments to the Seller from the restricted cash account which exhausted the required balance. See note 3.

(d) Accounts Receivable

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables and other allowances. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history, and current economic conditions. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when cash is received.

(Continued)

(e) Inventories

Inventories are stated at the lower of cost, determined on the first-in, first-out method, or market. The Company records as a charge to cost of goods sold any amount required to reduce the carrying value of inventories to the net realizable sales value.

(f) Property and Equipment

Property and equipment are stated at cost. Depreciation is computed on a straight-line basis over the following estimated useful lives:

Furniture and fixtures	7 years
Machinery and equipment	3 years
Computer equipment and software	3 years

(g) Impairment of Long-Lived Assets

The Company reviews long-lived assets, including property and equipment and intangible assets subject to amortization, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Recoverability of assets is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, then an impairment charge is recognized for the amount by which the carrying value of the asset exceeds the fair value of the asset.

(h) Intangible Assets

Intangible assets consist of goodwill, trademarks, and customer relationships.

Goodwill reflects the costs in excess of the fair value of the net assets acquired in purchase transactions. Trademarks are related to the purchase of over-the-counter pharmaceutical brands.

The Company accounts for goodwill and trademarks in accordance with Accounting Standards Codification (ASC) 350, *Intangibles – Goodwill and Other*. In 2012, the Company changed its annual impairment test date from December 31 to September 30.

The Company tests goodwill for impairment using the two-step process prescribed by ASC 350. The first step tests for potential impairment and the second step measures the amount of impairment, if any. There was no impairment of goodwill during 2013 or 2012.

The Company annually evaluates current events and circumstances (including period to period sales and profitability by brand, industry trends, projected sales and gross margins, and advertising effectiveness) to determine whether the infinite life classification for a trademark continues to be valid. If the Company determines the indefinite life classification is no longer valid, the Company will begin to amortize the trademark over its estimated useful life.

(Continued)

The Company tests its indefinite lived trademarks for impairment annually, or if events or circumstances indicate the trademarks might be impaired. During 2013, based on the results of the annual impairment test, the Company recognized an impairment of $1,400. See note 5. No impairment of trademarks was recognized during 2012.

Customer relationships are being amortized on an accelerated basis over an estimated five-year life.

(i) Deferred Debt Issuance Costs

Costs incurred in connection with procuring debt, consisting primarily of debt origination fees, are deferred and amortized as a charge to income, over the term of the related debt, using the effective-interest method.

(j) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit 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 effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

(k) Derivatives

Certain of the Company's derivative instruments do not qualify for hedge accounting treatment under the Financial Accounting Standards Board guidance for derivatives and hedging; for others, the Company chooses not to maintain the required documentation to apply hedge accounting treatment. These undesignated instruments are used to economically hedge the Company's exposure to fluctuations in the interest rates on certain portions of the Company's floating rate debt. The Company's derivative policy permits the use of undesignated derivatives and the change in fair value is reported currently through earnings in gain or loss on interest rate swap and cap on the Company's consolidated statements of operations.

At December 31, 2013 and 2012, the notional principal amount of the swap was $27,550 and $31,350, respectively, which reduces as debt principal payments are made, and which matures on April 1, 2014. For the years ended December 31, 2013 and 2012, the Company recorded a gain of $345 and $334 on this instrument, respectively. A swap liability of $78 and $423 is included in the accompanying consolidated balance sheets as of December 31, 2013 and 2012, respectively. The fair value of the Company's interest rate swap is the estimated amount the Company would receive or pay to terminate these agreements at the reporting date, taking into account current interest rates and the creditworthiness of the counterparty for assets and creditworthiness of the Company for liabilities. See note 13 for additional disclosure on the fair value of this interest rate swap.

At December 31, 2013, the notional principal amount of the cap was $167,350, which reduces as debt principal payments are made, and which matured on January 1, 2014. For the years ended December 31, 2013 and 2012, the Company recorded a loss of $0 and $120, respectively, on this instrument. The fair value of the Company's cap is the estimated amount the Company would receive or pay to terminate these agreements at the reporting date, taking into account current interest rates and the creditworthiness of the counterparty for assets and creditworthiness of the Company for liabilities. See note 13 for additional disclosure on the fair value of this cap.

(l) Marketing and Sales Expenses

Marketing and sales costs are expensed as incurred. Marketing and sales expenses represent various costs associated with selling the Company's products including broker commissions, travel expenses, advertising, and promotion costs. Advertising costs represent various media expenses to promote brand awareness and were $19,849 and $23,315 for the years ended December 31, 2013 and 2012, respectively. Promotion costs are composed of marketing costs including displays, market research expenditures, and package design costs.

(m) Research and Development Cost

Research and development costs are charged to operations in the period incurred and were $1,434 and $606 for the years ended December 31, 2013 and 2012, respectively.

(n) Supply Chain Transition Costs

The Company incurred costs of $8,517 related to switching suppliers for one of its main products. The costs primarily relate to termination penalties from the old supplier, but also include costs for packaging changes, consulting fees, and salary expense for employees working on the transition.

(o) Stock-Based Compensation

The Company has a stock option plan, which is accounted for under ASC 718, *Compensation – Stock Compensation*, which addresses accounting for equity-based compensation arrangements, including employee stock options, and requires entities to measure the cost of employee services received in exchange for awards of equity instruments at the grant date of the award using a fair-value-based method.

The Company measures employee stock-based awards at grant-date fair value and records employee compensation expense on a straight-line basis over the vesting period of the award.

Determining the appropriate fair value of stock-based awards requires the input of subjective assumptions, including the fair value of the Company's common stock and for stock options, the expected life of the option, and expected stock price volatility. The Company uses the Black-Scholes option pricing model to value its stock option awards. The assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment. As a result, if factors change and management uses different assumptions, stock-based compensation expense could be materially different for future awards.

The expected life of stock options was estimated using the "simplified method," as the Company has no historical information to develop reasonable expectations about future exercise patterns and post vesting employment termination behavior for its stock options grants. The simplified method is based on the average of the vesting tranches and the contractual life of each grant. For stock price volatility, the Company uses comparable public companies as a basis for its expected volatility to calculate the fair value of options grants. The risk-free interest rate is based on U.S. Treasury notes with a term approximating the expected life of the option.

(p) Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(q) Subsequent Events

The Company considered all subsequent events through April 9, 2014, the date the consolidated financial statements were available to be issued.

(3) Acquisitions

On August 26, 2011, the Company acquired substantially all of the assets, consisting primarily of intellectual property and inventory used in connection with the Monistat brand from McNEIL-PPC, Inc. (the Seller) for $353,453, including contingent consideration with an estimated fair value of $68,399. The Company financed this transaction and refinanced its then existing debt, with an additional capital contribution of $65,000, and a new credit facility totaling $420,000 ($255,000 First Lien, $145,000 Second Lien, and $20,000 Revolving Loan Commitment) as further described in note 6. The contingent consideration arrangement required the Company to pay quarterly amounts to the Seller based on gross sales of Monistat in 2012 and 2013, up to a maximum amount of $90,000. During 2013 and 2012, the Company paid the Seller $28,825 and $32,348, respectively, under the arrangement. The remaining estimated undiscounted amount of payments to be paid under the contingent consideration arrangement at December 31, 2013 is $5,541. At the time of acquisition a $40,000 restricted cash account was set aside specifically for payment to the Seller in connection to this agreement. For the years ended December 31, 2013 and 2012, the Company accreted $1,637 and $5,175, respectively, of interest expense related to this liability which is recorded as accretion on contingent consideration on the consolidated statements of operations. For the years ended December 31, 2013 and 2012, the Company recognized $2,616 and $8,011, respectively, of income as a result of a decrease in the estimated amounts due for contingent consideration due to a decrease in Monistat gross revenues, net of other miscellaneous adjustments. The Company recorded $5,498 and $35,302, respectively, as the estimated fair value of the estimated payments in the consolidated balance sheets as of December 31, 2013 and 2012, net of other miscellaneous adjustments.

(Dollars in thousands)

The acquisition was recorded in accordance with ASC 805, *Business Combinations*. As a result of the acquisition, the Company increased its market share in quality healthcare products sold to consumers using preexisting infrastructure and distribution channels established by the Company.

On September 4, 2013, the Company entered into an exclusive licensing agreement with Common Sense Limited. This agreement provides the Company exclusive access to patented technology in connection with women's health and home diagnostics, and to otherwise use, make, distribute, offer for sale, promote, advertise, or import the products in the United States. Upon execution of the license agreement, the Company paid Common Sense Limited $1,500. An additional $1,000 was paid to Common Sense Limited in March 2014. The Company will pay up to an additional $3,500 in contingent consideration milestones upon the achievement of certain regulatory and commercialization events for products to be sold over-the-counter. There are also royalty payments to be paid at varying percentages of net sales for these products, which range from 5% to 7% depending on the year.

