

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 3

to

FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

PRESTIGE BRANDS HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

2834
(Primary Standard Industrial
Classification Code Number)

20-1297589
(I.R.S. Employer
Identification No.)

90 North Broadway
Irvington, New York 10533
(914) 524-6810

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Peter C. Mann
President and Chief Executive Officer
Prestige Brands Holdings, Inc.
90 North Broadway
Irvington, New York 10533
(914) 524-6810

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all communications, including communications sent to agent for service, should be sent to:

Dennis M. Myers, P.C.
Andrew J. Terry
Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601
(312) 861-2000

Richard L. Muglia
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
(212) 735-3000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS

23,333,333 Shares



Prestige Brands Holdings, Inc.

Common Stock

Prestige Brands Holdings, Inc. is offering 23,333,333 shares of common stock. This is our initial public offering, and no public market currently exists for our shares. We anticipate that the initial public offering price will be between \$14.00 and \$16.00 per share. After the offering, the market price for our shares may be outside this range.

We have applied to list our common stock on the New York Stock Exchange under the symbol "PBH."

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 18.

	Per Share	Total
Offering price	\$	\$
Discount and commissions to underwriters	\$	\$
Offering proceeds to us, before expenses	\$	\$

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

Certain of our existing stockholders have granted the underwriters the right to purchase up to 3,500,000 additional shares of common stock at the public offering price, less underwriting discounts and commissions, to cover any over-allotments. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders. The underwriters can exercise this right at any time within 30 days after the offering. The underwriters expect to deliver the shares of common stock to investors on or about , 2005.

Merrill Lynch & Co.

Goldman, Sachs & Co.

JPMorgan

William Blair & Company

Piper Jaffray

SunTrust Robinson Humphrey

, 2005

Over the Counter



Household Cleaning



Personal Care



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Trademarks and Trade Names

Trademarks and tradenames used in this prospectus are the property of their respective owners. We have utilized the ® and ™ symbols the first time each brand appears in this prospectus.

SUMMARY

This summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus carefully before making an investment decision. In this prospectus, unless the context requires otherwise, the terms "we," "us," "our," the "Company" and "Prestige Holdings" for periods prior to the completion of this offering refer to Prestige International Holdings, LLC, a Delaware limited liability company, and as of the completion of this offering and thereafter, to Prestige Brands Holdings, Inc., a Delaware corporation, together in each case with our consolidated subsidiaries and any predecessor entities unless the context requires otherwise.

Our Business

We sell well-recognized, brand name over-the-counter drug, household cleaning and personal care products. We operate in niche segments of these categories where we can use the strength of our brands, our established retail distribution network, a low-cost operating model and our experienced management team as a competitive advantage to grow our presence in these categories and, as a result, grow our sales and profits. Our ten major brands, set forth in the table below, have strong levels of consumer awareness and retail distribution across all major channels. These brands accounted for approximately 89% of our pro forma gross sales for the fiscal year ended March 31, 2004.

Major Brands	Gross Sales for Fiscal Year Ended ⁽¹⁾⁽³⁾		Gross Sales for the Nine Months Ended December 31, 2004 ⁽³⁾	Percentage of Gross Sales for Fiscal Year Ended 2004 ⁽¹⁾
	2003	2004		
	(\$ thousands)			(%)
Over-the-Counter Drug:				
<i>Chloraseptic</i> ® (sore throat relief)	\$ 30,967	\$ 40,067	\$ 29,905	12.5%
<i>Clear eyes</i> ® (eye redness relief)	N/A ⁽²⁾	32,502	30,587	10.2
<i>Compound W</i> ® (wart remover)	16,822	29,163	34,534	9.1
<i>Murine</i> ® (ear/eye care treatment)	N/A ⁽²⁾	16,089	11,745	5.0
<i>Little Remedies</i> ® (pediatric medicine)	10,062	14,241	11,677	4.5
<i>New-Skin</i> ® (liquid bandage)	9,919	11,830	8,647	3.7
Household Cleaning:				
<i>Comet</i> ® (household cleaning products)	80,563	84,279	65,352	26.3
<i>Spic and Span</i> ® (household cleaning products)	23,422	24,978	21,044	7.8
Personal Care:				
<i>Cutex</i> ® (nail care products)	15,886	15,872	11,772	5.0
<i>Denorex</i> ® (medicated shampoo)	16,661	14,706	9,213	4.6

(1) Year ended December 31 of prior year for *Chloraseptic*, *Clear eyes*, *Murine*, *Little Remedies*, *Comet* and *Spic and Span* and year ended March 31 for *Compound W*, *New-Skin*, *Cutex* and *Denorex*.

(2) Brand level sales not available for period when brand was under prior ownership.

(3) Gross sales represent net sales before product returns, customer allowances, coupon redemptions and cash discounts.

Our products are sold through multiple channels, including mass merchants and drug, grocery, dollar and club stores. This balanced channel mix allows us to effectively launch new products across all distribution channels and reduces our exposure to any single customer. We focus our internal resources on marketing, sales, customer service and product development. While we perform the production planning and oversee the quality control aspects of the manufacturing, warehousing and distribution of

our products, we outsource the operating elements of these functions to well-established, lower-cost third party providers. This operating model allows us to focus our resources on marketing and product development, which we believe enables us to achieve attractive margins while minimizing capital expenditures and working capital investment.

We have grown our brand portfolio by acquiring strong and well-recognized brands from larger consumer products and pharmaceutical companies, as well as other brands from smaller private companies. While the brands we have purchased from larger consumer products and pharmaceutical companies have long histories of support and brand development, we believe that at the time we acquired them they were considered non-core by their previous owners and did not benefit from the focus of senior level management or strong marketing support. We believe that the brands we have purchased from smaller private companies have been constrained by the limited resources of their prior owners. After acquiring a brand we seek to increase its sales, market share and distribution in both existing and new channels. We pursue this growth through increased spending on advertising and promotion, new marketing strategies, improved packaging and formulations and innovative new products.

Our pro forma revenues for the fiscal year ended March 31, 2004 and the nine months ended December 31, 2004 were \$285.5 million and \$231.2 million, respectively.

Competitive Strengths

Diversified Portfolio of Recognized and Established Brands. We own and market well-recognized brands with long histories in the marketplace. On average, each of our ten major brands were established over 60 years ago and are widely recognized by consumers. Our diverse portfolio of products provides us multiple sources of growth and minimizes our reliance on any one single category. We provide significant marketing support to our brands in order to grow our sales and our long-term profitability. The industry categories in which we sell our products, however, are highly competitive. These markets include numerous national manufacturers, distributors, marketers and retailers, many of which have greater resources than we do and may be able to spend more aggressively on advertising and marketing, which may have an adverse effect on our competitive position.

Strong Competitor in Attractive, Niche Categories. We strategically choose to compete in niche product categories that address recurring consumer needs and that we believe are considered non-core to larger consumer and pharmaceutical companies. We believe we are well positioned in these categories due to the long history and consumer awareness of our brands, our strong market positions and our low-cost operating model. However, a significant increase in the number of product introductions by our competitors in these niche markets could have an adverse effect on our sales and operating results.

Proven Ability to Develop and Introduce New Products. We focus our marketing and product development efforts on identifying underserved consumer needs and then designing products that directly address those needs. Recent new products where we have identified and addressed a consumer need include: *Compound W Freeze Off*TM, a cryogenic wart removal product which allows consumers to use a wart freezing treatment similar to that used by doctors; *Chloraseptic Relief Strips*TM, which combine popular dissolvable strips with *Chloraseptic's* sore throat relief medicine; *New-Skin Scar Therapy*TM; *Cutex Twister*TM, a portable and spill-proof nail polish remover; and *Spic and Span Everyday*TM disposable wipes. Although line extensions and new product introductions are important to the overall growth of a brand, our efforts in this regard sometimes have the effect of reducing sales of

existing products within that brand. In addition, some of our product introductions may not be successful, such as *Comet Clean* and *Flush™*, which we introduced in August 2003.

Efficient Operating Model. We focus our internal resources on marketing, sales, customer service and product development. While we directly manage the production planning and quality control aspects of the manufacturing, warehousing and distribution of our products, we outsource the operating elements of these functions to well-established, lower-cost third-party providers. This approach allows us to benefit from third-party economies of scale and maintain a highly variable cost structure, with low overhead, limited working capital investment and minimal capital expenditures. On a pro forma basis for the fiscal year ended March 31, 2004, our gross margin was approximately 53%, while our general and administrative expenses and our capital expenditures represented less than 10% and 1% of net sales, respectively. Our operating model, however, requires us to depend on third-party providers for manufacturing and logistics services. In the event that our third-party providers are unable or unwilling to supply or ship our products, our inventory levels, sales, gross margins and, ultimately, our results of operations, could be adversely affected.

Experienced Senior Management Team with Proven Ability to Acquire, Integrate and Grow Brands. We have an experienced senior management team averaging over 30 years of consumer products experience in marketing, sales, customer service and product development. Since joining our company, this senior management team has increased our sales and integrated several brands into our portfolio. Unlike many large consumer products companies, which we believe often entrust their smaller brands to rotating junior employees, our experienced managers are dedicated to specific brands and remain with those brands as they grow and evolve. Prior to managing our company, Peter Mann, our chief executive officer, Peter Anderson, our chief financial officer, and several other members of our management team previously held senior positions at a publicly traded company.

Growth Strategy

Our growth strategy is to focus on our marketing, sales, customer service and product development efforts in order to continue to enhance our brands and drive growth. We plan to execute this strategy through:

- **Investing in Advertising and Promotion.** We will continue to invest in advertising and promotion that drive the growth of our brands. Our marketing strategy is focused primarily on consumer-oriented programs that include media advertising, targeted couponing programs and in-store advertising. While the absolute level of marketing expenditure differs by brand and category, we typically have increased the amount of investment in our brands after acquiring them. For example, after the acquisition of *Clear eyes* in 2002, we introduced new packaging and increased advertising and promotion, which has resulted in growth in domestic annual brand sales of approximately 15% during calendar year 2003. Given the competition in our industry, however, there is a risk that our marketing efforts may not result in increased sales and profitability.
- **Growing our Categories and Market Share with Innovative New Products.** Our strategy is to grow the number of categories in which we participate, the size of those categories, and our share within those categories through ongoing product innovation. For example, we are developing a Compound W product which will combine Freeze Off-branded cryogenic wart treatment with subsequent medication administered via adhesive pads, which will be the first such combination product in the wart treatment category. We are also in the process of launching an artificial tears product under the *Clear eyes* brand, which we expect to increase *Clear eyes'* market share in the eye care category. While there is a risk that new product introductions may at times be

offset to varying degrees by reduced sales of existing products, our goal is to grow the overall sales of our brands.

- **Increasing Distribution Across Multiple Channels.** Our broad distribution ensures that our products are well positioned across all available channels and that we are able to participate in changing consumer retail trends. Recently, we have expanded our sales in dollar and club stores, introducing customized packaging and sizes of our products for these higher growth channels. For example, *Comet* and *Spic and Span* have grown approximately 11% and 189%, respectively, in these channels during the calendar year ended December 31, 2003. There is a risk that we may not be able to maintain or enhance our relationships across distribution channels, which could adversely impact our sales and profitability.
- **Growing Our International Business.** We intend to increase our focus on growing our international business. International sales represent approximately 7% of our pro forma net sales for the year ended March 31, 2004. Management believes that international sales can become a significant percentage of our business. *Clear eyes*, *Murine* and *Chloraseptic* are currently sold internationally, and a number of our other brands have previously been sold internationally. Management intends to expand the number of our brands sold through our existing international distribution network and is actively negotiating with additional distribution partners for further expansion into other international markets. There is a risk that increasing our focus on international growth may divert attention and resources from implementing our domestic business strategy.
- **Pursuing Strategic Acquisitions.** We have an active corporate development program and intend to continue to pursue strategic add-on acquisitions that enhance our product portfolio. We seek to acquire highly complementary, recognized brands in attractive categories and channels. For example, we recently purchased the *Little Remedies* brand, which competes in the pediatric over-the-counter drug category, where we previously had a limited presence. Our management team has a long track record of successfully identifying, acquiring and integrating new brands. We believe we have a strong pipeline of attractive acquisition candidates, and that our strong cash flow will enhance our ability to successfully pursue these acquisitions. We believe our business model will allow us to integrate these future acquisitions in an efficient manner, while also providing opportunities to realize significant cost savings. There is a risk, however, that our operating results could be adversely affected in the event we do not realize all of the anticipated operating synergies and cost savings from any future acquisitions. In addition, provisions in our senior credit facility and the indenture governing our senior notes may limit our ability to engage in strategic acquisitions.

Market Position

Approximately 67% of our pro forma gross sales from the fiscal year ended March 31, 2004 are from brands with a number one or number two market position, which include *Chloraseptic*, *Clear eyes*, *Comet*, *Compound W*, *Cutex* and *New-Skin*.

The foregoing information with respect to our market share is provided by the independent market research firm Information Resources, Inc. Information Resources data reports retail sales in the food, drug and mass merchandise markets. Information Resources data for the mass merchandise market, however, does not include Wal-Mart, which ceased providing sales data to Information Resources in 2001. Although Wal-Mart represents a significant portion of the mass merchandise market for us, as well as our competitors, we believe that Wal-Mart's exclusion from Information Resources data does

not significantly change our market share or ranking relative to our competitors. Unless otherwise indicated, all references in this prospectus to "market share" or "market position" are based on sales in the United States, as calculated by Information Resources for the 52 weeks ended August 8, 2004.

Our History

Originally formed in 1996 as a joint venture of Medtech Labs and The Shansby Group to acquire over-the-counter drug brands from American Home Products, our company has been led by chief executive officer Peter Mann and chief financial officer Peter Anderson since 2001. Since that time, our company's portfolio of brand name products has expanded from over-the-counter drugs to include household cleaning and personal care products. We have principally added brands to our portfolio by acquiring strong and well-recognized brands from larger consumer products and pharmaceutical companies. In February 2004, GTCR Golder Rauner II, LLC, a private equity firm, acquired our business from the original founders, as well as the Spic and Span business, with Peter Mann and Peter Anderson continuing to lead the management team. In this prospectus, we refer to this acquisition as the "Medtech acquisition."

In April 2004, we acquired Bonita Bay Holdings, Inc. Bonita Bay was the parent holding company of Prestige Brands International, Inc. and conducted its business under the "Prestige" name. After we completed this acquisition, we began to conduct our business under the "Prestige" name. In this prospectus, we refer to the acquisition of Bonita Bay as the "Bonita Bay acquisition." The Bonita Bay portfolio included the following major brands: *Chloraseptic*, *Comet*, *Clear eyes* and *Murine*. Since the Bonita Bay acquisition, we have successfully integrated its operations and realized approximately \$12 million of annual cost savings, exceeding our initial estimates.

In October 2004, we acquired the rights to the *Little Remedies* brands through our purchase of Vetco, Inc. Vetco is engaged in the development, distribution and marketing of pediatric over-the-counter healthcare products, primarily marketed under the *Little Remedies* brand name. Vetco's products include *Little Noses*® nasal products, *Little Tummy's*® digestive health products, *Little Colds*® cough/cold remedies and Little Remedies New Parents Survival Kits. The *Little Remedies* products deliver relief of common childhood ailments without unnecessary additives such as saccharin, alcohol, artificial flavors, coloring dyes or harmful preservatives. In this prospectus, we refer to the acquisition of Vetco as the "Vetco acquisition."

Since completing the Bonita Bay acquisition, we have operated through a holding company that is a limited liability company. As described in "Reorganization as a Corporation," our new holding company will be a Delaware corporation upon completion of this offering.

Risk Factors

Our business is subject to numerous risks, as discussed more fully in the section entitled "Risk Factors" immediately following this prospectus summary.

Corporate Information

Our principal executive office is located at 90 North Broadway, Irvington, New York 10533, and our telephone number is (914) 534-6810. Our website is www.prestigebrandsinc.com. **Information on our website is not a part of this prospectus and is not incorporated in this prospectus by reference.**

The Offering

Common stock offered by us	23,333,333 shares
Over-allotment shares of common stock offered by the selling stockholders	3,500,000 shares
Common stock outstanding after this offering	50,000,000 shares
Use of proceeds	<p>We intend to use the net proceeds of this offering plus \$5.0 million from our revolving credit facility and \$6.8 million of cash on hand as follows:</p> <ul style="list-style-type: none">• approximately \$100.0 million to repay the tranche C term loan under our senior credit facility, plus a repayment premium of approximately \$3.0 million;• approximately \$84.0 million to redeem a portion of our outstanding 9¹/₄% senior subordinated notes, plus a redemption premium of approximately \$7.8 million;• approximately \$23.7 million to redeem all the outstanding senior preferred units of Prestige International Holdings, LLC; and• approximately \$115.4 million to redeem all the outstanding class B preferred units of Prestige International Holdings, LLC. Approximately 94% of the class B preferred units are held by our affiliates and we expect that they will receive approximately \$109.0 million of the net proceeds from this offering, including \$0.9 million that will be paid to our senior officers in respect of class B preferred units they own. <p>See "Use of Proceeds" and "Certain Relationships and Related Transactions."</p>
Dividend policy	<p>We do not expect to pay any cash dividends on our common stock for the foreseeable future. We currently intend to retain any additional future earnings to finance our operations and growth. Any future determination to pay cash dividends on our common stock will be at the discretion of our board of directors and will depend on our earnings, financial condition, operating results, capital requirements and contractual, regulatory and other restrictions on the payment of dividends and other factors our board of directors deems relevant.</p>
Proposed New York Stock Exchange symbol	"PBH"

The number of shares of our common stock to be outstanding after this offering excludes _____ shares reserved for future issuance under our 2005 Long-Term Equity Incentive Plan.

Except as otherwise indicated, all of the information presented in this prospectus assumes the following:

- Prestige Brands Holdings, Inc. becoming the top-tier holding company of our business prior to the closing of this offering with all limited liability company common units of Prestige International Holdings, LLC being exchanged for shares of common stock of Prestige Brands Holdings, Inc.;
- the effectiveness of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective prior to the completion of the offering; and
- an initial public offering price of \$15.00 per share, the mid-point of the range set forth on the cover page of this prospectus.

Summary Unaudited Pro Forma Financial Data

The following table sets forth our summary unaudited pro forma combined financial data for the fiscal year ended March 31, 2004 and as of and for the nine months ended December 31, 2004.

The summary unaudited pro forma income statement and other financial data for the fiscal year ended March 31, 2004 and the nine months ended December 31, 2004 have been prepared to illustrate the effects of the Medtech acquisition, the Bonita Bay acquisition, the Vetco acquisition, the corporate reorganization and the sale of 23,333,333 shares of common stock at an assumed initial public offering price of \$15.00 per share (the mid-point of the range set forth on the cover page of this prospectus), less the estimated underwriting discounts, commissions and estimated offering expenses payable by us, and the application of the net proceeds therefrom as described under "Use of Proceeds," as if they had occurred on April 1, 2003. Bonita Bay, Spic and Span and Vetco historically utilized a December 31 fiscal year. For purposes of the year ended March 31, 2004 data presented herein, the historical December 31, 2003 period was used for these businesses. The summary unaudited pro forma balance sheet as of December 31, 2004 gives effect to the corporate reorganization and the sale of 23,333,333 shares of common stock at an assumed initial public offering price of \$15.00 per share (the mid-point of the range set forth on the cover page of this prospectus), and the application of the net proceeds therefrom as described under "Use of Proceeds," as if they had occurred on that date.

The summary unaudited pro forma financial data and accompanying notes are provided for informational purposes only and are not necessarily indicative of the operating results that would have occurred had the Medtech acquisition, the Bonita Bay acquisition and the Vetco acquisition been consummated on the dates indicated above, nor are they necessarily indicative of our future results of operations.

Management believes that the summary unaudited pro forma financial data is a meaningful presentation because the issuer's ability to satisfy debt and other obligations is dependent upon cash flow from the businesses acquired in the Medtech, Bonita Bay and Vetco acquisitions.

The following information is qualified by reference to and should be read in conjunction with "Capitalization," "Unaudited Pro Forma Combined Financial Data," "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and notes thereto included elsewhere in this prospectus.

	Year Ended March 31, 2004	Nine Months Ended December 31, 2004
	(unaudited) (dollars in thousands, except per share data)	

Income Statement Data:

Total revenues	\$ 285,521	\$ 231,173
Cost of sales (includes \$1,805 and \$5,335, respectively, of charges related to the step-up of inventory)	133,774	110,172
Gross profit	151,747	121,001
Advertising and promotion expenses	39,936	31,683
Depreciation and amortization expenses	10,740	7,849
General and administrative expenses	22,325	12,826
Interest expense, net	29,744	23,352
Other expense (income), net	(1,737)	(134)
Income before taxes	50,739	45,425
Provision for income taxes	19,281	17,261
Net income applicable to common stockholders	\$ 31,458	\$ 28,164
Net income per share:		
Basic	\$ 0.63	\$ 0.56
Diluted	\$ 0.63	\$ 0.56

Other Financial Data:

EBITDA ⁽¹⁾⁽²⁾	\$ 91,223	\$ 76,626
Cash interest expense ⁽³⁾	28,123	21,239
Capital expenditures ⁽⁴⁾	612	198
Cash taxes paid ⁽⁵⁾	5,327	2,427

Pro Forma, As Adjusted
as of
December 31, 2004

(unaudited)
(dollars in thousands)

Balance Sheet Data:

Cash and cash equivalents	\$ —	—
Total assets		985,155
Total long-term debt, including current maturities		501,293
Stockholders' equity		372,625

(1) "EBITDA" represents net income before interest expense, income taxes and depreciation and amortization. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by generally accepted accounting principles, and our calculation thereof may not be comparable to that reported by other companies. We present EBITDA because we understand that it is used by some investors and lenders to determine a company's historical ability to service and/or incur indebtedness and to fund ongoing capital expenditures. This belief is based in part on our negotiations with our lenders, who have indicated that the amount of indebtedness we will be permitted to incur will be based, in part, on our EBITDA. EBITDA has limitations as an analytical tool, and you should not consider it in

isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- EBITDA does not reflect our capital expenditures or future requirements for capital expenditures or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA does not reflect the significant interest expense, or the cash requirement necessary to service interest or principal payments, on our debts;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in our industry may calculate EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, you should not consider EBITDA as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA only supplementally. See the Prestige Holdings, Bonita Bay, Spic and Span and Vetco statements of cash flows set forth in the financial statements included elsewhere in this prospectus. The following is a reconciliation of pro forma cash flows from operations to pro forma EBITDA.

	Pro Forma, As Adjusted Combined Year Ended March 31, 2004	Pro Forma, As Adjusted Combined Nine Months Ended December 31, 2004
	(unaudited) (dollars in thousands)	
Cash flows from operations	\$ 33,666	\$ 33,623
Interest expense, net of non-cash interest	27,865	21,062
Net change in operating assets and liabilities	8,046	4,376
Income tax provision	19,281	17,261
Gain on sale of trademark	2,900	—
Other	(535)	304
EBITDA	\$ 91,223	\$ 76,626

- (2) In connection with the Medtech acquisition, the Bonita Bay acquisition and the Vetco acquisition, we identified significant historical expenses which management believes will not be incurred on a going forward basis. In addition, we identified cash cost reductions that we have realized as a result of our integration plans with respect to the Medtech acquisition, the Bonita Bay acquisition and the Vetco acquisition that have resulted in a positive annualized effect on pro forma EBITDA when compared to recent operating history of the separate companies. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—General—Acquisition-Related Synergies." In addition, covenants in our senior credit facility and indenture relating to our outstanding notes provide for adjustments to EBITDA when calculating important ratios. Permitted adjustments include, but are not limited to, the purchase accounting impact of acquisitions, the exclusion of certain transaction costs, cost savings associated with acquisitions and other non-cash gains and losses. While we believe the expenses set forth below will not recur in future periods after implementation of such cost reduction measures, we may incur other expenses

similar to the expenses described below in future periods. Therefore, the following items should not be viewed as indicative of future results.

	Combined Year Ended March 31, 2004	Combined Nine Months Ended December 31, 2004
	(unaudited) (dollars in thousands)	
Historical adjustments:		
Purchase accounting impact of Medtech acquisition, Bonita Bay acquisition and Vetco acquisition	\$ 1,805 ^(a)	\$ 5,335 ^(a)
Purchase accounting impact of <i>Clear eyes</i> and <i>Murine</i> acquisitions	2,957 ^(a)	—
Loss on forgiveness of loan	1,404 ^(b)	—
Gain on sale of <i>Spic and Span</i> license in Italy	(2,900) ^(c)	—
<i>Clear eyes</i> and <i>Murine</i> international acquisitions	900 ^(d)	—
Incremental <i>Clear eyes</i> and <i>Murine</i> transition services agreement costs	300 ^(e)	—
Cost savings:		
Permanent headcount reductions	5,645 ^(f)	1,413 ^(f)
Consolidation of warehousing and distribution	3,546 ^(f)	1,102 ^(f)
Consolidation of sales, marketing, and other programs	3,025 ^(f)	1,346 ^(f)
Facilities rationalization	394 ^(f)	150 ^(f)
Total^(g)	\$ 17,076	\$ 9,346

- (a) In connection with the Medtech acquisition, Bonita Bay acquisition and Vetco acquisition and Bonita Bay's acquisition of *Clear eyes* and *Murine*, inventory was written up to its estimated selling price, less cost of disposal and a reasonable profit allowance for the selling effort. This adjustment represents the amount by which the cost of goods sold recorded exceeded the original inventory costs.
- (b) Reflects the loss incurred, prior to the acquisition of *Spic and Span*, in connection with the forgiveness of a loan to *Spic and Span*.
- (c) In November 2003, we sold the exclusive right to use the *Spic and Span* brand name in Italy and recognized a one-time gain of \$2.9 million.
- (d) During fiscal 2003, Bonita Bay completed its transition of the exclusive rights to sell *Clear eyes* and *Murine* products from Abbott Laboratories in the following countries:
- Australia (Sept. 2003);
 - Canada (Sept. 2003);
 - Hong Kong (July 2003);
 - Venezuela (Nov. 2003);
 - United Kingdom (Oct. 2003);
 - Ireland (Dec. 2003); and
 - New Zealand (Sept. 2003).

Prior to this transition in 2003, under the terms of the original purchase agreement with Abbott Laboratories, we received a percentage of sales on the *Clear eyes* and *Murine* products in these international markets with an option to transition such rights in the future once we met applicable regulatory requirements. We continue to operate under this royalty arrangement for smaller countries for which the international rights have not yet been transitioned. This adjustment reflects the approximate net impact on the statement of operations had these seven countries' rights been fully transitioned on January 1, 2003.

- (e) Represents costs charged to us during the transition services period with Abbott Laboratories that were duplicative in nature. The domestic transition services agreement extended through March 2003 and the international transition services agreement extended through December 2003. During this same time period, we had hired internal resources to perform the same services.
 - (f) We have undertaken a detailed review of the combined operations of Medtech, Denorex, Spic and Span, Bonita Bay and Vetco and identified areas of overlap and cost savings. Set forth below is a summary of these savings:
 - (i) We have eliminated approximately 27 full-time equivalent positions as part of a permanent headcount reduction of our employees in connection with the Medtech acquisition, the Bonita Bay acquisition and the Vetco acquisition.
 - (ii) We have contracted with one logistics services provider, which provides warehouse services such as receiving, storage, processing, tracking and shipping, that has allowed us to consolidate from the three logistics services providers, including three warehouses, that historically served the companies. This adjustment represents the cost savings of placing all of our warehouse and distribution needs with this service provider.
 - (iii) We have contracted with one advertising agency, one brokerage agency and one media buying group that are handling the collective sales and marketing needs for the combined companies following the Medtech acquisition, the Bonita Bay acquisition and the Vetco acquisition. Additionally, we have eliminated certain corporate overhead costs, principally legal, banking and insurance, that upon completion of the Medtech acquisition and the Bonita Bay acquisition were no longer required for each of the separate companies. This adjustment represents the net impact of placing all of our advertising and media buying needs under Medtech's existing contracts, moving the existing brokerage arrangements for all of our other subsidiaries under Medtech's brokerage contract or in-house and the elimination of certain historical overhead costs.
 - (iv) We have eliminated two leased locations, and identified one additional leased location that will be eliminated, in connection with the Medtech acquisition, the Bonita Bay acquisition and the Vetco acquisition. This amount represents the direct and indirect costs associated with maintaining these three redundant facilities.
 - (g) The cost savings set forth above specifically exclude \$2.8 million in one-time costs incurred in order to achieve the cost savings.
- (3) Cash interest expense represents total interest expense less amortization of deferred financing fees.
 - (4) Capital expenditures for the year ended March 31, 2004 represent the sum of Prestige Holdings of \$108, Bonita Bay of \$370, Spic and Span of \$59 and Vetco of \$75. Capital expenditures for the nine months ended December 31, 2004 represent Prestige Holdings of \$198.
 - (5) Cash taxes paid for the year ended March 31, 2004 represent the sum of Prestige Holdings of \$128, Bonita Bay of \$5,167, Spic and Span of \$10 and Vetco of \$22. Cash taxes paid for the nine months ended December 31, 2004 represent Prestige Holdings of \$2,427.

Summary Historical Financial Data of Prestige Holdings and Predecessor

Summary historical financial data for the fiscal years ended March 31, 2001, 2002, 2003, for the period from April 1, 2003 to February 5, 2004 and for the nine months ended December 31, 2003 is referred to as the "predecessor" information. On February 6, 2004, an indirect subsidiary of Prestige Holdings acquired Medtech Holdings, Inc. and the Denorex Company, which at the time were both under common control and management, in a transaction accounted for using the purchase method. On April 6, 2004, an indirect subsidiary of Prestige Holdings acquired Bonita Bay Holdings, Inc. in a transaction accounted for using the purchase method. On October 6, 2004, an indirect subsidiary of Prestige Holdings acquired Vetco, Inc. in a transaction accounted for using the purchase method. The summary financial data after such dates includes the financial statement impact of recording fair value adjustments arising from such acquisitions. The income statement and other financial data of Prestige Holdings and its predecessor for the fiscal years ended March 31, 2002 and 2003, the period from April 1, 2003 to February 5, 2004 and the period from February 6, 2004 to March 31, 2004 and the balance sheet data at March 31, 2003 and March 31, 2004 are derived from audited consolidated financial statements included elsewhere in this prospectus. The income statement and other financial data of Prestige Holdings and its predecessor for the nine months ended December 31, 2003 and 2004 and the balance sheet data at December 31, 2003 and 2004 are derived from unaudited consolidated financial statements included elsewhere in this prospectus. The income statement and other financial data for predecessor for the fiscal year ended March 31, 2001 are derived from audited consolidated financial statements not included in this prospectus.

The summary historical financial data set forth below is not necessarily indicative of the results of future operations and should be read in conjunction with the discussion under the headings "Selected Financial Data—Prestige Holdings and Predecessor" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical combined consolidated financial statements and accompanying notes included elsewhere in this prospectus.

Predecessor			Prestige Holdings		Predecessor		Prestige Holdings	
Fiscal Year Ended March 31,			Period From April 1, 2003 to February 5, 2004		Period From February 6, 2004 to March 31, 2004		Nine Months Ended December 31,	
2001	2002	2003					2003	2004

(unaudited)

(dollars in thousands)

Income Statement Data:

Total revenues	\$ 8,655	\$ 46,201	\$ 76,439	\$ 69,059	\$ 18,861	\$ 62,377	\$ 224,957
Cost of sales ⁽¹⁾	3,075	18,699	27,475	26,254	10,023	23,572	107,889
Gross profit	5,580	27,502	48,964	42,805	8,838	38,805	117,068
Advertising and promotion expenses	149	5,230	14,274	12,601	1,689	11,990	31,340
Depreciation and amortization expenses	305	3,992	5,274	4,498	931	3,949	7,148
General and administrative expenses	560	8,576	12,075	12,068	1,649	7,813	15,113
Interest expense, net	2,051	8,766	9,747	8,157	1,725	6,536	33,877
Other expense	124	—	685	1,404	—	—	7,567
Income from continuing operations before taxes	2,391	938	6,909	4,077	2,844	8,517	22,023
Provision/(benefit) for income taxes	(77)	311	3,902	1,684	1,054	3,364	8,340
Income from continuing operations	2,468	627	3,007	2,393	1,790	5,153	13,683
Income/(loss) from discontinued operations	60	(67)	(5,644)	—	—	—	—
Cumulative effect of change in accounting principle	—	—	(11,785)	—	—	—	—
Net income/(loss)	\$ 2,528	\$ 560	\$ (14,422)	\$ 2,393	\$ 1,790	\$ 5,153	\$ 13,683

Other Financial Data:

EBITDA ⁽²⁾	\$ 4,747	\$ 13,696	\$ 21,930	\$ 16,732	\$ 5,500	\$ 19,002	\$ 63,048
Capital expenditures	123	95	421	66	42	64	198
Cash provided by (used in):							
Operating activities	1,978	3,940	12,519	7,843	(1,706)	8,904	39,938
Investing activities	(37,542)	(4,412)	(2,165)	(576)	(166,874)	(543)	(425,677)
Financing activities	36,491	5,526	(14,708)	(8,629)	171,973	(11,223)	389,100

Balance Sheet Data (at period end):

Cash and cash equivalents	\$ 2,830	\$ 7,884	\$ 3,530	\$ 3,393	\$ 6,754
Total assets	151,292	174,783	143,910	326,622	1,002,032
Total long-term debt, including current maturities	80,918	93,530	81,021	148,694	680,293
Members'/Stockholders' equity	46,030	59,201	44,797	126,509	199,006

(1) For the period from February 6, 2004 to March 31, 2004 and the nine months ended December 31, 2004, cost of sales includes \$1,805 and \$5,335, respectively, of charges related to the step-up of inventory.

(2) "EBITDA" represents net income (loss) before loss (income) from discontinued operations, cumulative effect of change in accounting principle, interest expense, income taxes and

Summary Historical Financial Data of Bonita Bay Holdings, Inc.

The following table sets forth summary historical financial data of Bonita Bay Holdings, Inc., the parent of Prestige Brands International, Inc., which was acquired in the Bonita Bay acquisition. We have derived the summary historical consolidated financial data as of and for the fiscal years ended December 31, 2001, 2002 and 2003 from the audited financial statements of Bonita Bay which are included elsewhere in this prospectus. We have derived the selected historical financial data for the three month periods ended March 31, 2003 and 2004 from the unaudited financial statements and the related notes of Bonita Bay included elsewhere in this prospectus. In the opinion of management, the unaudited financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of financial position and operating results. The results of operations for the three month period ended March 31, 2004 are not necessarily indicative of the operating results to be expected for the full year. The summary historical financial data set forth below should be read in conjunction with the discussion under the headings "Selected Financial Data—Bonita Bay Holdings, Inc.," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated financial statements of Bonita Bay Holdings, Inc. and accompanying notes included elsewhere in this prospectus.

	Year Ended December 31,			Three Months Ended March 31,	
	2001	2002	2003	2003	2004
	(unaudited)				
	(dollars in thousands)				
Income Statement Data:					
Net sales	\$ 54,968	\$ 110,566	\$ 167,070	\$ 35,978	\$ 35,075
Cost of sales	26,489	58,448	82,663	19,528	19,101
Gross profit	28,479	52,118	84,407	16,450	15,974
Advertising and promotion expenses	7,425	10,133	19,525	4,061	4,690
Depreciation and amortization expenses	4,156	745	1,745	531	406
General and administrative expenses	4,138	5,556	9,733	2,516	2,012
Interest expense, net	6,199	8,008	17,308	4,627	3,951
Other expense (income)	1,604	—	—	(159)	—
Income before taxes	4,957	27,676	36,096	4,874	4,915
Provision for income taxes	1,874	11,107	13,823	1,767	1,910
Net income	\$ 3,083	\$ 16,569	\$ 22,273	\$ 3,107	\$ 3,005
Other Financial Data:					
EBITDA ⁽¹⁾	\$ 15,312	\$ 36,429	\$ 55,149	\$ 10,032	\$ 9,272
Capital expenditures	120	242	370	85	114
Cash provided by (used in):					
Operating activities	9,903	22,009	34,964	8,412	7,574
Investing activities	(144,926)	(110,942)	(875)	(189)	(114)
Financing activities	134,220	95,587	(34,398)	(7,711)	(6,921)
Balance Sheet Data (at period end):					
Cash and cash equivalents	\$ 809	\$ 7,464	\$ 7,154	\$	\$ 7,693
Total assets	230,486	362,827	363,490		359,143
Total long-term debt, including current maturities and warrants	114,425	201,375	181,432		175,245
Stockholders' equity	107,965	138,491	148,138		150,999

(1) "EBITDA" represents net income before interest expense, income taxes and depreciation and amortization. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by generally accepted accounting principles,

and our calculation thereof may not be comparable to that reported by other companies. We present EBITDA because we understand that it is used by some investors and lenders to determine a company's historical ability to service and/or incur indebtedness and to fund ongoing capital expenditures. This belief is based on our negotiations with our lenders, who have indicated that the amount of indebtedness we will be permitted to incur will be based, in part, on our EBITDA. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- EBITDA does not reflect our capital expenditures, or future requirements for capital expenditures or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA does not reflect the significant interest expense, or the cash requirement necessary to service interest or principal payments, on our debts;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in our industry may calculate EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, you should not consider EBITDA as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA only supplementally. See the Consolidated Statement of Cash Flow of Bonita Bay included in the financial statements included elsewhere herein. The following is a reconciliation of cash flows from operating activities to EBITDA:

	Year Ended December 31,			Three Months Ended March 31,	
	2001	2002	2003	2003	2004
	(unaudited)				
	(dollars in thousands)				
Cash flows from operating activities	\$ 9,903	\$ 22,009	\$ 34,964	\$ 8,412	\$ 7,574
Interest expense, net of non-cash interest	4,219	7,069	14,345	4,001	3,340
Net change in operating assets and liabilities	2,307	1,655	1,448	(2,062)	(1,344)
Income tax provision	1,874	11,107	13,823	1,767	1,910
Deferred income taxes	(1,387)	(5,411)	(8,688)	(2,086)	(2,208)
Loss on extinguishment of debt	(1,604)	—	—	—	—
Other	—	—	(743)	—	—
EBITDA	\$ 15,312	\$ 36,429	\$ 55,149	\$ 10,032	\$ 9,272

RISK FACTORS

You should read and consider carefully each of the following factors, as well as the other information contained in this prospectus, before making a decision to invest in our common stock.