(4) Property and Equipment

Property and equipment consisted of the following as of December 31, 2013 and 2012:

		2013	2012
Furniture and fixtures	$	332	310
Machinery and equipment		1,296	589
Computer equipment and software		1,040	735
		2,668	1,634
Less accumulated depreciation		794	446
	$	1,874	1,188

Depreciation expense for the years ended December 31, 2013 and 2012 was $348 and $225, respectively.

(5) Intangible Assets

Intangible assets subject to amortization as of December 31, 2013 consist of the following:

	Weighted average amortization period		Gross carrying amount	Accumulated amortization	Net carrying amount
Customer relationships	5	$	865	(773)	92
Trademarks subject to amortization	13		57,662	(1,179)	56,483

(Dollars in thousands)

Intangible assets subject to amortization as of December 31, 2012 consist of the following:

	Weighted average amortization period		Gross carrying amount	Accumulated amortization	Net carrying amount
Customer relationships	5	$	865	(643)	222

Changes in the carrying amount of trademarks with indefinite lives and goodwill for the years ended December 31, 2013 and 2012 are as follows:

		2013		2012	
		Trademarks	Goodwill	Trademarks	Goodwill
Balance, January 1	$	503,488	8,949	503,831	8,949
Sale of brands		(569)		(343)	—
Trademarks subject to amortization		(55,162)	—	—	—
Impairment charge		(1,400)	—	—	—
Balance, December 31	$	446,357	8,949	503,488	8,949

In 2013, the Company determined that certain brands with a carrying value of $55,162 have finite lives and started amortizing the trademark values over their estimated lives (ranging from 10 to 20 years, with a weighted average period of 15 years at December 31, 2013). In 2013, it was also determined that the carrying value of the Gentle Naturals trademark exceeded its fair value, and accordingly, an impairment charge of $1,400 was recognized. The Company considers its remaining trademarks to have indefinite lives.

In November 2013, the Company sold the Caldecort, Chooz, Tanac, Triptone, and Privine brands for $253 in cash. The reduction of $569 to trademarks represents the book value of the trademarks of the brands sold. A loss of $316 was recognized in connection with the sale.

In October 2012, the Company sold the Nice brand for $450 in cash and a note for $50. The reduction to trademarks of $343 represents that portion of the sale price that was attributable to the Nice trademark. There was no gain or loss recognized.

Amortization expense (including the impairment charge) recognized on all amortizable intangibles for the years ended December 31, 2013 and 2012 was $2,709 and $197, respectively.

(Dollars in thousands)

The Company will recognize amortization expense related to customer relationships and trademarks as follows:

		Customer relationships	Trademarks
Year ending December 31:			
2014	$	66	5,039
2015		26	5,039
2016		—	5,039
2017		—	5,039
2018		—	5,039
2019 and thereafter		—	31,288
	$	92	56,483

(6) Debt

Long-term debt as of December 31, 2013 and 2012 is as follows:

		2013	2012
First Lien	$	276,600	290,000
Second Lien		112,000	112,000
Long-term notes payable		388,600	402,000
Less current portion		2,794	2,900
Notes payable, net of current portion	$	385,806	399,100

In October 2012, the Company repriced its then existing debt with a new credit facility totaling $422,000 ($290,000 First Lien, $112,000 Second Lien, $20,000 Revolving Loan Commitment). In connection with this repricing the interest on the First Lien was reduced from LIBOR plus 6.00% with a 1.50% floor to LIBOR plus 5.00% with a 1.25% floor. In addition, the Company increased its First Lien borrowing by $38,188 and used the additional proceeds to reduce its Second Lien by $33,000 and pay fees of $5,188.

The First Lien requires quarterly principal payments of $725 on January 1 and April 1, 2013, and $699 commencing July 1, 2013 with the balance payable in August of 2016. Principal payments were reduced due to the Company making a $10,553 excess cash flow payment as required based on the results of the Leverage Ratio per the Company's debt covenants. The First Lien bears interest at LIBOR plus an applicable margin (5.0% at December 31, 2013) and is subject to certain affirmative and negative covenants, which, among other matters, require the Company to maintain certain financial ratios, limit capital expenditures, limit distributions to the Company's stockholders, limit fees paid to the Company's directors, and limit management fees paid to the Company's stockholders.

(Continued)

(Dollars in thousands)

The Second Lien bears interest at LIBOR plus an applicable margin (11.75% at December 31, 2013) and matures in August 2017. In addition, if any amount of the loan is paid prior to the due date, there will be a prepayment fee calculated as a percentage of the loan ranging from 3.00% to 1.00%. The loan is subject to certain affirmative and negative covenants, which, among other matters, require the Company to maintain certain financial ratios, limit capital expenditures, limit distributions to the Company's stockholders, limit fees paid to the Company's directors, and limit management fees paid to the Company's stockholders.

The revolving loan commitment of $20,000 bears interest at LIBOR plus 5.00%, has a due date of August 2016 and can be used to fund the contingent consideration payments (note 3) or to fund operations. As of December 31, 2013 and 2012, no amounts were outstanding under this revolving loan. Under the credit agreement terms, the Company is required to pay a quarterly commitment fee equal to 0.5% of the unused commitment.

Under these credit facilities, the Company's obligations are secured by a lien on substantially all of the Company's assets. The Second Lien is subordinated to the Company's First Lien.

The aggregate maturities of long-term debt are as follows as of December 31, 2013:

2014	$	2,794
2015		2,794
2016		271,012
2017		112,000
Total	$	388,600

Amortization of deferred debt issuance costs for the years ended December 31, 2013 and 2012, including amounts written off in 2012 in connection with the repricing of its then existing debt was $4,471 and $4,188, respectively.

(7) Stockholders' Equity

(a) Common Stock

The Company is authorized to issue 2,500,001 shares of common stock. This includes 1,250,000 shares of Class A common stock, par value $0.001 per share; 1,250,000 shares of Class B common stock, par value $0.001 per share; and 1 share of Class C common stock, par value $0.001 per share. In 2011, the Company issued 1,162,500 shares of the Class A common stock; 1,162,500 shares of the Class B common stock; and 1 share of the Class C common stock.

Class A common stock shares have the right to vote on all matters with the exception of election of directors of the Company; the right to participate in dividends when declared by the board of directors of the Company except for special dividends paid to the owner of the Class C shares; and the right to participate in distributions upon the liquidation, dissolution, or winding-up of the affairs of the Company.

(Dollars in thousands)

Class B common stock shares have the right to vote for the election of directors of the Company and the right to receive $0.002 per share upon the liquidation, dissolution, or winding-up of the affairs of the Company.

Class C common stock shares have the right to receive a special dividend on terms and conditions set forth in an agreement between the Company and shareholder and the right to vote on any matter that would adversely affect the rights and preferences of the Class C common stock with respect to the special dividends.

(b) Stock Option Plan

On June 17, 2009, the Company adopted a stock option plan (the Plan). The Plan is a compensation benefit plan designed to provide incentives to present and future employees, directors, officers, consultants, or advisors of the Company and falls within the meaning of Rule 701 of the Securities Act of 1933, as amended. A committee of the board of directors has the sole authority to grant options.

The Plan, as amended, authorizes a maximum of 100,000 shares to be granted and if any options previously granted are forfeited, they will become available for future grants. The Plan vests in increments of 20% per year on each anniversary date and ending on the fifth anniversary. No incentive stock options will be granted after June 17, 2019. Consistent with Section 422(b) of the Internal Revenue Code, the options (i) shall have an exercisable price per share of common stock of not less than 100% of the fair market value at the date of the grant, (ii) shall not be exercisable 10 years after date of grant, (iii) shall generally not be transferable other than by will or under the laws of descent and distribution and, during the lifetime of the participant, to whom such incentive stock options were granted, may be exercised only by such participant, and (iv) shall generally be exercisable only during the participant's employment with certain exceptions.

The Company used the Black-Scholes option pricing model to estimate the grant-date fair value of the stock-based awards with the following weighted average assumptions for the indicated periods:

	2013	2012
Dividend yield	—%	—%
Expected volatility	47%	47%
Risk-free interest rate	0.80%	0.80%
Expected life of options	4.0 years	7.5 years

As of December 31, 2013 and 2012, there was $1,265 and $1,496, respectively, of unrecognized compensation costs related to share-based payments, which are expected to be recognized over a weighted average period of four years. Compensation expense was $390 and $292, respectively, for the years ended December 31, 2013 and 2012.

The weighted average grant-date fair value for stock options granted in 2013 and 2012 was $78.15 and $55.59, respectively.

(Continued)

(Dollars in thousands)

The following table represents stock option activity for the years ended December 31, 2013 and 2012:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual life
Outstanding at December 31, 2011	53,500	73.20	
Granted	26,306	127.09	
Exercised	—	—	
Forfeited	(1,500)	131.45	
Balance as of December 31, 2012	78,306	90.19	
Granted	3,000	234.00	
Exercised	—	—	
Forfeited	—	—	
Balance as of December 31, 2013	81,306	95.49	6.90
Exercisable at December 31, 2013	38,456	79.48	6.30

Shares available for future stock option grants to employees under the existing Plan were 18,694 and 21,694 as of December 31, 2013 and 2012, respectively.