Risks Relating to Our Business

The high level of competition in our industry could adversely affect our sales, operating results and profitability.

The business of selling brand name consumer products in the over-the-counter drug, household cleaning and personal care categories is highly competitive. These markets include numerous manufacturers, distributors, marketers and retailers that actively compete for consumers' business both in the United States and abroad.

Our principal competitors vary by industry category. Competitors in the over-the-counter drug category include Pfizer, maker of *Visine*®, which competes with our *Clear eyes* brand; McNeill-PPC, maker of *Tylenol*® Sore Throat, which competes with our *Chloraseptic* brand; Schering-Plough, maker of *Dr. Scholl's*®, which competes with our *Compound W* brand; Johnson & Johnson, maker of *BAND-AID*® Brand Liquid Bandage, which competes with our *New-Skin* brand; and GlaxoSmithKline, maker of *Debrox*®, which competes with our *Murine* brand. Competitors in the household cleaning category include Henkel, maker of *Soft Scrub*®, and Clorox, maker of *Tilex*®, each of which competes with our *Comet* brand, and Clorox's *Pine Sol*®, which competes with our *Spic and Span* brand. Competitors in the personal care category include Johnson & Johnson, maker of *T-Gel*® shampoo, which competes with our *Denorex* brand, and Del Laboratories, maker of *Sally Hansen*®, which competes with our *Cutex* brand. Many of these competitors are larger and have substantially greater resources than we do, and may therefore have the ability to spend more aggressively on advertising and marketing and to respond more effectively to changing business and economic conditions than us. If this were to occur, our sales, operating results and profitability would be adversely affected.

Some of our product lines that account for a large percentage of our sales have a relatively small market share relative to our competitors. For example, while *Clear eyes* has a number two market share position of 16.9%, its top competitor, *Visine*®, has a market share of 39.8%. In contrast, some of our brands with number one market positions have competitors with very similar market share. For example, while *Compound W* has a number one market position of 34.3%, its chief competitor, *Dr. Scholl's Clear Away*®, has a market position of 33.7%. Similarly, while *Cutex* is the number one brand name nail polish remover with a market share of 28.5%, non-branded, private label nail polish removers account in the aggregate for 50.9% of the market. Finally, while our *New-Skin* liquid bandage product has a number one market position of 35.4%, the size of the liquid bandage market is relatively small, particularly when compared to the much larger bandage category. See "Market, Ranking and Other Data" at page 77 of this prospectus for information regarding market share calculations.

We compete on the basis of numerous factors, including brand recognition, product quality, performance, price and product availability at retail stores. Advertising, promotion, merchandising and packaging, the timing of new product introductions and line extensions also have a significant impact on customers' buying decisions and, as a result, on our sales. The structure and quality of the sales force, as well as consumption of our products affects in-store position, wall display space and inventory levels in retail outlets. If we are unable to maintain or improve the inventory levels and in-store positioning of our products in retail stores, our sales and operating results will be adversely affected. Our markets also are highly sensitive to the introduction of new products, which may rapidly capture a

significant share of the market. An increase in the amount of product introductions by our competitors could have a material adverse effect on our sales and operating results.

In addition, competitors may attempt to gain market share by offering products at prices at or below those typically offered by us. Competitive pricing may require us to reduce prices and may result in lost sales or reduction in our profit margins. Future price or product changes by our competitors may have a material adverse effect on us or we may be unable to react with price or product changes of our own to maintain our current market position.

We depend on a limited number of customers for a large portion of our gross sales and the loss of one or more of these customers could reduce our gross sales and therefore could have a material adverse effect on our business, financial condition and results of operations.

For the year ended March 31, 2004, on a pro forma basis, excluding the Vetco acquisition, our top five and ten customers accounted for approximately 38.6% and 49.7% of our gross sales, respectively. Wal-Mart, which itself accounted for approximately 22.5% of our gross sales, is our only customer that accounted for 10% or more of our gross sales for the year ended March 31, 2004. We expect that for the year ended March 31, 2005 and future periods our top five and ten customers, including Wal-Mart, will, in the aggregate, continue to account for a large portion of our gross sales. The loss of one or more of our top customers that may account for a significant portion of our gross sales, any significant decrease in sales to these customers, or any significant decrease in our retail display space in any of these customers' stores, could reduce our gross sales and therefore could have a material adverse effect on our business, financial condition and results of operations.

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

We depend on third parties to manufacture the products we sell. If we are unable to maintain these manufacturing relationships or enter into additional or different arrangements, we may fail to meet customer demand and our sales and profitability may suffer as a result.

All of our products are manufactured by third parties. Without adequate supplies of merchandise to sell to our customers, sales would decrease materially and our business would suffer. In the event that manufacturers are unable or unwilling to ship products to us in a timely manner or continue to manufacture products for us, we would have to rely on other current manufacturing sources or identify and qualify new manufacturers. We might not be able to identify or qualify such manufacturers for existing or new products in a timely manner and such manufacturers might not allocate sufficient capacity to us in order to meet our requirements. In addition, identifying alternative vendors without adequate lead times can compromise required product validation and stability work, which may involve additional manufacturing expense, delay in production or product disadvantage in the marketplace. The consequences of not securing adequate and timely supplies of merchandise would negatively impact inventory levels, sales and gross margin rates, and ultimately our results of operations.

In addition, even if our current manufacturers continue to manufacture our products, they may not maintain adequate controls with respect to product specifications and quality and may not continue to produce products that are consistent with our standards or applicable regulatory requirements. If we

are forced to rely on products of inferior quality, then our brand recognition and customer satisfaction would likely suffer, which would likely lead to reduced sales. These manufacturers may also increase the cost of the products we purchase from them. If our manufacturers increase our costs, our margins would be adversely affected if we cannot pass along these increased costs to our customers.

As of March 31, 2004, on a pro forma basis giving effect to the Bonita Bay acquisition and the Vetco acquisition, we sold 73 types of individual products. We do not have long-term contracts with the manufacturers of 38 of those types of individual products. These 38 products accounted for approximately 25.0% of our gross sales for the year ended March 31, 2004. The fact that we do not have long-term contracts with these manufacturers means that they could cease manufacturing these products for us at any time and for any reason.

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

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

Efforts to acquire other companies, brands or product lines may divert our managerial resources away from our business operations, and if we complete an acquisition, we may incur or assume additional liabilities or experience integration problems.

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

- difficulties in integrating any acquired companies, personnel and products into our existing business;
- delays in realizing the benefits of the acquired company or products;
- diversion of our management's time and attention from other business concerns;
- higher costs of integration than we anticipated;
- difficulties in retaining key employees of the acquired business who are necessary to manage these businesses;
- difficulties in maintaining uniform standards, controls, procedures and policies throughout our acquired companies; or

- adverse customer reaction to the business combination.

In addition, an acquisition could materially impair our operating results by causing us to incur debt or requiring us to amortize acquisition expenses and acquired assets.

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

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

The formulation, manufacturing, packaging, labeling, distribution, importation, sale and storage of our products are subject to extensive regulation by various federal agencies, including the Food and Drug Administration, or FDA, the Federal Trade Commission, or FTC, the Consumer Product Safety Commission, the Environmental Protection Agency, or EPA, and by various agencies of the states, localities and foreign countries in which our products are manufactured, distributed and sold. If we or our manufacturers fail to comply with those regulations, we could become subject to significant penalties or claims, which could materially adversely affect our operating results or our ability to conduct our business. In addition, the adoption of new regulations or changes in the interpretations of existing regulations may result in significant compliance costs or discontinuation of product sales and may adversely affect the marketing of our products, resulting in significant loss of sales revenues.

In accordance with the Federal Food, Drug and Cosmetic Act, or FDC Act, and FDA regulations, the manufacturing processes of our third party manufacturers must also comply with the FDA's current Good Manufacturing Practices, or cGMPs. The FDA inspects our facilities and those of our third party manufacturers periodically to determine if we and our third party manufacturers are complying with cGMPs. A history of past compliance is not a guarantee that future cGMPs will not mandate other compliance steps and associated expense.

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

- suspend manufacturing operations;
- change product formulations;
- suspend the sale of products with non-complying specifications;
- initiate product recalls; or
- change product labeling, packaging or advertising or take other corrective action.

Any of these actions could materially and adversely affect our financial results.

In addition, our failure to comply with FTC or state regulations, or with regulations in foreign markets that cover our product claims and advertising, including direct claims and advertising by us, may result in enforcement actions and imposition of penalties or otherwise materially and adversely affect the distribution and sale of our products.

Product liability claims could adversely affect our sales and operating results.

We may be required to pay for losses or injuries purportedly caused by our products. We have been and may again be subjected to various product liability claims. Claims could be based on allegations that, among other things, our products contain contaminants, include inadequate instructions regarding their use or inadequate warnings concerning side effects and interactions with other substances. For example, *Denorex* products contain coal tar which the State of California has determined causes cancer and our packaging contains a warning to this effect. In addition, any product liability claims may result in negative publicity that may adversely affect our sales and operating results. Also, if one of our products is found to be defective we may be required to recall it, which may result in substantial expense and adverse publicity and adversely affect our sales and operating results. Although we maintain, and require our material suppliers and manufacturers to maintain, product liability insurance coverage, potential product liability claims may exceed the amount of insurance coverage or potential product liability claims may be excluded under the terms of the policy, which could hurt our financial condition. In addition, we may also become required to pay higher premiums and accept higher deductibles in order to secure adequate insurance coverage in the future.

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

The market for our products depends to a significant extent upon the goodwill associated with our trademarks and tradenames. The trademarks and tradenames on our products are how we convey that the products we sell are "brand name" products, and we believe consumers ascribe value to our brands. We own the material trademark and tradename rights used in connection with the packaging, marketing and sale of our products. This ownership is what prevents our competitors or new entrants to the market from using our valuable brand names. Therefore, trademark and tradename protection is critical to our business. Although most of our material trademarks are registered in the United States and in applicable foreign countries, we may not be successful in asserting trademark or tradename protection. If we were to lose the exclusive right to use our brand names, our sales and operating results would be materially and adversely affected. We could also incur substantial costs to defend legal actions relating to the use of our intellectual property, which could have a material adverse effect on our business, results of operations or financial condition.

Other parties may infringe on our intellectual property rights and may thereby dilute the value of our brands in the marketplace. If our brands become diluted, or if our competitors are able to introduce brands that cause confusion with our brands in the marketplace, it could adversely affect the value that our customers associate with our brands, and thereby negatively impact our sales. Any such infringement of our intellectual property rights would also likely result in a commitment of our time and resources to protect these rights through litigation or otherwise. In addition, third parties may assert claims against our intellectual property rights and we may not be able to successfully resolve these claims. In that event, we may lose our ability to use the brand names that were the subject of these claims, which could have a material adverse impact on our sales and operating results.

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

We have licenses or manufacturing agreements with third parties that own intellectual property (e.g., formulae, copyrights, trade dress, patents and other technology) used in the manufacture and sale of some of our products. In the event that any such license or manufacturing agreement is terminated

as a result of our breach (e.g., by our failure to pay royalties or breach of confidentiality), we may lose the right to use or have reduced rights to use the intellectual property covered by such agreement and may have to develop or obtain rights to use other intellectual property. Similarly, our rights could be reduced if the applicable licensor or contract manufacturer fails to maintain the licensed patents or trade secrets because in such event our competitors could obtain the right to use the intellectual property without restriction. If this were to occur, we might not be able to develop or obtain replacement intellectual property in a timely manner and the products modified as a result of this development may not be well-received by customers. The consequences of losing the right to use or having reduced rights to such intellectual property could negatively impact our results of operations through failure to meet customer demand for the affected products, the cost of developing or obtaining different intellectual property and possible reduction in sales of the affected products. In addition, development of replacement products may be time-consuming, expensive and ultimately may not be feasible.

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

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

Our substantial indebtedness could adversely affect our financial health and the significant amount of cash we must generate to service our debt will not be available to reinvest in our business.

We have a significant amount of indebtedness. As of December 31, 2004, on a pro forma, as adjusted basis giving effect to this offering and the application of net proceeds therefrom, our total indebtedness, including current maturities, would have been approximately \$501.3, and we would have been able to borrow an additional \$55.0 million under our amended revolving credit facility. The following table sets forth on an as adjusted basis the aggregate amount of our debt payment obligations, including estimated interest, for the current fiscal year and each of the next five subsequent fiscal years (dollars in thousands):

	2005	2006	2007	2008	2009	2010	6 Year Total
Scheduled principal payments	\$ 3,730	\$ 3,730	\$ 3,730	\$ 3,730	\$ 3,730	\$ 3,730	\$ 22,380
Projected interest payments	\$ 30,432	\$ 29,787	\$ 29,605	\$ 29,424	\$ 29,243	\$ 29,061	\$ 177,552
Total debt service	\$ 34,162	\$ 33,517	\$ 33,335	\$ 33,154	\$ 32,973	\$ 32,791	\$ 199,932

Our substantial indebtedness could have important consequences to you as an investor in our common stock. For example, it could:

- increase our vulnerability to general adverse economic and industry conditions;

- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit, among other things, our ability to borrow additional funds.

The terms of the indenture governing the notes and the senior credit facility will allow us to issue and incur additional debt upon satisfaction of conditions set forth in the indenture and credit agreement. If new debt is added to current debt levels, the related risks described above could intensify.

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

The senior credit facility and the indenture governing the notes impose restrictions on us that could increase our vulnerability to adverse economic and industry conditions by limiting our flexibility in planning for and reacting to changes in our business and industry. Specifically, these restrictions limit our ability to:

- borrow money or issue guarantees;
- pay dividends or purchase stock and other restricted payments to shareholders;
- make investments;
- use assets as security in other transactions;
- sell assets or merge with or into other companies;
- enter into transactions with affiliates;
- sell stock in our subsidiaries; and
- create or permit restrictions on the ability of restricted subsidiaries to pay dividends or make other payments to our company.

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

In addition, the senior credit facility requires us to meet specified financial ratios. For example, we must:

- have a leverage ratio of less than 6.85 to 1.0 for the quarter ended December 31, 2004, and decreasing over time to 3.75 to 1.0 for the quarter ending September 30, 2010 and remaining level thereafter. Our leverage ratio was less than 6.85 to 1.0 for the quarter ended December 31, 2004;
- have an interest coverage ratio of greater than 2.25 to 1.0 for the quarter ended December 31, 2004, and increasing to 3.25 to 1.0 for the quarter ending March 31, 2011. Our interest coverage ratio was greater than 2.25 to 1.0 for the quarter ended December 31, 2004; and
- have a fixed charge coverage ratio of greater than 1.5 to 1.0 for the quarter ended December 31, 2004, and for each quarter thereafter until the quarter ending March 31, 2011. Our fixed charge coverage ratio was greater than 1.5 to 1.0 for the quarter ended December 31, 2004.

Although we believe we are on track to meet and/or maintain these financial ratios, our ability to do so may be affected by events outside our control. Covenants in our senior credit facility also require us to use 100% of the proceeds we receive from debt issuances and up to 50% of the proceeds we receive from equity issuances to repay outstanding borrowings under our senior credit facility.

We expect to amend our credit agreement, effective upon completion of the offering, to among other things, eliminate our requirement to use proceeds from equity issuances to repay outstanding borrowings and amend the leverage ratio and interest coverage ratio covenants set forth above to require Prestige Brands to:

- have a leverage ratio of less than 5.50 to 1.0 for the quarter ending March 31, 2005, and decreasing over time to 3.75 to 1.0 for the quarter ending September 30, 2010 and remaining level thereafter; and
- have an interest coverage ratio of greater than 2.50 to 1.0 for each fiscal quarter ending during the period January 1, 2005 through September 30, 2005, and increasing over time to 3.25 to 1.0 for each fiscal quarter ending during the period January 1, 2010 through March 31, 2011.

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

The senior credit facility and the indenture governing the notes contain provisions that allow the respective creditors to declare all outstanding borrowings under one agreement to be immediately due and payable as a result of a default under the other agreement. The result is that upon our default under one debt agreement, all indebtedness may become immediately due and payable under the senior credit facility and the indenture. Under the senior credit facility, failure to make a payment required by the indenture, among other things, may lead to an event of default under the credit agreement. Similarly, an event of default or failure to make a required payment at maturity under the senior credit facility, among other things, may lead to an event of default under the indenture. If the debt under the senior credit facility and indenture were to both be accelerated, the aggregate amount immediately due and payable as of December 31, 2004 would have been approximately \$501.3 million on a pro forma, as adjusted basis giving effect to this offering and the application of net proceeds therefrom. We presently do not have sufficient liquidity to repay these borrowings if they were to be accelerated, and we may not have sufficient liquidity in the future and may not be able to borrow

money from other lenders to enable us to refinance the indebtedness. As of December 31, 2004, on a pro forma, as adjusted basis, the book value of our current assets would have been \$64.9 million. Although the book value of our total assets was \$985.2 million at December 31, 2004, on a pro forma, as adjusted basis, approximately \$917.6 million was in the form of intangible assets, a significant portion of which are illiquid and may not be available to satisfy our creditors in the event our debt is accelerated.

Any failure to comply with the restrictions of the senior credit facility, the indenture related to the notes or any other subsequent financing agreements may result in an event of default. Such default may allow the creditors to accelerate the related debt as well as any other debt to which a cross-acceleration or cross-default provisions applies. In addition, the lenders may be able to terminate any commitments they had made to supply us with further funds.

Risks Relating to the Offering

The price of our common stock may be volatile and you may not be able to sell your shares at or above the initial offering price.

Prior to this offering, there has been no public market for our common stock. An active and liquid trading market for our common stock may not develop or be sustained following this offering. We will establish the initial public offering price through negotiations with the representatives of the underwriters. You should not view the price they and we establish as any indication of the price that will prevail in the trading market. The market price for our common stock may decline below the initial public offering price and our stock price is likely to be volatile. You may not be able to sell your shares at or above the initial public offering price.

Price declines in our common stock could result from general market and economic conditions and a variety of other factors, including:

- actual or anticipated fluctuations in our operating results;
- our announcements or our competitors' announcements regarding new products, significant contracts, acquisitions or strategic investments;
- loss of any of our key management personnel;
- conditions affecting consumer products companies or the consumer products industry generally;
- changes in our growth rates or our competitors' growth rates;
- failure to protect our intellectual property or proprietary rights;
- conditions in the financial markets in general or changes in general economic conditions;
- our inability to raise additional capital;
- changes in stock market analyst recommendations regarding our common stock, other comparable companies or the consumer products industry generally, or lack of analyst coverage of our common stock;

- sales of our common stock by our executive officers, directors and five percent stockholders or sales of substantial amounts of common stock; and
- changes in accounting principles.

In the past, following periods of volatility in the market price of a particular company's securities, litigation has often been brought against that company. If litigation of this type is brought against us, it could be extremely expensive and divert management's attention and the company's resources.

If you purchase our common stock in this offering, you will incur immediate and substantial dilution in the book value of your shares.

If you purchase shares in this offering, the value of your shares based on our actual book value will immediately be less than the offering price you paid. This reduction in the value of your equity is known as dilution. This dilution occurs in large part because our earlier investors paid substantially less than the initial public offering price when they purchased their shares. Investors purchasing common stock in this offering will incur immediate dilution of \$25.90 in net tangible book value per share of common stock, based on an assumed initial public offering price of \$15.00 per share, the mid-point of the range on the cover of this prospectus. Investors will incur additional dilution upon the exercise of stock options or other equity-based awards we may issue in the future under our new equity incentive plan. In addition, if we raise funds by issuing additional securities, the newly issued shares will further dilute your percentage ownership of our company.

Requirements associated with being a public company will require significant company resources and management attention.

We only recently became subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the other rules and regulations of the SEC. We are also subject to various other regulatory requirements, including the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act requires that we evaluate and determine the effectiveness of our internal control over financial reporting. If we or our independent registered public accounting firm determine that we have a material weakness in our internal control over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated. We have dedicated a significant amount of time and resources to ensuring compliance, but we or our independent registered public accounting firm may not be able to complete the necessary work in a timely manner. In addition, upon completion of this offering, we will become subject to the rules of the New York Stock Exchange.

We are working with our independent legal, accounting and financial advisors to identify those areas in which changes should be made to our financial and management control systems to manage our growth and our obligations as a public company. These areas include corporate governance, corporate control, internal audit, disclosure controls and procedures and financial reporting and accounting systems. We have made, and will continue to make, changes in these and other areas, including our internal control over financial reporting. However, these and other measures we may take may not be sufficient to allow us to satisfy our obligations as a public company on a timely basis.

In addition, compliance with reporting and other requirements applicable to public companies will create additional costs for us and will require the time and attention of management. We cannot predict or estimate the amount of the additional costs we may incur, the timing of such costs or the degree of impact that our management's attention to these matters will have on our business.

In addition, being a public company could make it more difficult or more costly for us to obtain certain types of insurance, including directors' and officers' liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

After the offering, our principal stockholders will still have the ability to control us and significantly influence our business, which may be disadvantageous to other stockholders and adversely affect the trading price of our common stock.

Upon completion of the offering, entities affiliated with GTCR collectively will beneficially own approximately 46% of our outstanding common stock. As a result, these stockholders, acting together, will have the ability to exert substantial influence over all matters requiring approval by our stockholders, including the election and removal of directors and any proposed merger, consolidation or sale of all or substantially all of our assets and other corporate transactions. Under our amended and restated certificate of incorporation, the GTCR entities and non-employee directors will not have any duty to refrain from engaging directly or indirectly in the same or similar business activities or lines of business that we do. In the event that any GTCR entity or non-employee director, as the case may be, acquires knowledge of a potential transaction or matter which may be a corporate opportunity for itself and us, the GTCR entity or non-employee director, as the case may be, will not have any duty to communicate or offer such corporate opportunity to us and may pursue such corporate opportunity for itself or direct such corporate opportunity to another person. See "Description of Capital Stock—Corporate Opportunities and Transactions with GTCR." Our officers, directors and principal stockholders could delay or prevent an acquisition or merger even if the transaction would benefit other stockholders. Moreover, this concentration of stock ownership may make it difficult for stockholders to replace management. In addition, this significant concentration of stock ownership may adversely affect the trading price for our common stock because investors often perceive disadvantages in owning stock in companies with controlling stockholders. This concentration of control could be disadvantageous to other stockholders with interests different from those of our officers, directors and principal stockholders and the trading price of shares of our common stock could be adversely affected. See "Principal and Selling Stockholders" for a more detailed description of our stock ownership.

A significant portion of our total outstanding shares are restricted from immediate resale but may be sold into the market in the near future. If there are substantial sales of our common stock or the perception that these sales could occur, the price of our common stock could decline.

Sales of substantial amounts of our common stock in the public market after this offering, or the perception that these sales could occur, could adversely affect the price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. Upon completion of this offering, we will have outstanding 50,000,000 shares of common stock. Of these shares, the 23,333,333 shares of common stock sold in this offering will be freely tradable, without restriction, in the public market. After the lockup agreements pertaining to this offering expire 180 days from the date of this prospectus, an additional 26,535,628 shares will be available for immediate sale, and 131,039 shares will be available for sale in November 2005, in the event stockholders are entitled to tack their respective holding periods of limited liability company units, subject to applicable manner of sale and other limitations under Rule 144 under the Securities Act. In the event that stockholders are not entitled to tack their respective holding periods of the limited liability company units, 26,666,667 shares will be available for sale approximately one year after this offering, subject to applicable manner of sale and other limitations under Rule 144 under the Securities Act. Following the

expiration of the lock up period, the GTCR entities and the TCW entities will be entitled, subject to specified exceptions, to demand registration rights with respect to the registration of shares under the Securities Act. If this right is exercised, holders of all shares subject to the registration rights agreement will be entitled to participate in such registration. By exercising their registration rights, and selling a large number of shares, these holders could cause the price of our common stock to decline. An estimated 26,666,667 million shares of common stock will be subject to our registration rights agreement upon completion of the offering. See "Shares Eligible for Future Resale" and "Certain Relationships and Related Transactions."

Our amended and restated certificate of incorporation and our bylaws contain provisions that could discourage another company from acquiring us and may prevent attempts by our stockholders to replace or remove our current management.

Provisions of our amended and restated certificate of incorporation and our bylaws may discourage, delay or prevent a merger or acquisition that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace or remove our board of directors. These provisions include:

- eliminating the ability of stockholders to call special meetings of stockholders;
- establishing advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted on by stockholders at stockholder meetings; and
- the authority of the board of directors to issue, without stockholder approval, up to 5,000,000 shares of preferred stock with such terms as the board of directors may determine and an additional 200,000,000 shares of our common stock.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus may contain "forward-looking statements" that reflect, when made, our expectations or beliefs concerning future events that involve risks and uncertainties, including

- general economic conditions affecting our products and their respective markets,
- the high level of competition in our industry and markets,
- our dependence on a limited number of customers for a large portion of our sales,
- disruptions in our distribution center,
- acquisitions or other strategic transactions diverting managerial resources, or incurrence of additional liabilities or integration problems associated with such transactions,
- changing consumer trends, pricing pressures which may cause us to lower our prices,
- increases in supplier prices,
- changes in our senior management team,
- our ability to protect our intellectual property rights,
- our dependency on the reputation of our brand names,
- shortages of supply of sourced goods or interruptions in the manufacturing of our products,
- our level of debt,
- our ability to obtain additional financing,
- the restrictions in our senior credit facility and the indenture on our operations, and
- our ability to service our debt.

All statements other than statements of historical facts included in this prospectus, including, without limitation, the statements under "Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and elsewhere are forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such expectations may prove not to have been correct. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The safe harbor provided by the Private Securities Litigation Reform Act of 1995 does not apply to the statements made in connection with this offering.

These forward-looking statements may contain the words "believe," "anticipate," "expect," "estimate," "project," "will be," "will continue," "will likely result," or other similar words and phrases. Forward-looking statements and our plans and expectations are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated, and our business in general is subject to risks that could affect the value of the notes. For more information, see "Risk Factors."

USE OF PROCEEDS

We estimate that our net proceeds from the sale of 23,333,333 shares of common stock in this offering, after deducting underwriting discounts and commissions and estimated offering costs payable by us, will be approximately \$325.0 million, assuming an initial public offering price of \$15.00 per share, the mid-point of the range set forth on the cover of this prospectus. We intend to use the net proceeds from this offering plus \$5.0 million from our revolving credit facility and \$6.8 million of cash on hand to repay \$100.0 million of our existing senior indebtedness (plus a repayment premium of \$3.0 million), to redeem \$84.0 million in aggregate principal amount of our existing 9¹/₄% senior subordinated notes (plus a redemption premium of \$7.8 million) and to contribute \$139.1 million to Prestige International Holdings, LLC, which will then use such proceeds to redeem all of its outstanding senior preferred units and class B preferred units. Prestige International Holdings, LLC is repurchasing the senior preferred units and class B preferred units to eliminate them from our post-offering capital structure and to provide liquidity to their holders. We will not receive any of the proceeds from the sale of shares by the selling stockholders if the underwriters' over-allotment option is exercised.

As of December 31, 2004, the existing indebtedness to be repaid from a portion of the net proceeds from this offering and the senior preferred units and class B preferred units to be redeemed from a portion of the net proceeds consisted of the following:

- approximately \$100.0 million under our tranche C term loan (together with a repayment premium of approximately \$3.0 million), which bears interest at a variable rate (7.8% weighted average interest rate at December 31, 2004) and has a final maturity of October 2011;
- approximately \$84.0 million of our senior subordinated notes, which bear interest at a rate of 9¹/₄% per annum and mature in April 2012 (together with a redemption premium of approximately \$7.8 million);
- approximately \$23.7 million in aggregate liquidation value, including accrued but unpaid yield which accrues at a rate of 8% per annum, subject to adjustment, on the sum of the liquidation value plus all accumulated and unpaid yield, of senior preferred units; and
- approximately \$115.4 million in aggregate liquidation value, including accrued but unpaid yield which accrues at a rate of 8% per annum on the sum of the liquidation value plus all accumulated and unpaid yield, of class B preferred units.

As of December 31, 2004, the number, aggregate liquidation value, including accrued but unpaid yield, and holders of our senior preferred units and class B preferred units outstanding that we will redeem with a portion of the net proceeds of this offering were as follows:

- 22,500 senior preferred units outstanding with an aggregate liquidation value, including accrued but unpaid yield, of \$23.7 million held by TSG3 L.P. and related individuals, all of which will be paid in cash;
- 152,362.523 class B preferred units outstanding with an aggregate liquidation value, including accrued but unpaid yield, of \$162.9 million held by the GTCR funds, approximately \$108.0 million of which will be paid in cash with the remaining amount being satisfied through a reallocation of common stock among our existing equity investors;
- 9,017.250 class B preferred units outstanding with an aggregate liquidation value, including accrued but unpaid yield, of \$9.7 million held by the TCW/Crescent funds, approximately \$6.4

million of which will be paid in cash with the remaining amount being satisfied through a reallocation of common stock among our existing equity investors;

- 1,234.152 class B preferred units with an aggregate liquidation value, including accrued but unpaid yield, of \$1.3 million held by our senior officers, approximately \$0.9 million of which will be paid in cash with the remaining amount being satisfied through a reallocation of common stock among our existing equity investors; and
- 250.386 class B preferred units with an aggregate liquidation value, including accrued but unpaid yield, of \$0.3 million held by certain employees, approximately \$0.2 million of which will be paid in cash with the remaining amount being satisfied through a reallocation of common stock among our existing equity investors.

An affiliate of Merrill Lynch is a lender under our senior credit facility and affiliates of Merrill Lynch, Goldman, Sachs & Co. and J.P. Morgan have also provided commitments under the amended senior credit facility. See "Underwriting—Other Relationships."

REORGANIZATION AS A CORPORATION

Prestige Brands Holdings, Inc., a Delaware corporation, the shares of which are being sold to the public in this offering, will be the direct parent company of Prestige International Holdings, LLC, a Delaware limited liability company, which was our former top-tier holding company. Prestige Brands Holdings, Inc. is a newly formed corporate entity that has yet to be capitalized and has no operations. We refer to Prestige Brands Holdings, Inc. as "Prestige Inc." and Prestige International Holdings, LLC as "Prestige LLC" in this section of the prospectus. Prestige Inc. will become the direct parent of Prestige LLC pursuant to a reorganization that will take place prior to the completion of this offering. The reorganization will not affect our operations, which we will continue to conduct through our operating subsidiaries.

The reorganization will be effected under the terms of an exchange agreement among Prestige Inc., Prestige LLC and each holder of common units of Prestige LLC. Pursuant to the agreement, each holder of common units of Prestige LLC will exchange all their common units for a proportionate number of shares of common stock of Prestige Inc. After completion of this offering, Prestige Inc. will contribute a portion of the net proceeds therefrom to Prestige LLC, which will then use such proceeds to redeem all of its senior preferred units and class B preferred units, thus causing Prestige LLC to become a wholly owned subsidiary of Prestige Inc. See "Use of Proceeds."

After completion of this offering and the application of net proceeds therefrom as described under "Use of Proceeds," the existing equity investors, which includes the holders of our common units and our class B preferred units, will own 26,666,667 shares of our common stock, representing approximately 53.3% of the voting power of our outstanding capital stock, and we will have no shares of preferred stock issued and outstanding. In the event that the underwriters elect to exercise the over-allotment option in full, the existing equity investors will sell 3,500,000 shares of common stock they received in connection with the reorganization. See "Principal and Selling Stockholders" for more information regarding the ownership of our common stock.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2004:

- on an actual basis; and
- on a pro forma, as adjusted basis to give effect to (1) our reorganization as a corporation and the resultant conversion of all outstanding limited liability company common units into shares of common stock prior to the completion of this offering and (2) our receipt of the estimated net proceeds from the sale of 23,333,333 shares of common stock offered in this offering at an assumed initial public offering price of \$15.00 per share (the mid-point of the range set forth on the cover of this prospectus), after deducting underwriting discounts and commissions and estimated offering expenses, and the application of the net proceeds as described under "Use of Proceeds."

(unaudited) (dollars in thousands)	As of December 31, 2004	
	Actual	Pro Forma, As Adjusted
Cash and cash equivalents	\$ 6,754	\$ —
Long-term debt, including current portion:		
Senior credit facility:		
Revolving credit facility	\$ —	\$ 5,000
Tranche B term loan facility	370,293	370,293
Tranche C term loan facility	100,000	—
9 ¹ / ₄ % notes	210,000	126,000
Total long-term debt	680,293	501,293
Members'/Stockholders' (deficit) equity:		
Senior preferred units, 22,500 units issued and outstanding, actual; no units issued and outstanding, pro forma, as adjusted	17,768	—
Class B preferred units, 162,864 units issued and outstanding, actual; no units issued and outstanding, pro forma, as adjusted	155,283	—
Common units, 58,109,786 units issued and outstanding, actual; no units issued and outstanding, pro forma, as adjusted	5,611	—
Preferred stock, par value \$0.01 per share, no shares authorized, issued and outstanding, actual; 5,000,000 shares authorized and no shares issued and outstanding, pro forma, as adjusted	—	—
Common stock, par value \$0.01 per share, no shares authorized, issued and outstanding, actual; 250,000,000 shares authorized and 50,000,000 shares issued and outstanding, pro forma, as adjusted	—	500
Additional paid-in capital	4,871	393,736
Retained earnings	15,473	(21,611)
Total members'/stockholders' equity	199,006	372,625
Total capitalization	\$ 879,299	\$ 873,918

Our capitalization information above excludes 5,000,000 shares of common stock reserved for future issuance under our 2005 Long-Term Equity Incentive Plan.

DILUTION

Our net tangible book value (deficit) as of December 31, 2004 was \$(728.7) million, or \$(27.33) per share of common stock, after giving effect to the reorganization, but prior to this offering. Net tangible book value per share represents, prior to the sale of the 23,333,333 shares of common stock offered in this offering, the amount of our total tangible assets less the amount of our total liabilities, divided by the number of shares of common stock outstanding at December 31, 2004, after giving effect to the reorganization, but prior to this offering. Dilution in net tangible book value per share represents the difference between the amount per share paid by investors in this offering and the pro forma, as adjusted net tangible book value per share of our common stock immediately after this offering.

After giving effect to our sale of the 23,333,333 shares of common stock offered in this offering, based upon an assumed initial public offering price of \$15.00 per share, the mid-point of the range set forth on the cover page of this prospectus, our pro forma as adjusted net tangible book value (deficit) as of December 31, 2004 would have been approximately \$(545.0) million, or \$(10.90) per share of common stock. This represents an immediate increase in pro forma net tangible book value to our existing stockholders of \$16.43 per share and an immediate dilution to new investors in this offering of \$25.90 per share. The following table illustrates this per share dilution in pro forma net tangible book value to new investors:

Assumed initial public offering price per share	\$	15.00
Net tangible book value (deficit) per share as of December 31, 2004		(27.33)
Increase per share attributable to new investors		16.43
Pro forma as adjusted net tangible book value per share after this offering		(10.90)
		(10.90)
Dilution per share to new investors	\$	25.90

The following table summarizes, as of December 31, 2004 on an as adjusted basis, the differences between our existing stockholders and investors in this offering with respect to the total number of shares of common stock purchased from us, the aggregate cash consideration paid to us, the average price per share paid by existing stockholders and the average price per share paid by new investors purchasing shares of common stock in this offering before deducting estimated underwriting discounts and commissions and our estimated offering expenses. The calculation below is based on an offering price of \$15.00 per share, the mid-point of the range set forth on the cover page of this prospectus, before deducting estimated underwriting and offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Number	Percent	
Existing stockholders	26,666,667	53.3%	\$ 64,767,666	15.5%	\$ 2.43
New public investors	23,333,333	46.7%	\$ 350,000,000	84.5%	\$ 15.00
	50,000,000	100%	\$ 414,767,666	100%	\$ 8.30

The foregoing discussion and tables assume no exercise of the 5,000,000 shares of our common stock reserved for future issuance under our 2005 Long-Term Equity Incentive Plan. In addition, you will incur additional dilution if we grant options, warrants or other rights to purchase our common stock in the future with exercise prices below the initial public offering price.