(8) Income Taxes

The provision for income taxes is comprised of the following as of December 31, 2013 and 2012:

	2013	2012
Current	$ 90	97
Deferred	6,222	11,996
	$ 6,312	12,093

(Dollars in thousands)

Current taxes arise principally from state income taxes. The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate to pretax income for the years ended December 31, 2013 and 2012, due to the following:

		2013	2012
Computed "expected" income tax liability	$	6,098	10,076
Increase (reduction) resulting from:			
Nondeductible expenses		152	106
State income taxes, net of federal tax benefit		838	1,452
State deferred rate change		(592)	436
Other, net		(184)	23
	$	6,312	12,093

Net deferred tax assets and liabilities consist of the following components as of December 31, 2013 and 2012:

		2013	2012
Deferred tax assets:			
Net operating loss carryforwards	$	17,714	12,501
Allowance for doubtful accounts		10	10
Allowance for returned goods		680	785
Interest rate swap		120	259
Accrued expenses and other		1,022	595
Transaction related expenses		4,122	4,701
Contingent consideration		2,155	14,043
		25,823	32,894
Deferred tax liabilities:			
Difference between book and tax basis in:			
Fixed assets and intangible assets		(58,402)	(59,051)
Other expenses		(109)	(309)
		(58,511)	(59,360)
	$	(32,688)	(26,466)

In assessing the realizability of deferred tax assets, management considers whether it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income, and tax planning strategies in making this assessment. In order to fully realize the deferred tax asset, the Company will need to generate future taxable income prior to the expiration of the net operating loss carryforwards.

(Continued)

(Dollars in thousands)

The components giving rise to the net deferred tax assets and liabilities described above have been included in the accompanying consolidated balance sheets as of December 31, 2013 and 2012 as follows:

		2013	2012
Current asset	$	3,878	14,166
Noncurrent liabilities		(36,566)	(40,632)
	$	(32,688)	(26,466)

At December 31, 2013, the Company has net operating loss carryforwards for federal income tax purposes of $44.6 million, which are available to offset future federal taxable income, if any, through 2033. The Company has net operating loss carryforwards for state income tax purposes of $39.1 million which are available to offset future state taxable income through 2033.

Under the Tax Reform Act of 1986 and certain state statutes, the utilization of a corporation's net operating loss carryforward is limited following a greater-than-50% change in ownership during a three-year period. Any unused annual limitation may be carried forward to future years for the balance of the net operating loss period. Under these rules, prior ownership changes may create a limitation in the Company's ability to use certain tax carryforwards for federal and state income tax purposes. Certain state net operating losses may also be limited, including those related to Pennsylvania, which has a dollar limitation on the amount of net operating losses utilized in any one year.

The Company recognized the tax benefit of uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position, the tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses derecognition, classification, interest and penalties on income taxes, and accounting in interim periods.

Management has evaluated the Company's historical tax positions and has concluded that the Company has taken no uncertain tax positions that require a reserve to be provided in these consolidated financial statements.

The Company files domestic federal and state income tax returns. For years prior to 2010, the Company is no longer subject to income tax examinations by the U.S. federal, state, or local taxing authorities.

(9) Significant Customers

Three customers represented approximately 55% of net sales for the year ended December 31, 2013, with three customers representing 26%, 17%, and 12%. These three customers represented approximately 55% of accounts receivable as of December 31, 2013. Three customers represented approximately 54% of net sales for the year ended December 31, 2012, with three customers representing 23%, 17%, and 14%. These three customers represented approximately 56% of accounts receivable as of December 31, 2012.

(Continued)

(Dollars in thousands)

(10) Related-Party Transactions

The Company is party to a management agreement with the Company's stockholders, pursuant to which the Company pays an annual base fee of $750 plus dividends of $750 on Class C shares. The fees and dividends are payable quarterly and the Company is billed for expenses and additional special projects as incurred, subject to limitations under the terms of the Company's credit facilities. Total amounts paid with respect to the management agreement were management fees and expenses of $991 and $954 in 2013 and 2012, respectively, and Class C dividends of $750 and $876 in 2013 and 2012, respectively.

Effective January 1, 2011, the Company engaged The Emerson Group and Emerson Healthcare (Emerson) to provide selling and logistics related services to the Company. A principal of Emerson subsequently became a stockholder and is a member of the Company's Board of Directors. Fees paid in 2013 and 2012 to Emerson in connection to services provided to the Company were $6,950 and $7,632, respectively.

(11) Commitments and Contingencies

In March 2012, the Company entered into a lease for new office space. Future minimum lease payments under the Company's operating lease agreements for its office space is as follows:

Year ending December 31:		
2014	$	364
2015		387
2016		394
2017		402
2018		409
2019 and thereafter		311
Total	$	2,267

Rent expense for the years ended December 31, 2013 and 2012 was $328 and $137, respectively.

The Company is party to various claims arising in the ordinary course of business. Although the ultimate outcome of the matters is presently not determinable, management, after consultation with legal counsel, does not believe that the outcome of these matters will have a material adverse effect on the Company's financial position or results of operations.

(12) Benefits

The Company has a 401(k) "safe harbor" plan that covers all employees and allows for a maximum match of 6% of compensation or a maximum of $17 per individual. For the years ended December 31, 2013 and 2012, the Company contributed $237 and $171, respectively, to the plan.

(13) Fair Value of Financial Instruments

Accounts receivable, accounts payable, and accrued expenses are reflected in the consolidated financial statements at carrying value, which approximates fair value because of the short-term nature of these instruments. The Company believes that the carrying value of the Company's long-term debt approximates fair value based on the variable rates and the current rates available to the Company for similar instruments.

The estimated carrying and fair values of the Company's financial instruments are as follows:

		2013		2012	
		Carrying value	**Estimated fair value**	**Carrying value**	**Estimated fair value**
Financial assets:					
Interest rate cap	$	—	—	—	—
Financial liabilities:					
Interest rate swap	$	(78)	(78)	(423)	(423)

The fair value of the interest rate cap and swap are the estimated amount the Company would receive (pay) to terminate the agreements at the reporting date, taking into account current interest rates. The Company also considers the creditworthiness of the cap and swap counterparties for assets and creditworthiness of the Company for liabilities.

The Company follows ASC 820, *Fair Value Measurements and Disclosures*, and applies it to all assets and liabilities that are being measured and reported on a fair value basis. The statement requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data

Level 3: Unobservable inputs that are not corroborated by market data

The level in the fair value within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The Company's interest rate cap and swap are pay-fixed, receive-variable interest rate instruments based on LIBOR cap and swap rates. The LIBOR cap and swap rates are observable at commonly quoted intervals for the full term of the swaps, and, therefore, are considered Level 2 measurements in 2013 and 2012. See note 2 for additional disclosure on derivatives.

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment). The fair value of the trademarks and other intangibles and goodwill are considered Level 3 measurements.

Trademarks measured at fair value on a nonrecurring basis relate to trademarks that were acquired in connection with an acquisition. There was an impairment loss of $1,400 recognized in 2013 and no impairment loss was recognized in 2012. The fair value of these intangible assets was calculated based upon discounted cash flow projections. These projections incorporate management's assumptions about future cash flows based upon past experience and future expectations. The expected cash flows are then discounted using a discount rate that the Company believes is commensurate with the risks involved. The Company used a discount rate of 11% to 19% and 10% to 20% at December 31, 2013 and 2012, respectively, to reflect current market conditions.

Goodwill is measured at fair value on a nonrecurring basis. There were no impairment losses recorded in the years ended December 31, 2013 and 2012. The fair value of goodwill was calculated using an income approach and a market approach. These approaches incorporated management's assumptions about future cash flows based on past experience and future expectations and financial metrics from comparable public companies.

Exhibit 99.2

INSIGHT PHARMACEUTICALS CORPORATION AND SUBSIDIARY

Interim Consolidated Financial Statements

June 30, 2014

INSIGHT PHARMACEUTICALS CORPORATION AND SUBSIDIARY

Consolidated Balance Sheets

June 30, 2014 and December 31, 2013

(Dollars in thousands)

Assets		**June 30, 2014**	**December 31, 2013**
Current assets:			
Cash and cash equivalents	$	2,917	2,865
Accounts receivable, less allowances of $2,469 in 2014 and $2,213 in 2013		24,189	22,960
Inventories, net of reserve of $681 in 2014 and $686 in 2013		28,559	27,719
Prepaid expenses and other current assets		2,616	1,478
Deferred income taxes		769	3,878
Total current assets		59,050	58,900
Property and equipment, net		2,317	1,874
Trademarks and other intangibles, net		500,482	502,840
Customer relationships, net		53	92
Deferred debt issuance costs, net		9,660	11,885
Goodwill		8,949	8,949
Total assets	$	580,511	584,540
Liabilities and Stockholders' Equity			
Current liabilities:			
Current portion of long-term debt	$	2,726	2,794
Current portion of contingent consideration		—	5,498
Accounts payable		16,097	11,786
Accrued liabilities		4,793	6,166
Total current liabilities		23,616	26,244
Long-term debt, net of current portion		380,026	385,806
Deferred income taxes		36,273	36,566
Total liabilities		439,915	448,616
Commitments and contingencies (note 11)			
Stockholders' equity:			
Class A common stock, $0.001 par value. Authorized, 1,250,000 shares; issued and outstanding, 1,162,500 shares as of June 30, 2014 and December 31, 2013		1	1
Class B common stock, $0.001 par value. Authorized, 1,250,000 shares; issued and outstanding, 1,162,500 shares as of June 30, 2014 and December 31, 2013		1	1
Class C common stock, $0.001 par value. Authorized, 1 share; issued and outstanding, 1 shares as of June 30, 2014 and December 31, 2013		—	—
Additional paid-in capital		115,846	114,971
Retained earnings		24,748	20,951
Total stockholders' equity		140,596	135,924
Total liabilities and stockholders' equity	$	580,511	584,540

See accompanying notes to Interim consolidated financial statements.