If the underwriters exercise their over-allotment option in full, our existing stockholders would own approximately 46.3% and our new investors would own approximately 53.7% of the total number of shares of our common stock outstanding after this offering.

DIVIDEND POLICY

We have not in the past paid, and do not expect for the foreseeable future, to pay dividends on our common stock. Instead, we anticipate that all of our earnings in the foreseeable future will be used in the operation and growth of our business. Any future determination to pay dividends will be at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements and contractual restrictions, including restrictions under our senior credit facility and the indenture governing our 9¹/₄% senior subordinated notes, and any other considerations our board of directors deems relevant.

UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

The following tables set forth unaudited pro forma combined financial data for the fiscal year ended March 31, 2004 and as of and for the nine months ended December 31, 2004.

The unaudited pro forma balance sheet as of December 31, 2004 gives effect to the corporate reorganization and the receipt of the estimated net proceeds from the sale of 23,333,333 shares of common stock offered in this offering at an assumed initial public offering price of \$15.00 per share (the mid-point of the range set forth on the cover page of this prospectus), after deducting underwriting discounts and commissions and estimated offering expenses, and the application of the net proceeds as described under "Use of Proceeds," as if each had occurred on that date. The historical balance sheet as of December 31, 2004 already reflects the Medtech acquisition, the Bonita Bay acquisition, the Vetco acquisition and related financing transactions. The unaudited pro forma combined statement of operations for the fiscal year ended March 31, 2004 has been prepared to illustrate the effects of the Medtech acquisition, the Bonita Bay acquisition, the Vetco acquisition, the corporate reorganization and the receipt of the estimated net proceeds from the sale of 23,333,333 shares of common stock offered in this offering and the application of the net proceeds as described under "Use of Proceeds," as if each had occurred on April 1, 2003. The unaudited pro forma combined statement of operations for the nine months ended December 31, 2004 has been prepared to illustrate the effects of the Bonita Bay acquisition, the Vetco acquisition, the corporate reorganization and the receipt of the estimated net proceeds from the sale of 23,333,333 shares of common stock offered in this offering and the application of the net proceeds as described under "Use of Proceeds," as if each had occurred on April 1, 2003. Bonita Bay, Spic and Span and Vetco have historically utilized a December 31 fiscal year; for purposes of the fiscal year ended March 31, 2004 data presented herein, a historical December 31, 2003 period was used for these businesses. There were no significant unusual charges or adjustments during the three month period ended March 31, 2004 for Spic and Span, Bonita Bay or Vetco that would have had a material effect on the pro forma results of operations.

The unaudited pro forma combined financial data and accompanying notes are provided for informational purposes only and are not necessarily indicative of the operating results that would have occurred had the Medtech acquisition, the Bonita Bay acquisition and the Vetco acquisition been consummated on the dates indicated above, nor are they necessarily indicative of our future results of operations.

The adjustments to the unaudited pro forma combined financial data are based upon available information and assumptions that we believe are reasonable and exclude the following non-recurring charges that will be incurred in connection with the reorganization and offering and recognized in the 12 months following the offering:

- the estimated debt breakage costs of \$10.8 million related to the early repayment of the senior subordinated notes;
- the write-off of deferred financing charges of \$9.1 million; and
- the dividends of approximately \$24.8 million that will be paid to holders of the class B preferred units and senior preferred units.

The following information is qualified by reference to and should be read in conjunction with "Capitalization," "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and notes thereto included elsewhere in this prospectus.

PRESTIGE BRANDS HOLDINGS, INC. AND SUBSIDIARIES
PRO FORMA BALANCE SHEET
AS OF DECEMBER 31, 2004
(unaudited)
(dollars in thousands)

	Historical Prestige Holdings	Reorganization and Offering Adjustments	Pro Forma As Adjusted for Reorganization and Offering
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,754	\$ (6,754) ^(a)	\$ —
Accounts receivable, net	36,125		36,125
Other receivables	718		718
Inventories, net	18,888		18,888
Deferred income tax asset	6,574		6,574
Prepaid expense and other current assets	2,576		2,576
Total current assets	71,635	(6,754)	64,881
Property, plant and equipment, net	2,670		2,670
Goodwill, net	294,660		294,660
Other long-term assets	633,067	(1,058) ^(b)	622,944
		(9,065) ^(e)	
Total assets	\$ 1,002,032	\$ (16,877)	\$ 985,155
LIABILITIES AND MEMBERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 17,806		\$ 17,806
Accounts payable—related party	1,000		1,000
Accrued expenses	18,857	(2,900) ^(a)	8,730
		(4,093) ^(e)	
		(2,076) ^(e)	
		(1,058) ^(b)	
Current portion of long-term debt	3,730		3,730
Total current liabilities	41,393	(10,127)	31,266
Long-term debt	676,563	(179,000) ^(a)	497,563
Deferred income tax liability	85,070	(1,369) ^(e)	83,701
Total liabilities	803,026	(190,496)	612,530
Members'/Stockholders' equity:			
Senior Preferred Units, 22,500 units issued and outstanding, actual; no units issued and outstanding, pro forma, as adjusted	17,768	(17,768) ^(a)	—
Class B Preferred Units, 162,864 units issued and outstanding, actual; no units issued and outstanding, pro forma, as adjusted	155,283	(102,953) ^(a)	—
		(52,330) ^(d)	
Common Units, 58,109,786 units issued and outstanding, actual; no units issued and outstanding, pro forma, as adjusted	5,611	(5,611) ^(c)	—
Preferred stock, par value \$0.01 per share, no shares authorized, issued and outstanding, actual; 5,000,000 shares authorized and no shares issued and outstanding, pro forma, as adjusted	—		—
Common stock, par value \$0.01 per share, no shares authorized, issued and outstanding, actual; 250,000,000 shares authorized and 50,000,000 shares issued and outstanding, pro forma, as adjusted	—	500	500
Additional paid-in capital	4,871	388,865 ^(d)	393,736
Retained earnings	15,473	(37,084) ^(e)	(21,611)
Total members'/stockholders' equity	199,006	173,619	372,625
Total liabilities and members'/stockholders' equity	\$ 1,002,032	\$ (16,877)	\$ 985,155

PRESTIGE BRANDS HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO THE UNAUDITED PRO FORMA BALANCE SHEET
(dollars in thousands)

- (a) The unaudited pro forma balance sheet gives effect to the following pro forma adjustments and reflects the issuance of common stock, the repayment of certain outstanding debt, the redemption of the senior preferred units and class B preferred units, and the fees and expenses incurred in connection with the offering, all presented as if they had occurred on December 31, 2004.

Sources of funds	
Cash on hand	\$ 6,754
Revolving credit facility	5,000
Offering of common stock	350,000
	<hr/>
Total sources of funds	\$ 361,754

Uses of funds	
Repayment of tranche C of the senior credit facility	\$ 100,000
Repayment of a portion of senior subordinated notes	84,000
Repayment of accrued interest	2,900
Redemption of senior preferred units (book value of \$17,768)	23,726
Redemption of class B preferred units (book value of \$102,953)	115,358
Underwriters' discount	21,875
Prepayment premiums	10,770
Offering expenses	3,125
	<hr/>
Total uses of funds	\$ 361,754

- (b) Reflects the elimination of capitalized offering costs that were accrued in advance of the offering. This balance is offset by the aggregate proceeds of the offering.
- (c) Reflects the exchange of common units of Prestige LLC for a proportionate number of shares of common stock of Prestige Inc.
- (d) The following represents the reconciliation of the net change in additional paid-in capital:

Historical additional paid-in capital	\$ 4,871
Exchange of common units	5,344
Issuance of common stock	349,767
Redemption of class B preferred units (book value of \$52,330)	58,754
Underwriters' discount	(21,000)
Offering expenses	(4,000)
	<hr/>
Pro forma additional paid-in capital	\$ 393,736

- (e) The following represents the reconciliation of the net change in retained earnings:

Historical additional paid-in capital	\$ 15,473
Prepayment premiums (net of \$4,093 tax benefit)	(6,677)
Write-off of deferred financing costs (net of \$3,445 tax benefit) ⁽¹⁾	(5,620)
Dividends on preferred units	(24,787)
	<hr/>
Pro forma accumulated deficit	\$ (21,611)

(1) Comprised of \$2,076 of income tax receivable and \$1,369 of non-current deferred tax asset.

PRESTIGE BRANDS HOLDINGS, INC. AND SUBSIDIARIES
PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED MARCH 31, 2004
(unaudited)
(dollars in thousands, except per share data)

	Historical					Historical			Historical		Pro Forma for the Medtech Acquisition, the Bonita Bay Acquisition and the Vetco Acquisition (a)	
	Prestige Holdings From February 6, 2004 through March 31, 2004	Combined Medtech and Denorex From April 1, 2003 to February 5, 2004	Spic and Span Year Ended December 31, 2003 ^(a)	Spic and Span Adjustments (b)	Medtech Acquisition Adjustments	Pro Forma for the Medtech Acquisition	Bonita Bay Year Ended December 31, 2003 ^(a)	Bonita Bay Acquisition Adjustments	Pro Forma for the Medtech Acquisition and the Bonita Bay Acquisition (a)	Vetco Year Ended December 31, 2003 ^(a)	Vetco Acquisition Adjustments	Pro Forma for the Medtech Acquisition, the Bonita Bay Acquisition and the Vetco Acquisition (a)
Income Statement Data:												
Total revenues	\$ 18,861	\$ 69,059	\$ 20,173	\$ (2,076)	\$ (387) ^(c)	\$ 105,630	\$ 167,070		\$ 272,700	\$ 12,821		\$ 285,521
Cost of sales (Prestige Holdings from February 6, 2004 through March 31, 2004 includes \$1,805 of charges related to the step-up of inventory)	10,023	26,254	11,191	(1,206)		46,262	82,663		128,925	4,849		133,774
Gross profit	8,838	42,805	8,982	(870)	(387)	59,368	84,407	—	143,775	7,972	—	151,747
Advertising and promotion expenses	1,689	12,601	4,506	(217)		18,579	19,525		38,104	1,832		39,936
Depreciation and amortization expenses	931	4,498	1,261	—	(955) ^(d)	5,735	1,745	1,872 ^(e)	9,352	6	1,382 ^(f)	10,740
General and administrative expenses	1,649	12,068	4,776	(57)	(390) ^(e) (1,059) ^(k) (2,629) ^(l) 880 ^(m)	15,238	9,733		24,971	1,654	(300) ^(p)	26,325
Interest expense, net	1,725	8,157	2,327	—	(1,407) ^(g)	10,802	17,308	15,101 ^(h)	43,211	(35)	1,635 ⁽ⁱ⁾	44,811
Other expense (income), net	—	1,404	(3,085)	—		(1,681)	—		(1,681)	(56)		(1,737)
Income/(loss) before taxes	2,844	4,077	(803)	(596)	5,173	10,695	36,096	(16,973)	29,818	4,571	(2,717)	31,672
Provision (benefit) for income taxes	1,054	1,684	(226)	(241)	1,793 ^(c)	4,064	13,823	(6,556) ^(j)	11,331	—	(1,032) ^(q) 1,737 ^(s)	12,036
Net income (loss) applicable to common stockholders	\$ 1,790	\$ 2,393	\$ (577)	\$ (355)	\$ 3,380	\$ 6,631	\$ 22,273	\$ (10,417)	\$ 18,487	\$ 4,571	\$ (3,422)	\$ 19,636
Net income (loss) per share: ^(t)												
Basic												
Diluted												

The accompanying notes are an integral part of the unaudited pro forma combined statement of operations

PRESTIGE BRANDS HOLDINGS, INC. AND SUBSIDIARIES
PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2004
(unaudited)

(dollars in thousands, except per share data)

	Prestige Holdings	Bonita Bay Acquisition Adjustments	Pro Forma for the Bonita Bay Acquisition	Vetco ^(a)	Vetco Acquisition Adjustments	Pro Forma for the Bonita Bay Acquisition and the Vetco Acquisition	Reorganization and Offering Adjustments	Pro Forma As Adjusted for Reorganization and Offering
Total revenues	\$ 224,957		224,957	\$ 6,216		\$ 231,173		\$ 231,173
Cost of sales (Prestige Holdings includes \$5,335 of charges related to the step-up of inventory)	107,889		107,889	2,283		110,172		110,172
Gross profit	117,068	—	117,068	3,933	—	121,001	—	121,001
Advertising and promotion expenses	31,340		31,340	343		31,683		31,683
Depreciation and amortization expenses	7,148		7,148	9	692 ^(f)	7,849		7,849
General and administrative expenses	15,113	66 ^(m)	15,179	647		15,826	(3,000) ⁽ⁿ⁾	12,826
Interest expense, net	33,877		33,877	(42)	818 ⁽ⁱ⁾	34,653	(11,301) ^(j)	23,352
Other expense (income), net	7,567	(7,567) ^(q)		(134)		(134)		(134)
Income/(loss) before taxes	22,023	7,501	29,524	3,110	(1,510)	31,124	14,301	45,425
Provision (benefit) for income taxes	8,340	2,879 ^(t)	11,219	—	(574) ^(r) 1,182 ^(s)	11,827	5,434 ^(t)	17,261
Net income/(loss) applicable to common stockholders	\$ 13,683	\$ 4,622	\$ 18,305	\$ 3,110	\$ (2,118)	\$ 19,297	\$ 8,867	\$ 28,164
Net income/(loss) per share: ^(l)								
Basic								\$ 0.56
Diluted								\$ 0.56

PRESTIGE BRANDS HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO THE UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS
(dollars in thousands)

- (a) The unaudited pro forma consolidated financial statements have been prepared to reflect the application of purchase accounting under SFAS No. 141, "Business Combinations" for the acquisitions of Medtech/Denorex, Spic and Span, Bonita Bay and Vetco. Spic and Span's, Bonita Bay's and Vetco's audited financial statements for the year ended December 31, 2003 have been combined with the audited financial statements of the predecessor for the period April 1, 2003 through February 5, 2004 and the audited financial statements of Prestige Holdings for the period from February 6, 2004 through March 31, 2004 in arriving at the pro forma fiscal year ended March 31, 2004. There were no significant unusual charges or adjustments during the three month period ended March 31, 2004 for Spic and Span, Bonita Bay or Vetco that would have had a material effect on the pro forma results of operations.
- (b) Medtech acquired Spic and Span on March 5, 2004. Therefore, the operating results for Spic and Span are included in the operating results of Prestige Holdings for the period from March 6, 2004 through March 31, 2004. Because Spic and Span's audited financial statements for the year ended December 31, 2003 are included in the pro forma fiscal year ended March 31, 2004, a full year of Spic and Span operating results are already included in the pro forma presentation. The adjustment reflects the elimination of Spic and Span's operating results from March 6, 2004 through March 31, 2004.
- (c) Reflects the elimination of revenue and the associated expense related to a service agreement between Medtech and Spic and Span in place prior to Medtech's acquisition of Spic and Span.
- (d) Represents the difference between pro forma annual amortization expense of intangible assets and the historical amortization amounts for the Medtech/Denorex and Spic and Span acquisitions.

	Fiscal Year Ended March 31, 2004
New amortization of finite-life intangible assets ⁽¹⁾	\$ 5,338
Less: Historical Medtech/Denorex amortization	(5,141)
Less: Historical Spic and Span amortization	(1,152)
Adjustment to amortization	\$ (955)

(1) Represents amortization of \$56.1 million of identifiable assets over their estimated weighted average useful life of approximately 10.7 years.

- (e) Represents the increase in pro forma annual amortization expense of intangible assets associated with the Bonita Bay acquisition.

	Fiscal Year Ended March 31, 2004
New amortization of finite-life intangible assets ⁽¹⁾	\$ 1,872
Historical Bonita Bay amortization of trademarks	—
Adjustment to amortization	\$ 1,872

(1) Represents amortization of \$11.8 million of identifiable intangible assets over their estimated weighted average useful life of approximately 7.0 years.

(f) Represents the increase in pro forma annual amortization expense of intangible assets associated with the Vetco acquisition.

	Fiscal Year Ended March 31, 2004	Nine Months Ended December 31, 2004
New amortization of finite-life intangible assets ⁽¹⁾	\$ 1,382	\$ 692
Historical Vetco amortization of trademarks	—	—
Adjustment to amortization	\$ 1,382	\$ 692

(1) Represents amortization of \$27.0 million of identifiable intangible assets and \$0.2 million of a non-compete agreement over their estimated weighted average useful lives of approximately 20.0 years and 5.0 years, respectively.

(g) Reflects the interest expense as a result of the Medtech/Denorex and Spic and Span acquisitions which is calculated as follows:

	Fiscal Year Ended March 31, 2004
Interest on borrowings:⁽¹⁾	
Medtech revolving credit facility	\$ 680
Medtech term loan facility	4,680
Medtech senior subordinated debt	5,153
Total cash interest from the debt requirements of the acquisitions	10,513
Amortization of deferred financing costs ⁽²⁾	337
Total pro forma interest expense⁽³⁾	10,850
Less: Historical interest expense	(12,257)
Net adjustment to interest expense	\$ (1,407)

(1) Represents the interest on the outstanding and unused balance on the Medtech revolving credit facility (6.0%), the outstanding Medtech term loan (4.6%) and the outstanding Medtech subordinated loan (12.0%).

(2) Represents annual amortization expense on estimated \$2.8 million of deferred financing fees, utilizing a weighted average maturity of 8.3 years, which approximates amortization under the effective interest rate method.

(3) A 1/8% change in interest rates on both the Medtech revolving credit facility and the Medtech term loan would amount to a change in pro forma interest expense of \$0.1 million.