INSIGHT PHARMACEUTICALS CORPORATION AND SUBSIDIARY

Consolidated Statements of Operations

(Dollars in thousands)

		Six months ended June 30, 2014	Six months ended June 30, 2013
Net sales	$	84,266	85,351
Cost of goods sold		31,141	31,280
Gross profit		53,125	54,071
Operating expenses (income):			
Marketing and sales		15,694	18,024
Compensation		4,598	3,749
Depreciation and amortization		4,875	2,453
Accretion on contingent consideration		42	1,100
Adjustment of contingent consideration		—	(48)
Shipping and handling		1,763	1,777
Consulting, director, and management fees		421	488
General and administrative		1,772	1,384
Research and development		177	738
Supply chain transition costs		394	5,525
Total operating expenses		29,736	35,190
Income from operations		23,389	18,881
Other income (expense):			
Interest expense		(16,281)	(16,681)
Gain on interest rate swap and cap		78	176
Other expense		(154)	(151)
Income before income taxes		7,032	2,225
Income tax expense		2,860	861
Net income	$	4,172	1,364

See accompanying notes to Interim consolidated financial statements.

INSIGHT PHARMACEUTICALS CORPORATION AND SUBSIDIARY

Consolidated Statements of Changes in Stockholders' Equity

Six Months Ended June 30, 2014 and December 31, 2013

(Dollars in thousands)

	Class A common stock		Class B common stock		Class C common stock		Additional paid-in capital	Retained earnings	Total
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, December 31, 2013	1,162,500	$ 1	1,162,500	$ 1	1	$ —	114,971	20,951	135,924
Stock-based compensation expense	—	—	—	—	—	—	875	—	875
Dividends paid	—	—	—	—	—	—	—	(375)	(375)
Net income	—	—	—	—	—	—	—	4,172	4,172
Balance, June 30, 2014	1,162,500	$ 1	1,162,500	$ 1	1	$ —	115,846	24,748	140,596

See accompanying notes to Interim consolidated financial statements.

INSIGHT PHARMACEUTICALS CORPORATION AND SUBSIDIARY

Consolidated Statements of Cash Flows

(Dollars in thousands)

	Six months ended June 30, 2014	2013
Cash flows from operating activities:		
Net income	$ 4,172	1,364
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	252	141
Amortization	4,622	2,312
Deferred income tax expense	2,816	810
Accretion on contingent consideration, net of payments	43	1,100
Adjustment of contingent consideration	—	(48)
Gain on interest rate swap and cap	(78)	229
Stock-based compensation	875	200
Changes in assets and liabilities net of the effect of acquisitions:		
Accounts receivable	(1,229)	7,153
Inventories	(840)	(5,533)
Prepaid expenses and other current assets	(1,138)	51
Accounts payable	5,311	5,984
Accrued liabilities	(1,295)	(4,905)
Other liabilities	—	(344)
Net cash provided by operating activities	13,511	8,514
Cash flows from investing activities:		
Purchases of property and equipment	(695)	(218)
Change in restricted cash	—	7,714
Net cash (used in) provided by investing activities	(695)	7,496
Cash flows from financing activities:		
Payment of contingent consideration	(5,541)	(17,640)
Repayment of long-term debt	(5,848)	(12,003)
Deferred payment on acquisition of license and intellectual property	(1,000)	—
Payment of Class C dividends	(375)	(375)
Net cash used in financing activities	(12,764)	(30,018)
Net increase (decrease) in cash and cash equivalents	52	(14,008)
Cash and cash equivalents, beginning of year	2,865	19,873
Cash and cash equivalents, ending of year	$ 2,917	5,865
Supplemental disclosures of cash flow information:		
Interest paid	$ 15,301	19,314
Income taxes paid	164	116

See accompanying notes to Interim consolidated financial statements.

(1) Nature of Business

Insight Pharmaceuticals Corporation and Subsidiary (hereinafter referred to as the Company or Insight) markets, distributes, and sells quality healthcare products to consumers, principally through the drug, mass merchandising, and food channels of distribution. The Company outsources its warehousing and distribution operations and employs contract manufacturers to make products that are sold primarily in North America.

(2) Summary of Significant Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements of the Company include the accounts of Insight Pharmaceuticals Corporation and its wholly owned subsidiary, Insight Pharmaceuticals, LLC. All significant intercompany accounts and transactions have been eliminated in consolidation.

(b) Revenue Recognition

Revenue is recognized when the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists, and the sales price is fixed and determinable. Net sales include the sales price, net of promotional allowances specifically identified for the related products sold, less sales returns, pricing credits, unsalables, and miscellaneous sales adjustments. Sales returns and pricing credits are directly attributable to the products sold. The Company estimates its sales returns allowance based on past experience.

(c) Cash and Cash Equivalents and Restricted Cash

For purposes of reporting cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company maintains its cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. The Company does not believe it is exposed to any significant credit risk on cash and cash equivalents.

(d) Accounts Receivable

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables and other allowances. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history, and current economic conditions. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when cash is received.

(e) Inventories

Inventories are stated at the lower of cost, determined on the first-in, first-out method, or market. The Company records as a charge to cost of goods sold any amount required to reduce the carrying value of inventories to the net realizable sales value.

(f) ***Property and Equipment***

Property and equipment are stated at cost. Depreciation is computed on a straight-line basis over the following estimated useful lives:

Furniture and fixtures	7 years
Machinery and equipment	3 years
Computer equipment and software	3 years

(g) Impairment of Long-Lived Assets

The Company reviews long-lived assets, including property and equipment and intangible assets subject to amortization, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Recoverability of assets is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, then an impairment charge is recognized for the amount by which the carrying value of the asset exceeds the fair value of the asset.

(h) Intangible Assets

Intangible assets consist of goodwill, trademarks, and customer relationships.

Goodwill reflects the costs in excess of the fair value of the net assets acquired in purchase transactions. Trademarks are related to the purchase of over-the-counter pharmaceutical brands.

The Company accounts for goodwill and trademarks in accordance with Accounting Standards Codification (ASC) 350, *Intangibles – Goodwill and Other.* The Company performs its annual impairment test date as of September 30 each year.

The Company tests goodwill for impairment using the two-step process prescribed by ASC 350. The first step tests for potential impairment and the second step measures the amount of impairment, if any. There was no impairment of goodwill during 2014 or 2013.

The Company annually evaluates current events and circumstances (including period to period sales and profitability by brand, industry trends, projected sales and gross margins, and advertising effectiveness) to determine whether the infinite life classification for a trademark continues to be valid. If the Company determines the indefinite life classification is no longer valid, the Company will begin to amortize the trademark over its estimated useful life.

The Company tests its indefinite lived trademarks for impairment annually, or if events or circumstances indicate the trademarks might be impaired. During 2013, based on the results of the annual impairment test, the Company recognized an impairment of $1,400. No impairments have seen recognized during the six months ended June 30, 2014, See note 5.

Customer relationships are being amortized on an accelerated basis over an estimated five-year life.

(i) ***Deferred Debt Issuance Costs***

Costs incurred in connection with procuring debt, consisting primarily of debt origination fees, are deferred and amortized as a charge to income, over the term of the related debt, using the effective-interest method.

(j) ***Income Taxes***

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit 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 effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

(k) ***Derivatives***

Certain of the Company's derivative instruments do not qualify for hedge accounting treatment under the Financial Accounting Standards Board guidance for derivatives and hedging; for others, the Company chooses not to maintain the required documentation to apply hedge accounting treatment. These undesignated instruments are used to economically hedge the Company's exposure to fluctuations in the interest rates on certain portions of the Company's floating rate debt. The Company's derivative policy permits the use of undesignated derivatives and the change in fair value is reported currently through earnings in gain or loss on interest rate swap and cap on the Company's consolidated statements of operations.

At December 31, 2013, the notional principal amount of the swap was $27,550, which reduces as debt principal payments are made, and which matured on April 1, 2014. For the six month ended June 30, 2014 and June 30, 2013, the Company recorded a gain of $78 and $176 on this instrument, respectively. A swap liability of $78 is included in the accompanying consolidated balance sheets as of December 31, 2013. The fair value of the Company's interest rate swap was the estimated amount the Company would receive or pay to terminate these agreements at the reporting date, taking into account current interest rates and the creditworthiness of the Company. See note 13 for additional disclosure on the fair value of this interest rate swap.