(h) Reflects the interest expense in connection with the Bonita Bay acquisition, including the refinancing of debt incurred to consummate the Medtech/Denorex and Spic and Span acquisitions described above, which is calculated as follows:

	Fiscal Year Ended March 31, 2004	
Total cash interest from the debt requirements of the Bonita Bay acquisition ⁽¹⁾	\$	40,333
Amortization of deferred financing costs ⁽²⁾		3,101
Total pro forma interest expense⁽³⁾		43,434
Less: Historical interest expense		(17,483)
Less: Pro forma interest for the Medtech acquisition		(10,850)
Net adjustment to interest expense	\$	15,101

(1) Represents the interest on the outstanding and unused balance on the new revolving credit facility (variable rate), the outstanding balance on the Tranche B term loan (variable rate), the outstanding balance on the Tranche C term loan (variable rate) and the outstanding balance on senior subordinated notes, together assuming a weighted average interest rate of 6.0%.

(2) Represents annual amortization expense on estimated \$22.7 million of deferred financing fees, utilizing a weighted average maturity of 7.3 years, which approximates amortization under the effective interest rate method.

(3) A 1/8% change in interest rates on borrowings with variable interest rates would amount to a change in pro forma interest expense of \$0.6 million.

(i) Reflects the incremental interest expense as a result of the Vetco acquisition.

	Fiscal Year Ended March 31, 2004	Nine Months Ended December 31, 2004
Total cash interest from the debt requirements of the Vetco transaction ⁽¹⁾	\$ 1,635	\$ 818
Less: Historical interest expense	—	
Net adjustment to interest expense	\$ 1,635	\$ 818

(1) Represents the interest on the incremental borrowings under the revolving credit facility (variable rate) and the Tranche B term loan (variable rate), together assuming a weighted average interest rate of 5.5%.

(j) Reflects the net reduction in interest expense in connection with reorganization and offering, which is calculated as follows:

	Fiscal Year Ended March 31, 2004	Nine Months Ended December 31, 2004
Reduction in interest expense due to repayment of tranche C of the senior credit facility and a portion of the senior subordinated notes	\$ 13,845	\$ 10,384
Reduction in amortization of deferred financing costs due to repayment of tranche C of the senior credit facility and a portion of the senior subordinated notes	1,222	917
Net adjustment to interest expense	\$ 15,067	\$ 11,301

- (k) Represents license fees historically paid to Medtech IP L.L.C., or "Labs LLC," which owned the rights to certain brands utilized by Medtech prior to the Medtech acquisition. In connection with the Medtech acquisition, Medtech acquired the rights to the brands owned by Labs LLC. Accordingly, monthly license fees will no longer exist.
- (l) Reflects the elimination of transaction bonuses paid to members of management as a direct result of successfully completing the Medtech/Denorex and Spic and Span transactions. This adjustment eliminates the expense recognized for pro forma presentation purposes as it is directly attributable to the Medtech acquisition and the Spic and Span acquisition and is not expected to recur in the future.
- (m) Reflects the elimination of the aggregate management and advisory fees paid by Medtech/Denorex and Spic and Span to the Shansby Group (\$2,480) and by Bonita Bay to its former investors (\$640). Offsetting the elimination are management and advisory fees of \$4.0 million that will be paid on a prospective basis to the new equity investors of the combined entities.
- (n) Reflects the elimination of the management and advisory fees paid by Prestige to GTCR. In connection with the offering, the management and advisory agreement will be terminated.
- (o) Prestige Holdings acquired Vetco on October 6, 2004. Therefore, the balances for Vetco represent the pre-acquisition operating results for the six months ended September 30, 2004.
- (p) Reflects the elimination of an annual bonus paid to the former owner of Vetco. In connection with the Vetco acquisition, the former owner of Vetco entered into an employment contract with us. The terms of the contract preclude a bonus of this nature to be paid in the future.
- (q) Reflects the elimination of the expense associated with the write-off of Medtech acquisition financing fees. The write-off of these fees was directly attributable to the refinancing of existing debt in conjunction with the Bonita Bay acquisition.
- (r) Reflects the income tax adjustment required to result in a pro forma tax provision based on: (i) the companies' historical tax provision using historical amounts and (ii) the direct tax effects of the pro forma adjustments described herein at an estimated 38% effective rate.
- (s) Prior to its acquisition, Vetco had elected to be treated as an S corporation for tax purposes. As a result, the tax effects of Vetco's operations were passed directly to its shareholders. Therefore, no provision for income taxes has been recorded in the historical Vetco financial statements. The adjustment reflects the estimated tax effect on Vetco's pre-tax income, assuming a 38% effective rate.

(f) Our pro forma earnings per share were calculated as follows:

	Fiscal Year Ended March 31, 2004	Nine Months Ended December 31, 2004
Net earnings:		
As reported	\$ 31,458	\$ 28,164
Average common shares outstanding:		
Average number of common shares outstanding for basic computations	50,000,000	50,000,000
Dilutive stock options	—	—
Average number of common shares outstanding for diluted computations:		
	50,000,000	50,000,000
Earnings per share:		
Basic	\$ 0.63	\$ 0.56
Diluted	\$ 0.63	\$ 0.56

SELECTED FINANCIAL DATA

Prestige Holdings and Predecessor

Summary historical financial data for the fiscal years ended March 31, 2001, 2002, 2003, for the period from April 1, 2003 to February 5, 2004 and the nine months ended December 31, 2003 is referred to as the "predecessor" information. On February 6, 2004, an indirect subsidiary of Prestige Holdings acquired Medtech Holdings, Inc. and The Denorex Company, which at the time were both under common control and management, in a transaction accounted for using the purchase method. The summary financial data after such dates includes the financial statement impact of recording fair value adjustments arising from such acquisitions. The income statement and other financial data of Prestige Holdings and its predecessor for the fiscal years ended March 31, 2002 and 2003, the period from April 1, 2003 to February 5, 2004 and the period from February 6, 2004 to March 31, 2004 and the balance sheet data at March 31, 2003 and March 31, 2004 are derived from audited consolidated financial statements included elsewhere in this prospectus. The income statement and other financial data of Prestige Holdings and its predecessor for the nine months ended December 31, 2003 and 2004 are derived from unaudited consolidated financial statements included elsewhere in this prospectus. The income statement and other financial data for the predecessor for the fiscal year ended March 31, 2001 are derived from audited consolidated financial statements not included in this prospectus.

The summary historical financial data set forth below is not necessarily indicative of the results of future operations and should be read in conjunction with the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical combined consolidated financial statements and accompanying notes included elsewhere in this prospectus.

	Predecessor			Prestige Holdings		Predecessor		Prestige Holdings
	Period From August 6, 1999 to March 31, 2000	Fiscal Year Ended March 31,			Period From April 1, 2003 to February 5, 2004	Period From February 6, 2004 to March 31, 2004	Nine Months Ended December 31,	
		2001	2002	2003			2003	2004

(unaudited)

(dollars in thousands)

Income Statement Data:

Total revenues	\$ —	\$ 8,655	\$ 46,201	\$ 76,439	\$ 69,059	\$ 18,861	\$ 62,377	\$ 224,957
Cost of sales ⁽¹⁾	—	3,075	18,699	27,475	26,254	10,023	23,572	107,889
Gross profit	—	5,580	27,502	48,964	42,805	8,838	38,805	117,068
Advertising and promotion expenses	—	149	5,230	14,274	12,601	1,689	11,990	31,340
Depreciation and amortization expenses	—	305	3,992	5,274	4,498	931	3,949	7,148
General and administrative expenses	—	560	8,576	12,075	12,068	1,649	7,813	15,113
Interest expense, net	—	2,051	8,766	9,747	8,157	1,725	6,536	33,877
Other expense	—	124	—	685	1,404	—	—	7,567
Income from continuing operations before taxes	—	2,391	938	6,909	4,077	2,844	8,517	22,023
Provision/(benefit) for income taxes	—	(77)	311	3,902	1,684	1,054	3,364	8,340
Income from continuing operations	—	2,468	627	3,007	2,393	1,790	5,153	13,683
Income/(loss) from discontinued operations	(42)	60	(67)	(5,644)	—	—	—	—
Cumulative effect of change in accounting principle	—	—	—	(11,785)	—	—	—	—
Net income/(loss)	\$ (42)	\$ 2,528	\$ 560	\$ (14,422)	\$ 2,393	\$ 1,790	\$ 5,153	\$ 13,683

Other Financial Data:

Capital expenditures	\$ 9	\$ 123	\$ 95	\$ 421	\$ 66	\$ 42	\$ 64	\$ 198
Cash provided by (used in):								
Operating activities	1,422	1,978	3,940	12,519	7,843	(1,706)	8,904	39,938
Investing activities	(9)	(37,542)	(4,412)	(2,165)	(576)	(166,874)	(543)	(425,677)
Financing activities	(636)	36,491	5,526	(14,708)	(8,629)	171,973	(11,223)	389,100

Balance Sheet Data (at period end):

Cash and cash equivalents	\$ 1,903	\$ 2,830	\$ 7,884	\$ 3,530	\$ 3,393	\$ 6,754
Total assets	29,702	151,292	174,783	143,910	326,622	1,002,032
Total long term debt, including current maturities	13,364	80,918	93,530	81,021	148,694	680,293
Members'/stockholders' equity	12,533	46,030	59,201	44,797	126,509	199,006

(1) For the period from February 6, 2004 to March 31, 2004 and the nine months ended December 31, 2004, cost of sales includes \$1,805 and \$5,335, respectively, of charges related to the step-up of inventory.

The following table sets forth selected historical financial data of Bonita Bay Holdings, Inc., the direct parent of Prestige Brands International, Inc. We have derived the selected historical consolidated financial data as of and for the fiscal years ended December 31, 2001, 2002 and 2003 from the audited financial statements of Bonita Bay contained elsewhere in this prospectus. The selected historical consolidated financial data as of and for the fiscal year ended December 31, 2000 have been derived from the audited consolidated financial statements for such period, which are not included in this prospectus. The audited consolidated financial statements not appearing in this prospectus were audited by Arthur Andersen LLP, which ceased practicing before the SEC on August 31, 2002. As a result of its conviction in June 2002 for obstruction of justice and other lawsuits, Arthur Andersen LLP may fail or otherwise have insufficient assets to satisfy any claims made by investors or by us relating to any alleged material misstatement or omission with respect to such audited consolidated financial statements. We have derived the selected historical financial data for the three month periods ended March 31, 2003 and 2004 from the unaudited financial statements and the related notes of Bonita Bay included elsewhere in this prospectus. In the opinion of management, the unaudited financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of financial position and operating results. The selected historical financial data set forth below is not necessarily indicative of the results of future operations and should be read in conjunction with the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated financial statements and accompanying notes included elsewhere in this prospectus.

Year Ended December 31,

Three Months Ended
March 31,

	2000	2001	2002	2003	2003	2004
					(unaudited)	
	(dollars in thousands)					
Income Statement Data:						
Net sales	\$ 27,728	\$ 54,968	\$ 110,566	\$ 167,070	\$ 35,978	\$ 35,075
Cost of sales	7,708	26,489	58,448	82,663	19,528	19,101
Gross profit	20,020	28,479	52,118	84,407	16,450	15,974
Advertising and promotion expenses	4,768	7,425	10,133	19,525	4,061	4,690
Depreciation and amortization expenses	3,348	4,156	745	1,745	531	406
General and administrative expenses	5,328	4,138	5,556	9,733	2,516	2,012
Interest expense, net	2,465	6,199	8,008	17,308	4,627	3,951
Other expense (income), net	—	1,604	—	—	(159)	—
Net income before taxes	4,111	4,957	27,676	36,096	4,874	4,915
Provision / (benefit) for income taxes	1,555	1,874	11,107	13,823	1,767	1,910
Net income	\$ 2,556	\$ 3,083	\$ 16,569	\$ 22,273	\$ 3,107	\$ 3,005

Other Financial Data and Ratios:

Capital expenditures	\$ 312	\$ 120	\$ 242	\$ 370	85	114
Cash proved by (used in):						
Operating activities	(1,339)	9,903	22,009	34,964	8,412	7,574
Investing activities	(60,566)	(144,926)	(110,942)	(875)	(189)	(114)
Financing activities	62,580	134,220	95,587	(34,398)	(7,711)	(6,921)
Cash taxes paid	485	1,392	4,295	5,167	1,583	2,342

Balance Sheet Data (at period end):

Cash and cash equivalents	\$ 1,612	\$ 809	\$ 7,464	\$ 7,154		\$ 7,693
Total assets	82,385	230,486	362,827	363,490		359,143
Total long term debt, including current maturities and warrants	27,550	114,425	201,375	181,432		175,245
Stockholders' equity	50,201	107,965	138,491	148,138		150,999

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion of our financial condition and results of operations should be read together with the "Selected Financial Data," "Unaudited Pro Forma Consolidated Financial Data" and the consolidated financial statements and the related notes included elsewhere in this prospectus. Future results could differ materially from the discussion below for many reasons, including the factors described in "Risk Factors" and elsewhere in this prospectus. Tables and other data in this section may not total due to rounding.

General

Overview. We sell well-recognized, brand name consumer products in the over-the-counter drug, household cleaning and personal care categories. Our products are sold by mass merchandisers, and in drug, grocery, dollar and club stores.

Since completing the Medtech acquisition and the Bonita Bay acquisition, we conduct our operations through three principal business segments: over-the-counter drug, household cleaning and personal care. The following table identifies and sets forth historical gross sales information with respect to the major brands within each of our segments:

Business Segment	Major Brands	Date Acquired	Gross Sales for the Fiscal Year Ended ⁽¹⁾			Gross Profit
			2002	2003	2004	
				(unaudited)		
				(dollars in thousands)		
Over-the-Counter Drug:	<i>Chloraseptic</i> ⁽²⁾	03/00	\$ 30,713	\$ 30,967	\$ 40,067	\$
	<i>Clear eyes</i> ⁽²⁾⁽³⁾	12/02	N/A	N/A	32,502	
	<i>Compound W</i>	10/96	13,944	16,822	29,163	
	<i>Murine</i> ⁽²⁾⁽³⁾	12/02	N/A	N/A	16,089	
	<i>Little Remedies brands</i> ⁽⁴⁾	10/04	8,413	10,062	14,241	
	<i>New-Skin</i>	08/79	4,544	9,919	11,830	
Household Cleaning:	<i>Comet</i> ⁽²⁾⁽³⁾	10/01	N/A	80,563	84,279	
	<i>Spic and Span</i>	01/01	22,742	23,422	24,978	
Personal Care:	<i>Cutex</i>	12/98	14,792	15,886	15,872	
	<i>Denorex</i> ⁽³⁾	02/02	N/A	16,661	14,706	

(1) The data for the fiscal years 2002, 2003 and 2004 is derived from the financial data for the fiscal year ended December 31 of the prior year for Bonita Bay (*Chloraseptic*, *Clear eyes*, *Murine* and *Comet*), *Spic and Span* and *Vetco* (*Little Remedies* brands) and March 31 for Medtech (*Compound W*, *New-Skin* and *Cutex*) and Denorex. Prestige Holdings and each of its subsidiaries currently operate on a 52-week fiscal year ending on March 31.

(2) Except for the nine months ended December 31, 2004, gross sales for these brands are not included in the historical financial statements of Prestige Holdings because we acquired Bonita Bay on April 6, 2004, which is after our most recent fiscal year end.

(3) Brand level sales not available for period when brand was under prior ownership.

(4) Gross sales for this brand are not included in the historical financial statements of Prestige Holdings because we acquired *Vetco* on October 6, 2004, which is after our most recent fiscal year end.

Acquisition-Related Synergies. We have implemented a number of transaction-related cost reductions that have resulted in a positive annualized effect on our operating results when compared to recent operating history of Medtech, Denorex, Spic and Span, Bonita Bay and Vetco as separate companies. We believe these expenses will not recur in future periods after implementation of such cost reduction measures. These adjustments are reflected in note (2) to the table in "Summary—Summary Unaudited Pro Forma Financial Data." These cost savings include those items set forth in the table below. The cost savings shown in note (2) referenced above are given effect as if they had occurred on April 1, 2003 and have not been adjusted to reflect additional expenses that we expect also to incur in future periods, including interest expense, depreciation and amortization and other expenses, \$2.8 million of estimated one-time integration costs, and \$4.0 million of management fees to GTCR. Our agreement to pay management fees to GTCR will be terminated prior to the completion of this offering. In addition, while we believe the following estimated expenses will not recur in future periods after implementation of these cost saving measures, we may incur other expenses similar to the expenses set forth below in future periods.

	Year Ended March 31, 2004	Nine Months Ended December 31, 2004
		(unaudited) (dollars in thousands)
Implemented cost savings initiatives:		
Permanent headcount reductions ^(a)	\$ 5,645	\$ 1,413
Consolidation of warehousing and distribution ^(a)	3,546	1,102
Consolidation of sales, marketing and other programs ^(a)	3,025	1,346
Facilities rationalization ^(a)	394	150
	<hr/>	<hr/>
Total cost savings	\$ 12,610	\$ 4,011
	<hr/>	<hr/>

(a) We have undertaken a detailed review of the combined operations of Medtech, Denorex, Spic and Span and Bonita Bay and identified areas of overlap and cost savings. Set forth below is a summary of such savings:

- (i) We have eliminated approximately 27 full-time equivalent positions as part of a permanent headcount reduction of our employees in connection with the Medtech acquisition, the Bonita Bay acquisition and the Vetco acquisition.
- (ii) We have contracted with one logistics services provider, which provides warehouse services such as receiving, storage, processing, tracking and shipping, that has allowed us to consolidate from the three logistics services providers, including three warehouses, that historically served the companies. This adjustment represents the cost savings of placing all our collective warehouse and distribution needs with this service provider.
- (iii) We have contracted with one advertising agency, one brokerage structure and one media buying group that are handling the collective sales and marketing needs for the combined companies following the Medtech acquisition, the Bonita Bay acquisition and the Vetco acquisition. Additionally, we have eliminated certain corporate overhead costs, principally legal, banking and insurance, that upon completion of the Medtech acquisition and the Bonita Bay acquisition were no longer required for each of the separate companies. This adjustment represents the net impact of placing all of our advertising and media buying needs under Medtech's existing contracts, moving the existing brokerage arrangements for all our other

subsidiaries under Medtech's brokerage contract or in-house and the elimination of certain historical overhead costs.

- (iv) We have eliminated two leased locations, and identified one additional leased location that will be eliminated, in connection with the Medtech acquisition, the Bonita Bay acquisition and the Vetco acquisition. This amount represents the direct and indirect costs associated with maintaining these three redundant facilities.

Purchase Accounting Effects. The acquisitions of Medtech, Spic and Span, Bonita Bay and Vetco have been accounted for using the purchase method of accounting under SFAS No. 141, "Business Combinations." As a result, these acquisitions will affect our future results of operations in significant respects. The aggregate acquisition consideration has been allocated to the tangible and intangible assets acquired and liabilities assumed by us based upon their respective fair values as of the acquisition date. In addition, due to the effects of the increased borrowings to finance the acquisitions, our interest expense will increase significantly in the periods following the acquisitions. For more information, see "Liquidity and Capital Resources."