At December 31, 2013, the notional principal amount of the cap was $167,350 which reduces as debt principal payments are made, and which matured on January 1, 2014. For the six months ended June 30, 2014 and 2013, the Company recorded no gain or loss on this instrument. The fair value of the Company's cap is the estimated amount the Company would receive or pay to terminate these agreements at the reporting date, taking into account current interest rates and the creditworthiness of

(Continued)

the counterparty for assets and creditworthiness of the Company for liabilities. See note 13 for additional disclosure on the fair value of this cap.

(l) Marketing and Sales Expenses

Marketing and sales costs are expensed as incurred. Marketing and sales expenses represent various costs associated with selling the Company's products including broker commissions, travel expenses, advertising, and promotion costs. Advertising costs represent various media expenses to promote brand awareness and were $10,631 and $12,253 for the six months ended June 30, 2014 and June 30, 2013, respectively. Promotion costs are composed of marketing costs including displays, market research expenditures, and package design costs.

(m) Research and Development Cost

Research and development costs are charged to operations in the period incurred and were $177 and $738 for the six months ended June 30, 2014 and June 30, 2013, respectively.

(n) Supply Chain Transition Costs

The Company incurred costs of $394 and $5,525 for the six months ended June 30, 2014 and June 30, 2013, respectively related to switching suppliers for one of its main products. The costs primarily relate to termination penalties from the old supplier, but also include costs for packaging changes, consulting fees, and salary expense for employees working on the transition.

(o) Stock-Based Compensation

The Company has a stock option plan, which is accounted for under ASC 718, *Compensation – Stock Compensation*, which addresses accounting for equity-based compensation arrangements, including employee stock options, and requires entities to measure the cost of employee services received in exchange for awards of equity instruments at the grant date of the award using a fair-value-based method.

The Company measures employee stock-based awards at grant-date fair value and records employee compensation expense on a straight-line basis over the vesting period of the award.

Determining the appropriate fair value of stock-based awards requires the input of subjective assumptions, including the fair value of the Company's common stock and for stock options, the expected life of the option, and expected stock price volatility. The Company uses the Black-Scholes option pricing model to value its stock option awards. The assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment. As a result, if factors change and management uses different assumptions, stock-based compensation expense could be materially different for future awards.

The expected life of stock options was estimated using the "simplified method," as the Company has no historical information to develop reasonable expectations about future exercise patterns and post vesting employment termination behavior for its stock options grants. The simplified method is based on the average of the vesting tranches and the contractual life of each grant. For stock price volatility, the Company uses comparable public companies as a basis for its expected volatility to calculate the fair value of options grants. The risk-free interest rate is based on U.S. Treasury notes with a term approximating the expected life of the option. He dividend yield of zero is based on the fact that the Company has never paid cash dividends on its common stock, and has no present intention to pay cash dividends.

(p) ***Use of Estimates***

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) Acquisitions

On August 26, 2011, the Company acquired substantially all of the assets, consisting primarily of intellectual property and inventory used in connection with the Monistat brand from McNEIL-PPC, Inc. (the Seller) for $353,453, including contingent consideration with an estimated fair value of $68,399. The Company financed this transaction and refinanced its then existing debt, with an additional capital contribution of $65,000, and a new credit facility totaling $420,000 ($255,000 First Lien, $145,000 Second Lien, and $20,000 Revolving Loan Commitment) as further described in note 6. The contingent consideration arrangement required the Company to pay quarterly amounts to the Seller based on gross sales of Monistat in 2013 and 2014, up to a maximum amount of $90,000. During 2014 and 2013, the Company paid the Seller $5,541 and $28,825, respectively, under the arrangement. The remaining estimated undiscounted amount of payments to be paid under the contingent consideration arrangement at December 31, 2013 was $5,541. For the six months ended June 30, 2014 and 2013, the Company accreted $42 and $1,100, respectively, of interest expense related to this liability which is recorded as accretion on contingent consideration on the consolidated statements of operations. For the six month ended June 30, 2013 the Company recognized $48 of income as a result of a decrease in the estimated amounts due for contingent consideration due to a decrease in Monistat gross revenues, net of other miscellaneous adjustments. The Company recorded $5,498, as the estimated fair value of the payments in the consolidated balance sheets as of December 31, 2013. As the final payment was made in January 2014, the liability was zero as of June 30, 2014.

The acquisition was recorded in accordance with ASC 805, *Business Combinations*. As a result of the acquisition, the Company increased its market share in quality healthcare products sold to consumers using preexisting infrastructure and distribution channels established by the Company.

On September 4, 2013, the Company entered into an exclusive licensing agreement with Common Sense Limited. This agreement provides the Company exclusive access to patented technology in connection with women's health and home diagnostics, and to otherwise use, make, distribute, offer for sale, promote, advertise, or import the products in the United States. Upon execution of the license agreement, the Company paid Common Sense Limited $1,500. An additional $1,000 was paid to Common Sense Limited in March 2014. The Company will pay up to an additional $3,500 in milestone payments upon the achievement of certain regulatory and commercialization events for products to be sold over-the-counter. There are also royalty payments to be paid at varying percentages of net sales for these products, which range from 5% to 7% depending on the year.

(Dollars in thousands)

(4) Property and Equipment

Property and equipment consisted of the following as of June 30, 2014 and December 31, 2013:

		June 30, 2014	December 31, 2013
Furniture and fixtures	$	332	332
Machinery and equipment		1,456	1,296
Computer equipment and software		1,575	1,040
		3,363	2,668
Less accumulated depreciation		1,046	794
	$	2,317	1,874

Depreciation expense for the six months ended June 30, 2014 and 2013 was $252 and $141, respectively.

(5) Intangible Assets

Intangible assets subject to amortization as of June 30, 2014 consist of the following:

	Weighted average amortization period		Gross carrying amount	Accumulated amortization	Net carrying amount
Customer relationships	5	$	865	(812)	53
Trademarks subject to amortization	13		57,662	(3,537)	54,125

Intangible assets subject to amortization as of December 31, 2013 consist of the following:

	Weighted average amortization period		Gross carrying amount	Accumulated amortization	Net carrying amount
Customer relationships	5	$	865	(773)	92
Trademarks subject to amortization	13		57,662	(1,179)	56,483

(Dollars in thousands)

Changes in the carrying amount of trademarks with indefinite lives and goodwill for the six month ended June 30, 2014 and year ended December 31, 2013 are as follows:

	June 30, 2014		December 31, 2013	
	Trademarks	Goodwill	Trademarks	Goodwill
Balance, January 1	$ 446,357	8,949	503,488	8,949
Sale of brands	—	—	(569)	
Trademarks subject to amortization	—	—	(55,162)	—
Impairment charge	—	—	(1,400)	—
Balance, end of period	$ 446,357	8,949	446,357	8,949

In 2013, the Company determined that certain brands with a carrying value of $55,162 have finite lives and started amortizing the trademark values over their estimated lives (ranging from 10 to 20 years, with a weighted average period of 15 years at December 31, 2013). In 2013, it was also determined that the carrying value of the Gentle Naturals trademark exceeded its fair value, and accordingly, an impairment charge of $1,400 was recognized. The Company considers its remaining trademarks to have indefinite lives.

In November 2013, the Company sold the Caldecort, Chooz, Tanac, Triptone, and Privine brands for $253 in cash. The reduction of $569 to trademarks represents the book value of the trademarks of the brands sold. A loss of $316 was recognized in connection with the sale.

Amortization expense recognized on all amortizable intangibles for the six months ended June 30, 2014 and 2013 was $2,397 and $73, respectively.

The Company will recognize amortization expense related to customer relationships and trademarks as follows:

	Customer relationships	Trademarks
Year ending December 31:		
2014	$ 66	5,039
2015	26	5,039
2016	—	5,039
2017	—	5,039
2018	—	5,039
2019 and thereafter	—	31,288
	$ 92	56,483

(Continued)

(Dollars in thousands)

(6) Debt

Long-term debt as of June 30, 2014 and December 31, 2013 is as follows:

		June 30, 2014	December 31, 2013
First Lien	$	268,502	276,600
Revolver		2,250	—
Second Lien		112,000	112,000
		382,752	388,600
Less current portion		2,726	2,794
Long-term debt, net of current portion	$	380,026	385,806

The Company has a credit facility totaling $422,000 ($290,000 First Lien, $112,000 Second Lien, $20,000 Revolving Loan Commitment). The interest on the First Lien is LIBOR plus 6.00% with a 1.50% floor to LIBOR plus 5.00% with a 1.25% floor.

The First Lien requires quarterly principal payments of $698 on January 1 and April 1, 2014, and $682 commencing July 1, 2014 with the balance payable in August of 2016. Principal payments were reduced due to the Company making a $6,701 excess cash flow payment as required based on the results of the Leverage Ratio per the Company's debt covenants. The First Lien bears interest at LIBOR plus an applicable margin (5% at June 30, 2014) and is subject to certain affirmative and negative covenants, which, among other matters, require the Company to maintain certain financial ratios, limit capital expenditures, limit distributions to the Company's stockholders, limit fees paid to the Company's directors, and limit management fees paid to the Company's stockholders.

The Second Lien bears interest at LIBOR plus an applicable margin (11.75% at June 30, 2014) and matures in August 2017. In addition, if any amount of the loan is paid prior to the due date, there will be a prepayment fee calculated as a percentage of the loan ranging from 3.00% to 1.00%. The loan is subject to certain affirmative and negative covenants, which, among other matters, require the Company to maintain certain financial ratios, limit capital expenditures, limit distributions to the Company's stockholders, limit fees paid to the Company's directors, and limit management fees paid to the Company's stockholders.

The revolving loan commitment of $20,000 bears interest at LIBOR plus 5.00%, has a due date of August 2016 and can be used to fund the contingent consideration payments (note 3) or to fund operations. As of June 30, 2014 and December 31, 2013, $2,250 and $0, respectively were outstanding under this revolving loan. Under the credit agreement terms, the Company is required to pay a quarterly commitment fee equal to 0.5% of the unused commitment.

Under these credit facilities, the Company's obligations are secured by a lien on substantially all of the Company's assets. The Second Lien is subordinated to the Company's First Lien.

(Continued)

(Dollars in thousands)

The aggregate maturities of long-term debt are as follows as of June 30, 2014:

2014	$	1,363
2015		2,726
2016		266,663
2017		112,000
Total	$	382,752

Amortization of deferred debt issuance costs for the six months ended June 30, 2014 and 2013, was $2,225 and $2,239, respectively.

(7) Stockholders' Equity

(a) Common Stock

The Company is authorized to issue 2,500,001 shares of common stock. This includes 1,250,000 shares of Class A common stock, par value $0.001 per share; 1,250,000 shares of Class B common stock, par value $0.001 per share; and 1 share of Class C common stock, par value $0.001 per share. In 2011, the Company issued 1,162,500 shares of the Class A common stock; 1,162,500 shares of the Class B common stock; and 1 share of the Class C common stock.

Class A common stock shares have the right to vote on all matters with the exception of election of directors of the Company; the right to participate in dividends when declared by the board of directors of the Company except for special dividends paid to the owner of the Class C shares; and the right to participate in distributions upon the liquidation, dissolution, or winding-up of the affairs of the Company.

Class B common stock shares have the right to vote for the election of directors of the Company and the right to receive $0.002 per share upon the liquidation, dissolution, or winding-up of the affairs of the Company.

Class C common stock shares have the right to receive a special dividend on terms and conditions set forth in an agreement between the Company and shareholder and the right to vote on any matter that would adversely affect the rights and preferences of the Class C common stock with respect to the special dividends.

(b) Stock Option Plan

On June 17, 2009, the Company adopted a stock option plan (the Plan).The Plan is a compensation benefit plan designed to provide incentives to present and future employees, directors, officers, consultants, or advisors of the Company and falls within the meaning of Rule 701 of the Securities Act of 1933, as amended. A committee of the board of directors has the sole authority to grant options.

(Dollars in thousands)

The Plan, as amended, authorizes a maximum of 100,000 shares to be granted and if any options previously granted are forfeited, they will become available for future grants. The Plan vests in increments of 20% per year on each anniversary date and ending on the fifth anniversary. No incentive stock options will be granted after June 17, 2019. Consistent with Section 422(b) of the Internal Revenue Code, the options (i) shall have an exercisable price per share of common stock of not less than 100% of the fair market value at the date of the grant, (ii) shall not be exercisable 10 years after date of grant, (iii) shall generally not be transferable other than by will or under the laws of descent and distribution and, during the lifetime of the participant, to whom such incentive stock options were granted, may be exercised only by such participant, and (iv) shall generally be exercisable only during the participant's employment with certain exceptions.

The Company used the Black-Scholes option pricing model to estimate the grant-date fair value of the stock-based awards.

As of June 30, 2014, there was $575 of unrecognized compensation costs related to share-based payments, which is expected to be recognized over a weighted average period of 3.5 years. Compensation expense was $890 and $200, respectively, for the six months ended June 30, 2014 and June 30, 2013.

The weighted average grant-date fair value for stock options granted in 2013 was $78.15. There were no stock options graded in the six months ended June 30, 2014.

The following table represents stock option activity for the six month period ended June 30, 2014:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual life
Balance as of December 31, 2013	81,306	95.49	
Granted	—	—	
Exercised	—	—	
Forfeited	—	—	
Balance as of June 30, 2014	81,306	95.49	6.4 years
Exercisable at June 30, 2014	53,233	83.16	6.0 years

Shares available for future stock option grants to employees under the existing Plan were 18,694 as of June 30, 2014.

(Dollars in thousands)

(8) Income Taxes

The provision for income taxes is comprised of the following for the six months ended June 30, 2014 and, 2013:

		June 30, 2014	June 30, 2013
Current	$	44	51
Deferred		2,816	810
	$	2,860	861

Current taxes arise principally from state income taxes. The provision for income taxes differs from the amount determined by applying the U.S. federal statutory rate to pretax income due primarily to state income taxes and non-deductible expenses.

Deferred taxes primarily represent temporary differences related to net operating loss carryforwards, intangible assets, transaction related expenses, contingent consideration at December 31, 2013 and accrued expenses.

At June 30, 2014, the Company has net operating loss carryforwards for federal income tax purposes of $53.8 million, which are available to offset future federal taxable income, if any, through 2033. The Company has net operating loss carryforwards for state income tax purposes of $39.1 million which are available to offset future state taxable income through 2033.

Under the Tax Reform Act of 1986 and certain state statutes, the utilization of a corporation's net operating loss carryforward is limited following a greater-than-50% change in ownership during a three-year period. Any unused annual limitation may be carried forward to future years for the balance of the net operating loss period. Under these rules, prior ownership changes may create a limitation in the Company's ability to use certain tax carryforwards for federal and state income tax purposes. Certain state net operating losses may also be limited, including those related to Pennsylvania, which has a dollar limitation on the amount of net operating losses utilized in any one year.

The Company recognized the tax benefit of uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position, the tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses derecognition, classification, interest and penalties on income taxes, and accounting in interim periods.

Management has evaluated the Company's historical tax positions and has concluded that the Company has taken no uncertain tax positions that require a reserve to be provided in these consolidated financial statements.

(Dollars in thousands)

The Company files domestic federal and state income tax returns. For years prior to 2010, the Company is no longer subject to income tax examinations by the U.S. federal, state, or local taxing authorities.

(9) Significant Customers

Three customers represented approximately 60% of net sales for the six months ended June 30, 2014, with three customers representing 26%, 19%, and 15%. These three customers represented approximately 62% of accounts receivable as of June 30, 2014. Three customers represented approximately 60% of net sales for the six month ended June 30, 2013, with three customers representing 29%, 18%, and 13%. These three customers represented approximately 61% of accounts receivable as of December 31, 2013.

(10) Related-Party Transactions

The Company was party to a management agreement with the Company's Former stockholders, pursuant to which the Company paid an annual base fee of $750 plus dividends of $750 on Class C shares. The fees and dividends are payable quarterly and the Company is billed for expenses and additional special projects as incurred, subject to limitations under the terms of the Company's credit facilities. Total amounts paid with respect to the management agreement were management fees and expenses of $421 and $488 for the six months ended June 30, 2014 and 2013, respectively, and Class C dividends of $375 and $375 for the six months ended June 30, 2014 and 2013, respectively.

Effective January 1, 2011, the Company engaged The Emerson Group and Emerson Healthcare (Emerson) to provide selling and logistics related services to the Company. A principal of Emerson subsequently became a stockholder and was a member of the Company's Board of Directors. Fees paid for the six months ended June 30, 2014 and 2013 to Emerson in connection to services provided to the Company were $3,617 and $3,474, respectively.

(11) Commitments and Contingencies

The Company has a lease for office space. Future minimum lease payments under the Company's operating lease agreements for its office space is as follows:

Year ending December 31:		
2014	$	189
2015		387
2016		394
2017		402
2018		409
Total	$	1,781

Rent expense for the six months ended June 30, 2014 and 2013 was $175 and $156, respectively.

The Company is party to various claims arising in the ordinary course of business. Although the ultimate outcome of the matters is presently not determinable, management, after consultation with legal counsel, does not believe that the outcome of these matters will have a material adverse effect on the Company's financial position or results of operations.

(Dollars in thousands)

(12) Benefits

The Company has a 401(k) "safe harbor" plan that covers all employees and allows for a maximum match of 6% of compensation or a maximum of $17 per individual. For the six months ended June 30, 2014 and 2013, the Company contributed $143 and $123, respectively, to the plan.

(13) Fair Value of Financial Instruments

Accounts receivable, accounts payable, and accrued expenses are reflected in the consolidated financial statements at carrying value, which approximates fair value because of the short-term nature of these instruments. The Company believes that the carrying value of the Company's long-term debt approximates fair value based on the variable rates and the current rates available to the Company for similar instruments.