Results of Operations of Prestige International Holdings, LLC

The following table sets forth the net sales, gross profit and contribution margin (i.e., gross profit less advertising and promotion, or A&P) by segment:

	Nine Months Ended December 31,		
	2004	2003	2003
	(successor basis)	(predecessor basis) (unaudited)	(pro forma basis)
Net sales:			
Over-the-Counter Drug	\$ 121,910	\$ 39,441	\$ 108,363
Personal Care	25,545	22,644	28,170
Household Cleaning	77,502	—	78,579
Other	—	292	292
Total	\$ 224,957	\$ 62,377	\$ 215,404
Gross profit:			
Over-the-Counter Drug	\$ 74,975	\$ 26,275	\$ 71,977
Personal Care	12,800	12,238	14,905
Household Cleaning	29,293	—	34,093
Other	—	292	292
Total	\$ 117,068	\$ 38,805	\$ 121,267
Contribution margin:			
Over-the-Counter Drug	\$ 55,545	\$ 20,036	\$ 52,473
Personal Care	7,494	6,487	7,530
Household Cleaning	22,689	—	22,963
Other	—	292	292
Total	\$ 85,728	\$ 26,815	\$ 83,258

Use of the term "pro forma" throughout the following discussion reflects the unaudited results of our operations as if the Spic and Span acquisition and the Bonita Bay acquisition had both been completed on April 1, 2003, without giving effect to the Vetco acquisition, which is not considered material to the pro forma results.

Net Sales. Net sales increased by \$162.6 million, or 260.6%, from \$62.4 million for the nine months ended December 31, 2003 to \$225.0 million for the nine months ended December 31, 2004. The sales increase is driven by the acquisitions of Spic and Span, Bonita Bay and Vetco in March 2004, April 2004 and October 2004, respectively. The Over-the-Counter Drug Category had net sales of \$121.9 million for the nine months ended December 31, 2004, an increase of \$82.5 million over net sales of \$39.4 million for the nine months ended December 31, 2003. The Personal Care Category had net sales of \$25.5 million for the nine months ended December 31, 2004 compared to net sales of \$22.6 million for the nine months ended December 31, 2003. The Household Cleaning Category, which was acquired as part of the Spic and Span and Bonita Bay acquisitions, had sales of \$77.5 million for the nine months ended December 31, 2004 compared to no sales during the same quarter of the prior year. On a pro forma basis, net sales increased by \$9.6 million, or 4.4%, from \$215.4 million for the nine months ended December 31, 2003 to \$225.0 million for the nine months ended December 31, 2004.

Over-the-Counter Drug Category. On a pro forma basis, the increase in overall net sales was driven by the Over-the-Counter Drug Category which had net sales of \$121.9 million for the nine months ended December 31, 2004 compared to net sales of \$108.4 million in the prior year. The *Compound W* (+\$11.5 million) and *Clear eyes* (+\$6.4 million) brands exhibited strong sales growth for the nine months ended December 31, 2004. Partially offsetting the strong sales performance for those two brands were declines in sales for the *Chloraseptic* (-\$4.6 million) and *Murine* (-\$3.6 million) brands. The *Little Remedies* brands, acquired in the Vetco acquisition, contributed \$4.4 million to the nine month over-the-counter sales.

Personal Care Category. On a pro forma basis, the Personal Care Category showed a sales decline of \$2.6 million, or 9.3%, from \$28.2 million for the nine months ended December 31, 2003 to \$25.5 million for the nine months ended December 31, 2004. The decrease in sales was driven by declines for *Cutex* and *Denorex*. The *Cutex* decline reflects a decline for the entire nail polish category in 2004 versus the prior year. The decline in *Denorex* sales reflects market share losses from 2003.

Household Cleaning Category. On a pro forma basis, the Household Cleaning Category had a sales decline of \$1.1 million, or 1.4%, from \$78.6 million for the nine months ended December 31, 2003 to \$77.5 million for the nine months ended December 31, 2004. The decline in sales was due to a decline in *Comet*, partially offset by an increase for *Spic and Span*. *Comet* sales decreased by \$2.5 million, or 3.9%, from \$63.4 million for the nine months ended December 31, 2003 to \$60.9 million for the nine months ended December 31, 2004. *Spic and Span* sales increased by \$1.4 million, or 9.2% from \$15.1 million for the nine months ended December 31, 2003 to \$16.5 million for the nine months ended December 31, 2004.

Gross Profit. Gross profit increased by \$78.3 million, or 201.7%, from \$38.8 million for the nine months ended December 31, 2003 to \$117.1 million for the nine months ended December 31, 2004. This increase is driven primarily by the sales increase. As a percentage of sales, gross profit declined from 62.2% for the nine months ended December 31, 2003 to 52.0% for the nine months ended December 31, 2004. This decrease in gross margin as a percentage of sales is driven by two factors. The nine months ended December 31, 2004 included \$5.3 million of charges due to step-ups in inventory

related to purchase accounting. The second reason for the deterioration in gross margin percentage is the addition of the Household Cleaning Category in the current year. Gross margins in the Household Cleaning Category are significantly lower than gross margins for the Over-the-Counter Drug Category and Personal Care Category.

On a pro forma basis, gross profit decreased by \$4.2 million, or 3.4%, from \$121.3 million for the nine months ended December 31, 2003 to \$117.1 million for the nine months ended December 31, 2004. The decrease in gross profit on a pro forma basis is primarily due to charges related to an inventory step-up of \$5.3 million for the nine months ended December 31, 2004 compared to an inventory step-up of \$1.2 million in the nine months ended December 31, 2003. Excluding the inventory step-up, gross profit would be flat at \$122.4 million for the nine months ended December 31, 2003 and for the nine months ended December 31, 2004.

Over-the-Counter Drug Category. On a pro forma basis, the Over-the-Counter Drug Category's gross profit increased by \$3.0 million, or 4.2%, from \$72.0 million for the nine months ended December 31, 2003 to \$75.0 million for the nine months ended December 31, 2004. The increase in gross profit was due to the sales increase. Excluding the inventory step-up of \$1.2 million for the nine months ended December 31, 2003 and \$2.7 million for the nine months ended December 31, 2004, gross profit would have increased by \$4.5 million, or 6.1%, from \$73.2 million for the nine months ended December 31, 2003 to \$77.7 million for the nine months ended December 31, 2004. The increase (excluding inventory step-up) was due to the sales increase.

Personal Care Category. On a pro forma basis, the Personal Care Category's gross profit declined by \$2.1 million, or 14.1%, from \$14.9 million for the nine months ended December 31, 2003 to \$12.8 million for the nine months ended December 31, 2004. Excluding charges related to the inventory step-up of \$0.2 million during the current year, gross profit declined by \$1.9 million, or 12.4%, for the nine months ended December 31, 2004 versus the same period last year. The decline in gross profit was primarily due to the sales decline for the category.

Household Cleaning Category. On a pro forma basis, the Household Cleaning Category's gross profit decreased by \$4.8 million, or 14.1%, from \$34.1 million for the nine months ended December 31, 2003 to \$29.3 million for the nine months ended December 31, 2004. Excluding the charges related to the inventory step-up of \$2.4 million during the current year, gross profit declined by \$2.4 million, or 7.0%, from \$34.1 million for the nine months ended December 31, 2003 to \$31.7 million for the nine months ended December 31, 2004. The decline in gross profit is due to lower sales, close-out sales related to *Comet* Clean & Flush and increased shipments to lower margin dollar stores.

Contribution Margin. Contribution margin increased by \$58.9 million, or 219.7%, from \$26.8 million for the nine months ended December 31, 2003 to \$85.7 million for the nine months ended December 31, 2004. The increase in contribution margin was due to the increased gross profit discussed above, partially offset by increased advertising and selling expenses associated with the acquisition of the Spic and Span and Bonita Bay brands.

On a pro forma basis, contribution margin increased by \$2.4 million, or 3.0%, from \$83.3 million for the nine months ended December 31, 2003 to \$85.7 million for the nine months ended December 31, 2004. The increase in contribution margin was the result of the net sales increase combined with a decrease in overall advertising and selling expenses. The decrease in advertising and selling expenses in the current year is due to a synergy savings related to advertising agency fees, media buying and broker commissions. In addition, \$2.0 million of advertising and selling expenses related to the *Comet* disposable toilet bowl brush in fiscal year 2003 were not repeated in fiscal year 2004.

Over-the-Counter Drug Category. Pro forma contribution margin for the Over-the-Counter Drug Category, excluding the inventory step-up, increased by \$4.5 million, or 8.3%, from \$53.7 million for the nine months ended December 31, 2003 to \$58.2 million for the nine months ended December 31, 2004. The increase in pro forma contribution margin was driven by the sales increase.

Personal Care Category. Pro forma contribution margin for the Personal Care Category, excluding the inventory step-up of \$0.2 million mentioned above, increased by \$0.2 million, or 2.2%, from \$7.5 million for the nine months ended December 31, 2003 to \$7.7 million for the nine months ended December 31, 2004.

Household Cleaning Category. Excluding the inventory step-up of \$2.4 million mentioned above, pro forma contribution margin for the Household Cleaning Category increased by \$2.1 million, or 9.3%, from \$23.0 million for the nine months ended December 31, 2003 to \$25.1 million for the nine months ended December 31, 2004. The increase was driven by the reduction in advertising and promotional support on the *Comet* disposable toilet bowl brush in fiscal year 2004 compared to fiscal year 2003.

General and Administrative Expenses. General and administrative expenses increased by \$7.3 million, or 93.4%, from \$7.8 million for the nine months ended December 31, 2003 to \$15.1 million for the nine months ended December 31, 2004. The increase was primarily due to the additional expenses associated with adding the brands acquired in the Bonita Bay, Spic and Span and Vetco acquisitions to the portfolio. The acquisitions resulted in increases to most general and administrative line items including compensation, office space, insurance costs, legal and accounting expenses. In addition, the decision to abandon our proposed IDS offering during the quarter resulted in recognition of \$0.6 million of IDS related legal and accounting expenses in the period ending December 31, 2004.

Depreciation and Amortization Expense. Depreciation and amortization expense increased by \$3.2 million, or 81.0%, from \$3.9 million for the nine months ended December 31, 2003 to \$7.1 million for the nine months ended December 31, 2004. The increase is primarily due to amortization of intangible assets related to the acquisitions and an increase in depreciation related to the Bonita Bay acquisition.

Interest Expense, net. Net interest expense increased by \$27.4 million, or 418.3%, from \$6.5 million for the nine months ended December 31, 2003 to \$33.9 million for the nine months ended December 31, 2004. The increase in interest expense is primarily due to the increased levels of indebtedness outstanding after the acquisitions.

Other Expense. Other expense of \$7.6 million for the nine months ended December 31, 2004 was comprised of a loss on extinguishment of debt related to the write-off of deferred financing costs and discount on debt associated with the borrowings incurred to finance the Medtech acquisition.

Income Taxes. The income tax provision for the nine months ended December 31, 2004 was \$8.3 million, with an effective rate of 37.9% compared to a provision of \$3.4 million for the nine months ended December 31, 2003, with an effective rate of 39.5%. The difference between the U.S. federal statutory rate of 34% and the effective rates is primarily due to state income taxes.

Results of Operations of Combined Medtech Holdings, Inc. and The Denorex Company (the "predecessor") and Prestige International Holdings, LLC

The following table sets forth the net sales, gross profit and contribution margin (i.e., gross profit less advertising and promotion, or A&P) by segment:

	Predecessor			Prestige Holdings		Total for Twelve Months ended March 31, 2004 (unaudited)
	Fiscal Year Ended March 31,		Period from April 1, 2003 to February 5, 2004	Period from February 6, 2004 to March 31, 2004		
	2002	2003				
(dollars in thousands)						
Net Sales:						
Over-the-Counter Drug	\$ 31,084	\$ 43,260	\$ 43,577	\$ 12,010	\$ 55,587	
Personal Care	14,571	32,788	25,149	4,721	29,870	
Household Cleaning	—	—	—	2,076	2,076	
Other ⁽¹⁾	546	391	333	54	387	
Total	\$ 46,201	\$ 76,439	\$ 69,059	\$ 18,861	\$ 87,920	
Gross profit:						
Over-the-Counter Drug	\$ 21,620	\$ 30,640	\$ 28,892	\$ 6,029	\$ 34,921	
Personal Care	5,336	17,933	13,580	1,885	15,465	
Household Cleaning	—	—	—	870	870	
Other	546	391	333	54	387	
Total	\$ 27,502	\$ 48,964	\$ 42,805	\$ 8,838	\$ 51,643	
Contribution margin:						
Over-the-Counter Drug	\$ 17,291	\$ 23,220	\$ 22,425	\$ 5,160	\$ 27,585	
Personal Care	4,435	11,079	7,446	1,282	8,728	
Household Cleaning	—	—	—	653	653	
Other	546	391	333	54	387	
Total	\$ 22,272	\$ 34,690	\$ 30,204	\$ 7,149	\$ 37,353	

(1) Represents revenues related to the provision of administrative, technology and support services to Spic and Span prior to our acquisition of Spic and Span.

The period from April 1, 2003 through February 5, 2004 (the predecessor period) and the period from February 6, 2004 through March 31, 2004 (the successor period) compared to the fiscal year ended March 31, 2003

The information presented above for net sales, gross profit and contribution margin for the period from April 1, 2003 through February 5, 2004 and the period from February 6, 2004 through March 31, 2004 compared to the fiscal year ended March 31, 2003 is derived from comparing (1) the historical financial statements of the predecessor company for the fiscal year ended March 31, 2003 to (2) the sum of the historical financial statements of the predecessor company for the period from April 1, 2003 to February 5, 2004 plus the results of Prestige Holdings for the period from February 6, 2004 through March 31, 2004.

Net Sales. Net sales increased by \$11.5 million, or 15.0%, from \$76.4 million for the fiscal year ended March 31, 2003 to \$87.9 million for the twelve months ended March 31, 2004. The increase in net sales included a \$12.3 million increase in the Over-the-Counter Drug Category, and the \$2.1 million

impact of Spic and Span (Household Cleaning Category) from the acquisition date of March 5, 2004, partially offset by a \$2.9 million decrease in the Personal Care Category.

Over-the-Counter Drug Category. Net sales increased by \$12.3 million, or 28.5%, from \$43.3 million for the fiscal year ended March 31, 2003 to \$55.6 million for the year ended March 31, 2004. The increase in net sales was primarily due to new products introduced during the twelve months ended March 31, 2004. New products, led by *Compound W Freeze Off*, contributed \$10.6 million of the increase. The remainder of the increase was driven by increased domestic sales of: (i) *Compound W* of \$0.7 million, or 5.2%, from \$13.4 million for the fiscal year ended March 31, 2003 to \$14.1 million for the fiscal year ended March 31, 2004 due to increasing market share; and (ii) *New-Skin* of \$0.8 million, or 9.2%, from \$8.7 million for the fiscal year ended March 31, 2003 to \$9.5 million for the fiscal year ended March 31, 2004 driven by high levels of advertising by Johnson & Johnson in support of their liquid bandage product. These increases were partially offset by a decrease in *Dermoplast*® sales of \$0.6 million, or 6.9%, from \$8.7 million for the fiscal year ended March 31, 2003 to \$8.1 million for the fiscal year ended March 31, 2004. The decrease was due to lower demand in the beginning of fiscal 2004 following a very strong March 2003 due to wholesale accounts purchasing heavily in advance of a price increase.

Personal Care Category. Net sales decreased by \$2.9 million, or 8.9%, from \$32.8 million for the fiscal year ended March 31, 2003 to \$29.9 million for the twelve months ended March 31, 2004. The decrease was primarily due to *Denorex*, which experienced a sales decline of \$2.7 million, or 17.4%, from \$15.5 million for the fiscal year ended March 31, 2003 to \$12.8 million for the fiscal year ended March 31, 2004. The sales decline resulted from a decrease in market share.

Gross Profit. Gross profit increased by \$2.6 million, or 5.5%, from \$49.0 million for the fiscal year ended March 31, 2003 to \$51.6 million for the twelve months ended March 31, 2004. The increase in gross profit included a \$4.3 million increase in the Over-the-Counter Drug Category and a \$0.9 million increase due to the impact of Spic and Span within the new Household Cleaning segment effective March 5, 2004, partially offset by a \$2.5 million decrease in the Personal Care Category. Included in the cost of goods sold for the period from February 6, 2004 through March 31, 2004 was a \$1.8 million charge related to the step-up of inventory at the time of the acquisition of the business by GTCR.

Over-the-Counter Drug Category. Gross profit increased by \$4.3 million, or 14.0%, from \$30.6 million for the fiscal year ended March 31, 2003 to \$34.9 million for the twelve months ended March 31, 2004. The increase in gross profit was due to the sales increase partially offset by the increased cost of goods related to the inventory step-up at the time of the acquisition. Excluding the acquisition related expenses of \$1.2 million, gross profit as a percent of net sales declined from 70.8% for the fiscal year ended March 31, 2003 to 64.8% for the twelve months ended March 31, 2004. The percentage decline is due to the very strong sales of *Compound W Freeze Off*, which has a higher cost of goods as a percent of sales than the other products in the category.

Personal Care Category. Gross profit decreased by \$2.5 million, or 13.8%, from \$17.9 million for the fiscal year ended March 31, 2003 to \$15.5 million for the twelve months ended March 31, 2004. Excluding the acquisition related expenses of \$0.6 million, gross profit as a percent of sales decreased slightly, from 54.6% for the fiscal year ended March 31, 2003 to 53.8% for the fiscal year ended March 31, 2004. The decline is due to product mix as the *Denorex* line, which experienced a sales decline of \$2.7 million as previously discussed, has a higher gross profit margin than the rest of the products in the Personal Care line.

Contribution Margin. Contribution margin increased by \$2.7 million, or 7.7%, from \$34.7 million for the fiscal year ended March 31, 2003 to \$37.4 million for the twelve months ended March 31, 2004.

The net increase in contribution margin included a \$4.4 million increase in the Over-the-Counter Drug Category and \$0.7 million of contribution margin related to Spic and Span (Household Cleaning Category), partially offset by a \$2.4 million decrease in the Personal Care Category.

Over-the-Counter Drug Category. Contribution margin increased by \$4.4 million, or 18.8%, from \$23.2 million for the fiscal year ended March 31, 2003 to \$27.6 million for the twelve months ended March 31, 2004. The increase in contribution margin was due to the gross profit increase discussed above.