The estimated carrying and fair values of the Company's financial instruments are as follows at December 31, 2013.

		December 31, 2013	
		Carrying value	**Estimated fair value**
Financial liabilities:			
Interest rate swap	$	(78)	(78)

The Company had no other outstanding financial instruments at June 30, 2014.

The fair value of the interest rate cap and swap are the estimated amount the Company would receive (pay) to terminate the agreements at the reporting date, taking into account current interest rates. The Company also considers the creditworthiness of the cap and swap counterparties for assets and creditworthiness of the Company for liabilities.

The Company follows ASC 820, *Fair Value Measurements and Disclosures*, and applies it to all assets and liabilities that are being measured and reported on a fair value basis. The statement requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data

Level 3: Unobservable inputs that are not corroborated by market data

The level in the fair value within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The Company's interest rate cap and swap are pay-fixed, receive-variable interest rate instruments based on LIBOR cap and swap rates. The LIBOR cap and swap rates are observable at commonly quoted intervals for the full term of the swaps, and, therefore, are considered Level 2 measurements. See note 2 for additional disclosure on derivatives.

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment). The fair value of the trademarks and other intangibles and goodwill are considered Level 3 measurements.

Trademarks measured at fair value on a nonrecurring basis relate to trademarks that were acquired in connection with an acquisition. The fair value of these intangible assets was calculated based upon discounted cash flow projections. These projections incorporate management's assumptions about future cash flows based upon past experience and future expectations. The expected cash flows are then discounted using a discount rate that the Company believes is commensurate with the risks involved.

Goodwill is measured at fair value on a nonrecurring basis. There were no impairment losses recorded in the six months ended June 30, 2014 and 2013. The fair value of goodwill was calculated using an income approach and a market approach. These approaches incorporated management's assumptions about future cash flows based on past experience and future expectations and financial metrics from comparable public companies.

(14) Subsequent Events

On September 3, 2014, the Prestige Holdings, Inc. acquired all of the outstanding stock of the Company pursuant to the Stock Purchase Agreement, dated as of April 25, 2014 for $750,000 in cash, subject to adjustments.

The Company considered all subsequent events through November 18, 2014, the date the consolidated financial statements were available to be issued, on no additional subsequent events were noted.

Exhibit 99.3

Prestige Brands Holdings, Inc.
Pro-Forma Combined Financial Information Introduction
(unaudited)

On September 3, 2014, Prestige Brands Holdings, Inc. (referred to herein as "Prestige", the "Company" or "we", which reference shall, unless the context requires otherwise, be deemed to refer to Prestige Brands Holdings, Inc. and all of its direct and indirect 100% owned subsidiaries on a consolidated basis) completed its previously announced acquisition of Insight Pharmaceuticals Corporation and Subsidiary ("Insight"), a marketer and distributor of feminine care and other OTC healthcare products in North America for $753.2 million in cash. The closing followed the Federal Trade Commission’s (“FTC”) approval of the acquisition, and was finalized pursuant to the terms of the purchase agreement announced on April 25, 2014. Pursuant to the Insight purchase agreement, the Company acquired 27 over-the-counter (OTC) pharmaceutical brands sold in North America (including related trademarks, contracts and inventory), which extends the Company's portfolio of OTC brands to include a leading feminine care platform in the U.S. and Canada anchored by Monistat®, the #1 brand in OTC yeast infection treatment. The acquisition will also add brands to Prestige’s cough/cold, pain relief, ear care and dermatological platforms.

On the closing date, the Company and Prestige Brands, Inc. (the "Borrower") entered into Amendment No. 2 (the "Term Loan Amendment") to the credit agreement governing the Company's term loan facility (the "Term Loan Credit Agreement"). The Term Loan Amendment provides for (i) the creation of a new class of Term B-2 Loans under the Term Loan Credit Agreement in an aggregate principal amount of $720.0 million, (ii) increased flexibility under the Term Loan Credit Agreement, including but not limited to additional investment, restricted payment and debt incurrence flexibility and financial maintenance covenant relief and (iii) an interest rate on (x) the Term B-1 Loans that is based, at the Borrower’s option, on a LIBOR rate plus a margin of 3.125% per annum, with a LIBOR floor of 1.00%, or an alternate base rate plus a margin, and (y) the Term B-2 Loans that is based, at the Borrower’s option, on a LIBOR rate plus a margin of 3.50% per annum, with a LIBOR floor of 1.00%, or an alternate base rate plus a margin (with a margin step-down to 3.25% per annum, based upon achievement of specified secured net leverage ratio). A portion of the proceeds from the sale were used by Insight to repay debt.

The unaudited pro forma combined statements of operations for the fiscal year ended March 31, 2014 and for the six months ended September 30, 2014 have been prepared to illustrate the effects of the acquisition and related financings (collectively, the "Transactions"), as if they had occurred on April 1, 2013. The Company has not included an unaudited pro forma combined balance sheet below, as the Insight transaction is reflected in the unaudited balance sheet of the Company as of September 30, 2014, which was included in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014. The pro forma data has been derived from the audited financial statements of Prestige for the fiscal year ended March 31, 2014 and the unaudited financial statements of Prestige for the six months ended September 30, 2014, the audited financial statements of Insight for the fiscal year ended December 31, 2013 and the unaudited financial statements of Insight for the six months ended June 30, 2014. Insight has historically used a December 31 fiscal year end. For purposes of the pro forma combined financial information for the fiscal year ended March 31, 2014 and for the six months ended September 30, 2014 herein, the year ended December 31, 2013 and the six months ended June 30, 2014 was used for Insight, respectively.

The pro forma adjustments contained in the unaudited pro forma combined financial information are based on the latest available information and certain adjustments that management believes are reasonable. These unaudited pro forma adjustments include a preliminary allocation of the purchase price of Insight to the assets acquired and liabilities assumed based on a preliminary valuation analysis; however, the final valuation may differ from this preliminary valuation. The actual results reported by the combined company in periods following the Transactions may differ materially from that reflected in this unaudited pro forma combined financial information.

The unaudited pro forma combined financial information presented herein is based on the assumptions and adjustments described in the accompanying notes. The unaudited pro forma combined financial information gives effect to events that are (1) directly attributable to the Transactions, (2) factually supportable and (3) expected to have a continuing impact on the combined company. The unaudited pro forma combined financial information is presented for illustrative purposes and does not purport to represent what the financial position or results of operations would actually have been if the Transactions had occurred as of the dates indicated or what the results of operations would be for any future periods.

The unaudited pro forma combined financial information, including the notes thereto, should be read in conjunction with the historical consolidated financial statements and accompanying notes contained in Prestige Brands Holdings, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, filed on November 6, 2014, and the Annual Report on Form 10-K for the year ended March 31, 2014, filed on May 19, 2014.

It is management's opinion that these pro forma financial statements represent the fair presentation, in all material respects, of the transaction described above applied on a basis consistent with Prestige's accounting policies. No adjustments have been made to reflect potential cost savings that may occur subsequent to completion of the transaction.

Prestige Brands Holdings, Inc.
Pro Forma Combined Statement of Operations
For the Twelve Months ended March 31, 2014
(Unaudited)

(*In thousands, except per share data*)	Prestige Brands Holdings, Inc.	Insight	Divested Brand included in Insight (a)	Pro Forma Adjustments		Pro Forma *
Revenues						
Net sales	$ 596,954	$ 175,943	$ (5,457)	$ —		$ 767,440
Other revenues	4,927	—	—	—		4,927
Total revenues	601,881	175,943	(5,457)	—		772,367
Cost of Sales						
Cost of sales (exclusive of depreciation shown below)	261,830	62,720	(699)	3,306	(c)	327,157
Gross profit	340,051	113,223	(4,758)	(3,306)		445,210
Operating Expenses						
Advertising and promotion	89,468	31,364	(642)	—		120,190
General and administrative	48,481	23,561	(44)	(3,306)	(d)	68,692
Depreciation and amortization	13,486	7,527	—	(569)	(e)	20,444
Total operating expenses	151,435	62,452	(686)	(3,875)		209,326
Operating income	188,616	50,771	(4,072)	569		235,884
Other (income) expense						
Interest expense, net	68,582	33,236	—	2,895	(f)	104,713
Other non-operating (income) expense	18,286	113	—	—		18,399
Total other expense	86,868	33,349	—	2,895		123,112
Income before income taxes	101,748	17,422	(4,072)	(2,326)		112,772
Provision for income taxes	29,133	6,312	(1,475)	(930)	(g)	33,040
Net income (loss)	$ 72,615	$ 11,110	$ (2,597)	$ (1,396)		$ 79,732
Earnings per share:						
Basic	$ 1.41					$ 1.54
Diluted	$ 1.39					$ 1.52
Weighted average shares outstanding:						
Basic	51,641					51,641
Diluted	52,349					52,349

The accompanying notes are an integral part of this pro forma combined statement of operations.

Prestige Brands Holdings, Inc.
Pro Forma Combined Statement of Operations
For the Six Months ended September 30, 2014
(Unaudited)

(*In thousands, except per share data*)	Prestige Brands Holdings, Inc.	Insight	Insight included in PBH (b)	Divested Brand included in Insight (a)	Pro Forma Adjustments		Pro Forma *
Revenues							
Net sales	$ 324,546	$ 84,266	$ (12,659)	$ (3,013)	$ —		$ 393,140
Other revenues	2,425	—	—	—	—		2,425
Total revenues	326,971	84,266	(12,659)	(3,013)	—		395,565
Cost of Sales							
Cost of sales (exclusive of depreciation shown below)	142,563	31,141	(5,064)	(510)	1,721	(c)	169,851
Gross profit	184,408	53,125	(7,595)	(2,503)	(1,721)		225,714
Operating Expenses							
Advertising and promotion	44,140	15,694	(3,316)	(455)			56,063
General and administrative	44,134	9,167	(3,694)	(42)	(10,739)	(d)	38,826
Depreciation and amortization	6,813	4,875	(758)	(11)	(1,318)	(e)	9,601
Total operating expenses	95,087	29,736	(7,768)	(508)	(12,057)		104,490
Operating income	89,321	23,389	173	(1,995)	10,336		121,224
Other (income) expense							
Interest expense, net	32,846	16,203	—	—	1,900	(f)	50,949
Other non-operating (income) expense	—	154	—	—	—		154
Total other expense	32,846	16,357	—	—	1,900		51,103
Income before income taxes	56,475	7,032	173	(1,995)	8,436		70,121
Provision for income taxes	23,280	2,860	306	(811)	3,374	(g)	29,009
Net income (loss)	$ 33,195	$ 4,172	$ (133)	$ (1,184)	$ 5,062		$ 41,112
Earnings per share:							
Basic	$ 0.64						$ 0.79
Diluted	$ 0.63						$ 0.78
Weighted average shares outstanding:							
Basic	52,023						52,023
Diluted	52,564						52,564

The accompanying notes are an integral part of this pro forma combined statement of operations.

Notes to Pro Forma Combined Statements of Operations
(unaudited)

(*) The unaudited pro forma consolidated financial statements have been prepared to reflect the acquisition of Insight and the application of purchase accounting under ASC 805 "Business Combinations". The unaudited pro forma combined statement of operations for the fiscal year ended March 31, 2014 and for the six months ended September 30, 2014 have been prepared to illustrate the effects of the Insight acquisition as if it occurred on April 1, 2013. Insight has historically used a December 31 fiscal year end. For purposes of the fiscal year ended March 31, 2014 data herein, a historical year ended December 31, 2013 was used for Insight. Similarly for the six months ended September 30, 2014, a historical six months ended June 30, 2014 was used for Insight.

(a) Pursuant to the terms of the FTC approval of the acquisition, we were required to divest a competing brand that was acquired from Insight. We completed the sale of such brand on the same day that we acquired it from Insight. Therefore, we have excluded the operating results of this brand from our pro forma data.

(b) Since the acquisition occurred on September 3, 2014, the results of the acquired Insight business are included in the historical Prestige column for approximately one month in the six months ended September 30, 2014. Therefore, these results are being eliminated to avoid double counting in our pro forma data as they are also included in the Insight historical column.

(c) Reflects a reclassification of Insight's shipping and warehousing costs from General and Administrative costs to Cost of Sales to conform with the Prestige presentation.

($ in thousands) **Cost of Sales**	**Fiscal Year Ended March 31, 2014**	**Six Months Ended September 30, 2014**
Reclassification of Shipping costs from G&A to Cost of Sales	$ 3,306	$ 1,721
Total adjustments	**$ 3,306**	**$ 1,721**

(d) Reflects a reclassification of the Insight's shipping costs from General and Administrative costs to Cost of Sales to conform with the Prestige presentation. Also reflects an adjustment to remove the costs and expenses of the transaction, as these costs would not have a continuing impact on the combined company.

($ in thousands) **General and Administrative**	**Fiscal Year Ended March 31, 2014**	**Six Months Ended September 30, 2014**
Reclassification of Shipping costs from G&A to Cost of Sales	$ (3,306)	$ (1,721)
Transaction costs	—	**(9,018)**
Total adjustments	**$ (3,306)**	**$ (10,739)**

(e) These adjustments represent the amortization expense related to the finite-lived amortizable intangible assets recognized for the Insight acquisition. The amounts associated with the Insight acquisition have been estimated based upon preliminary valuations. The following table summarizes the preliminary purchase price allocation.

($ in thousands) **Allocation of purchase price**		Total
Cash	$	3,507
Accounts receivable		25,784
Inventories		23,559
Deferred income taxes-current		860
Prepaid expenses and other current assets		1,407
Property and equipment		2,308
Goodwill		103,255
Intangible assets		724,374
Accounts payable		(16,079)
Accrued expenses		(8,003)
Deferred income tax liabilities-long term		(107,799)
Net assets acquired	**$**	**753,173**

($ in thousands) **Intangible Assets**		Total		Total excluding divested brand (1)		Insight Intangible amortization		Incremental Intangible amortization (2)		Deferred finance cost amortization (2)		Total adjustments
Total intangible assets acquired	$	724,374	$	706,700								
Non-amortizable intangible assets		599,600		599,600								
Amortizable intangible assets	**$**	**124,774**	**$**	**107,100**								
Estimated weighted average useful life				16.20								
Pro-forma annual amortization-12 months (3)			**$**	**6,610**	**$**	**2,708**	**$**	**3,902**	**$**	**4,471**	**$**	**(569)**
Pro-forma annual amortization-6 months (3)			**$**	**3,305**	**$**	**2,398**	**$**	**907**	**$**	**2,225**	**$**	**(1,318)**

(1) Pursuant to the terms of the FTC approval of the acquisition, we divested a competing brand acquired from Insight on the same day we acquired Insight. Therefore, we have excluded this brand from our pro forma data.

(2) Incremental amortization expense related to the amortizable assets have been included for the acquisition of Insight. Accordingly, the pro forma adjustments for the fiscal year ended March 31, 2014 and the six months ended June 30, 2014 represent the additional amortization that would be required to be recorded over the amortization that Insight already recorded in the income statement for the same period. Additionally, the amortization of deferred financing costs classified by Insight in depreciation and amortization expense have been reclassified to interest expense to conform with the Company's presentation.

The table below provides the breakdown of the historical depreciation and amortization included in the Insight historical financial statements, including the reclassification of the amortization of deferred finance costs to interest expense to conform with the Company's presentation.

($ in thousands) **Insight Depreciation and amortization**		Fiscal Year Ended March 31, 2014		Six Months Ended September 30, 2014
Depreciation of property & equipment	$	348	$	252
Amortization of intangible assets		2,708		2,398
Amortization of deferred finance costs		4,471		2,225
	$	**7,527**	**$**	**4,875**

(3) A hypothetical increase or decrease of 10% of the preliminary fair value of the finite-lived amortizable intangible assets would result in an increase or decrease of approximately $0.7 million in annual amortization expense and $0.3 million in amortization expense for the six month period.

(f) Reflects the interest expense as a result of the Insight acquisition, which is calculated as:

($ in thousands) **Long term debt and interest expense**		Fiscal Year Ended March 31, 2014		Six Months Ended September 30, 2014	
Additional Term Loan interest	(1)	$	32,850	$	16,470
Additional ABL Revolver Interest	(2)		1,235		619
Amortization of deferred financing costs and debt discount	(3)		2,046		1,014
Total additional interest expense			36,131		18,103
Add: Amortization of Insight Deferred Finance Costs reclassifed from depreciation and amortization	(4)		4,471		2,225
			40,602		20,328
Less: Insight historical interest expense	(5)		37,707		18,428
Incremental interest expense (6)		$	2,895	$	1,900

(1) Represents the interest on the additional $720 million Term Loan Credit Facility, assuming an interest rate of 4.5%.

(2) Represents the additional interest on the ABL Revolver on the additional $59.6 million borrowed for the Insight acquisition, less $18.5 million repaid from the sale of one of the Insight brands on the same day, assuming an interest rate of 2.154% on the ABL Revolver plus using a 0.5% rate on the unused portion of the ABL Revolver.

(3) Represents the additional amortization of the capitalized debt fees and the debt discount of approximately $2.0 million annually using an effective interest method.

(4) Reflects the reclassification of the deferred finance costs included in depreciation and amortization in the Insight historical financial statements and reclassified to interest expense to conform with the Company's presentation included in interest expense.

(5) Reflects the reduction of Insight's historical interest expense, including the amortization of deferred finance costs reclassified to interest expense as the Insight debt was repaid in its entirety at the date of acquisition with the proceeds of the transactions.

(6) The effect of a hypothetical 1/8% change in the variable interest rate would change interest expense by $1.0 million per year.

(g) Reflects the estimated income tax rate applied to the pro forma adjustments of 40%, the expected statutory rate. All other tax amounts are stated at their historical amounts, as the combined company's overall effective tax rate has not yet been determined.