Personal Care Category. Contribution margin decreased by \$2.4 million, or 21.2%, from \$11.1 million for the fiscal year ended March 31, 2003 to \$8.7 million for the twelve months ended March 31, 2004. The decrease in contribution margin was due to the gross profit decrease discussed above.

General and Administrative Expenses. General and administrative expenses were \$12.1 million (15.9% of net sales) for the fiscal year ended March 31, 2003, \$9.4 million (13.7% of net sales) for the period from April 1, 2003 through February 5, 2004 and \$1.6 million (8.8% of net sales) for the period from February 6, 2004 through March 31, 2004. The overall decrease in gross general and administrative dollars and as a percentage of sales over each period is due primarily to the company's ability to add Spic and Span with virtually no incremental overhead and the impact of increased sales on a relatively fixed base of general and administrative costs.

Depreciation and Amortization Expense. Depreciation and amortization expense was \$5.3 million (6.9% of net sales) for the fiscal year end March 31, 2003, \$4.5 million (6.5% of net sales) for the period from April 1 2003 through February 5, 2004 and \$0.9 million (5.0% of net sales) for the period from February 6, 2004 through March 31, 2004. The increase in gross dollars is due primarily to amortization of intangible assets related to the acquisitions of Medtech/Denorex and Spic and Span.

Interest Expense, net. Interest expense, net was \$9.7 million for the fiscal year ended March 31, 2003, \$8.2 million for the period from April 1, 2003 through February 5, 2004 and \$1.7 million for the period from February 6, 2004 through March 31, 2004. The overall increase in interest expense, net, during the twelve months ended March 31, 2004 is due primarily to the increase in net indebtedness due to the Medtech/Denorex and Spic and Span acquisitions.

Other Expense. Other expense was \$0.7 million for the fiscal year ended March 31, 2003. The other expense in fiscal year 2003 was comprised of a loss on extinguishment of debt.

Income Taxes. The tax provision for the period from April 1, 2003 through February 5, 2004 was \$1.7 million with an effective rate of 41.3%. The difference between the U.S. federal statutory rate of 34% and the effective rate relates primarily to changes in the valuation allowance, state income taxes (net of federal income tax benefit) and the amortization of intangible assets. The tax provision for the period from February 6, 2004 through March 31, 2004 was \$1.1 million with an effective rate of 37.1%. The difference between the U.S. federal statutory rate of 34% and the effective rate relates primarily to state income taxes, net of federal income tax benefit.

Fiscal year ended March 31, 2003 compared to fiscal year ended March 31, 2002

Net Sales. Net sales increased by \$30.2 million, or 65.4%, from \$46.2 million for the fiscal year ended March 31, 2002 to \$76.4 million for the fiscal year ended March 31, 2003. The increase in net sales included a \$12.2 million increase in the Over-the-Counter Drug Category, and a \$18.2 million increase in the Personal Care Category.

Over-the-Counter Drug Category. Net sales increased by \$12.2 million, or 39.2%, from \$31.1 million for the year ended March 31, 2002 to \$43.3 million for the year ended March 31, 2003. The increase in net sales primarily relates to the impact of new products and management focus on the base business. Due to product enhancements such as *Compound W* One-Step pads and water proof pads combined with higher impact packaging and increased media and consumer promotion support, net sales for *Compound W* grew 29.2% from \$11.5 million in fiscal year 2002 to \$14.9 million in fiscal year 2003. *New-Skin* net sales more than doubled from \$3.9 million in fiscal year 2002 to \$9.2 million in fiscal year 2003. This increase was the result of increased levels of television advertising from previous years and heightened category awareness due to the introduction of Johnson & Johnson's Liquid Bandage. *Dermoplast* net sales increased 53.2% from \$5.7 million in fiscal year 2002 to \$8.7 million in fiscal year 2003. Of this increase \$1.2 million resulted from a 5% price increase which was implemented for the hospital channel effective April 1, 2003. The anticipated price increase resulted in increased sales in March. The remaining \$1.8 million increase in *Dermoplast* net sales resulted from increased distribution at retail.

Personal Care Category. Net sales increased by \$18.2 million, or 125.0%, from \$14.6 million for the fiscal year ended March 31, 2002 to \$32.8 million for the fiscal year ended March 31, 2003. The increase in net sales primarily relates to the acquisition of the *Denorex* brand in February 2002. Due to the timing of the acquisition, less than two months of sales activity was included in the fiscal year 2002 operating results, compared to a full year in 2003. Net sales attributable to *Denorex* increased \$13.6 million, from \$1.9 million for the fiscal year ended March 31, 2002 to \$15.5 million for the fiscal year ended March 31, 2003. The remaining net sales increase is due to moderate organic growth within all brands, primarily *Cutex*.

Gross Profit. Gross profit increased by \$21.5 million, or 78.0%, from \$27.5 million for the fiscal year ended March 31, 2002 to \$49.0 million for the fiscal year ended March 31, 2003. The increase in gross profit included a \$9.0 million increase in the Over-the-Counter Drug Category, and a \$12.6 million increase in the Personal Care Category. Gross margin increased from 59.5% for the fiscal year ended March 31, 2002 to 64.1% for the fiscal year ended March 31, 2003. This is due in part to the increase in sales for the Over-the-Counter Drug Category that has a higher gross margin.

Over-the-Counter Drug Category. Gross profit increased by \$9.0 million, or 41.7%, from \$21.6 million for the fiscal year ended March 31, 2002 to \$30.6 million for the fiscal year ended March 31, 2003. The increase in gross profit was due to the significant net sales increase, as well as an improvement in gross profit as a percentage of net sales. Gross margin increased from 69.6% for the fiscal year ended March 31, 2002 to 70.8% for the fiscal year ended March 31, 2003 primarily due to favorable product mix as *New-Skin* has the highest profit margin of all products in the segment.

Personal Care Category. Gross profit increased by \$12.6 million, or 236.1%, from \$5.3 million for the fiscal year ended March 31, 2002 to \$17.9 million for the fiscal year ended March 31, 2003. The increase in gross profit was due to the acquisition of the *Denorex* brand in February 2002. *Denorex* generated incremental gross profit of \$8.7 million for the fiscal year ended March 31, 2003. The remaining gross profit increase is due to an increase in *Cutex* sales. As a percentage of net sales, gross profit improved from 36.6% in fiscal year 2002 to 54.7% in fiscal year 2003. The improvement is due to favorable product mix in fiscal year 2003, primarily resulting from the acquisition of *Denorex*.

Contribution Margin. Contribution margin increased by \$12.4 million, or 55.8%, from \$22.3 million for the fiscal year ended March 31, 2002 to \$34.7 million for the fiscal year ended March 31, 2003. The net increase in contribution margin profit included a \$5.9 million increase in the Over-the-Counter Drug Category, and a \$6.7 million increase in the Personal Care Category.

Over-the-Counter Drug Category. Contribution margin increased by \$5.9 million, or 34.3%, from \$17.3 million for the fiscal year ended March 31, 2002 to \$23.2 million for the fiscal year ended March 31, 2003. The increase in contribution margin was due to the improved gross profit discussed above, partially offset by a \$3.1 million increase in A&P expenses. The increased A&P expenses are due to higher levels of television advertising, primarily related to the *Compound W* and *New-Skin* brands, as well as increased levels of consumer promotion across all brands. As a percentage of sales, contribution margin decreased from 55.6% in fiscal year 2002 to 53.7% in fiscal year 2003.

Personal Care Category. Contribution margin increased by \$6.6 million, or 149.8%, from \$4.4 million for the fiscal year ended March 31, 2002 to \$11.1 million for the fiscal year ended March 31, 2003. The increase in contribution margin is primarily due to the Denorex acquisition, which generated incremental contribution margin of \$6.2 million in fiscal year 2003, as well as the reduced level of product returns at *Cutex*. As a percentage of sales, contribution margin increased from 30.4% in fiscal year 2002 to 33.8% in fiscal year 2003, which is due to favorable product mix, partially offset by increased A&P expenses associated with *Denorex*.

General and Administrative Expenses. General and administrative expenses increased by \$3.5 million, or 40.8%, from \$8.6 million for the fiscal year ended March 31, 2002 to \$12.1 million for the fiscal year ended March 31, 2003. The increase in general and administrative expenses was primarily due to a full year of Denorex activity during 2003 compared to approximately two months in 2002.

Depreciation and Amortization Expense. Depreciation and amortization expense increased by \$1.3 million, or 32.1%, from \$4.0 million for the fiscal year ended March 31, 2002 to \$5.3 million for the fiscal year ended March 31, 2003. The increase relates to the acquisition of Denorex.

Interest Expense, net. Interest expense increased by \$0.9 million, or 11.2% from \$8.8 million for the fiscal year ended March 21, 2002 to \$9.7 million for the fiscal year ended March 31, 2003. The increase was due to inclusion of a full year of Denorex debt interest expense, as compared to approximately two months in 2002.

Other Expense. Other expenses of \$0.7 million during fiscal year 2003 were comprised of a loss on extinguishment of debt.

Income Taxes. The tax provision for fiscal year 2003 was \$3.9 million with an effective tax rate of 56.5%. The difference between the U.S. federal statutory rate of 34% and the effective rate relates primarily to changes in the valuation allowance, the federal benefit of deductible state taxes, a change in the effective state tax rate and the amortization of intangible assets. The tax provision for fiscal year 2002 was \$0.3 million with an effective tax rate of 33.2%. The difference between the U.S. federal statutory rate of 34% relates primarily to the change in the effective state tax rate and the impact of placing a valuation allowance on the usage of the Denorex net operating loss carryforward.

Discontinued Operations. Results of discontinued operations was a loss of \$5.6 million (net of tax) in fiscal year 2003 compared to a loss of less than \$0.1 million (net of tax) in fiscal year 2002. The loss in fiscal year 2003 was attributed to loss from the discontinued Pecos reporting unit of \$3.4 million (net of tax) coupled with a loss on disposal of Pecos of \$2.2 million (net of tax).

Results of Operations for Bonita Bay Holdings, Inc.

The following table sets forth the net sales, gross profit and contribution margin (i.e., gross profit less A&P) by segment:

	Fiscal Year Ended December 31,			Three Months Ended March 31,	
	2001	2002	2003	2003	2004
	(unaudited)				
	(dollars in thousands)				
Net sales:					
Over-the-Counter Drug	\$ 27,245	\$ 26,812	\$ 83,251	\$ 17,368	\$ 16,875
Personal Care	9,225	8,384	6,646	1,783	1,504
Household Cleaning	18,498	75,370	77,173	16,827	16,696
Total	\$ 54,968	\$ 110,566	\$ 167,070	\$ 35,978	\$ 35,075
Gross profit:					
Over-the-Counter Drug	\$ 17,007	\$ 17,172	\$ 51,219	\$ 9,594	\$ 11,201
Personal Care	3,485	2,735	2,605	569	654
Household Cleaning	7,987	32,211	30,582	6,287	4,119
Total	\$ 28,479	\$ 52,118	\$ 84,406	\$ 16,450	\$ 15,974
Contribution margin:					
Over-the-Counter Drug	\$ 12,934	\$ 12,261	\$ 39,193	\$ 6,376	\$ 9,087
Personal Care	432	902	1,363	337	533
Household Cleaning	7,688	28,822	24,325	5,676	1,664
Total	\$ 21,054	\$ 41,985	\$ 64,881	\$ 12,389	\$ 11,284

Three months ended March 31, 2004 compared to three months ended March 31, 2003

Net Sales. Net sales declined by \$0.9 million, or 2.5%, from \$36.0 million for the quarter ended March 31, 2003 to \$35.1 million for the quarter ended March 31, 2004. The decrease in net sales included decreases of \$0.5 million in the Over-the-Counter Drug Category, \$0.3 million in the Personal Care Category and \$0.1 million in the Household Cleaning Category.

Over-the-Counter Drug Category. Net sales decreased by \$0.5 million, or 2.8%, from \$17.4 million for the quarter ended March 31, 2003 to \$16.9 million for the quarter ended March 31, 2004. The decrease in net sales was primarily due to *Chloraseptic*, which experienced a sales decline of \$0.7 million, or 11.9%, from \$5.8 million to \$5.1 million. The decline in sales was attributable to the abrupt end of the cold and flu season in December 2003, resulting in declines for the sore throat category in the January to March 2004 period.

Partially offsetting the *Chloraseptic* decline was an increase in sales for the *Clear Eyes* and *Murine* brands. Sales increased by \$0.2 million, or 1.7%, from \$11.6 million for the quarter ended March 31, 2003 to \$11.8 million for the quarter ended March 31, 2004.

Personal Care Category. Net sales declined by \$0.3 million, or 15.6%, from \$1.8 million for the quarter ended March 31, 2003 to \$1.5 million for the quarter ended March 31, 2004. The decline in net sales was primarily the result of the discontinuation of the *Prell® Spa* product line in late 2002.

Household Cleaning Category. Net sales decreased by \$0.1 million, or 0.8%, from \$16.8 million for the quarter ended March 31, 2003 to \$16.7 million for the quarter ended March 31, 2004 due to an increase in allowances and coupon expenses related to new product introductions, partially offset by an increase in gross sales.

Gross Profit. Gross profit decreased by \$0.5 million, or 2.9%, from \$16.5 million for the quarter ended March 31, 2003 to \$16.0 million for the quarter ended March 31, 2004. The net decrease in gross profit included an increase of \$1.6 million in the Over-the-Counter Drug Category and an increase of \$0.1 million in the Personal Care Category, offset by a decrease of \$2.2 million in the Household Cleaning Category.

Over-the-Counter Drug Category. Gross profit increased by \$1.6 million, or 16.8%, from \$9.6 million for the quarter ended March 31, 2003 to \$11.2 million for the quarter ended March 31, 2004. The increase in gross profit was due to the increased costs of goods related to *Clear Eyes* and *Murine* in the quarter ended March 31, 2003 attributable to an inventory write up of \$1.8 million at the time of the acquisition from Abbott in December of 2002. Gross profit as a percent of net sales for the quarter ended March 31, 2004 was 66.4%. Excluding the \$1.8 million of *Clear Eyes* and *Murine* inventory write up, the gross profit as a percent to sales for the quarter ended March 31, 2003 was 65.6%. The improvement in the current quarter is due to product mix, as *Clear Eyes/Murine* generates a higher gross profit margin than Chloraseptic.

Personal Care Category. Gross profit increased by \$0.1 million, or 14.9%, from \$0.6 million for the quarter ended March 31, 2003 to \$0.7 million for the quarter ended March 31, 2004 despite the sales decrease. The increase in gross profit resulted from the lack of close-out sales in 2004. Sales for the quarter ended March 31, 2003 included a significant amount of the discontinued *Prell Spa* Shampoo and Conditioner which were sold at low margins.

Household Cleaning Category. Gross profit decreased by \$2.2 million, or 34.5%, from \$6.3 million for the quarter ended March 31, 2003 to \$4.1 million for the quarter ended March 31, 2004. The decline in gross profit was primarily due to the increase in couponing and trade promotion expenses discussed in net sales, above, and an increase in the reserve for obsolescence of \$1.2 million over the reserve at the quarter ended March 31, 2003.

Contribution Margin. Contribution margin decreased by \$1.1 million, or 8.9%, from \$12.4 million for the quarter ended March 31, 2003 to \$11.3 million for the quarter ended March 31, 2004. The net decrease in contribution margin included a \$2.7 million increase in the Over-the-Counter Drug Category and a \$0.2 million increase in the Personal Care Category, offset by a \$4.0 million decrease in the Household Cleaning Category.

Over-the-Counter Drug Category. Contribution margin increased by \$2.7 million, or 42.5%, from \$6.4 million for the quarter ended March 31, 2003 to \$9.1 million for the quarter ended March 31, 2004. The increase in contribution is attributed to the \$1.6 million increase in gross profit plus a decrease in *Chloraseptic* advertising of \$0.9 million from \$2.3 million in the quarter ended March 31, 2003 to \$1.4 million in the quarter ended March 31, 2004.

Personal Care Category. Contribution margin increased by \$0.2 million, or 58.2%, from \$0.3 million for the quarter ended March 31, 2003 to \$0.5 million for the quarter ended March 31, 2004. The increase in contribution margin was due to the gross margin increase plus a reduction of \$0.1 million in consumer promotion due to a change in advertising programs.

Household Cleaning Category. Contribution margin decreased by \$4.0 million, or 70.7%, from \$5.7 million for the quarter ended March 31, 2003 to \$1.7 million for the quarter ended March 31, 2004. The decrease in margin was due to the gross profit decline of \$2.2 million and an increase in advertising and coupon placement expenses of \$1.8 million from \$0.6 million for the quarter ended March 31, 2003 to \$2.4 million for the quarter ended March 31, 2004. The increase in advertising in 2004 was in support of the new products launched in the fall of 2003.

General and Administrative Expenses. General and administrative expenses decreased by \$0.5 million, or 20.0%, from \$2.5 million for the quarter ended March 31, 2003 to \$2.0 million for the quarter ended March 31, 2004. The decrease was primarily due to the discontinuation of the *Clear Eyes* and *Murine* transition services agreement during the latter part of 2003. The transition services expense decreased from \$0.5 million in the quarter ended March 31, 2003 to \$0 in the quarter ended March 31, 2004.

Depreciation and Amortization Expenses. Depreciation and amortization expenses decreased by \$0.1 million, or 23.5%, from \$0.5 million for the quarter ended March 31, 2003 to \$0.4 million for the quarter ended March 31, 2004. The decrease in depreciation and amortization was due to a reduction in depreciation expenses.

Interest Expense, net. Interest expense, net decreased by \$0.6 million, or 14.6%, from \$4.6 million for the quarter ended March 31, 2003 to \$4.0 million for the quarter ended March 31, 2004. The decrease in interest expense is a function of the outstanding debt, which decreased as a result of using excess cash flow to pay down debt since the quarter ended March 31, 2003.

Income Taxes. The tax provision for the three months ended March 31, 2004 was \$1.9 million with an effective rate of 38.9%. The difference between the U.S. federal statutory rate of 34% and the effective rate relates primarily to state income taxes, net of federal income tax benefit. The tax provision for the three months ended March 31, 2003 was \$1.8 million with an effective rate of 36.3%. The difference between the U.S. federal statutory rate of 34% and the effective rate relates primarily to state income taxes, net of federal tax benefit.

Year ended December 31, 2003 compared to year ended December 31, 2002

Net Sales. Net sales increased by \$56.5 million, or 51.1%, from \$110.6 million for the year ended December 31, 2002 to \$167.1 million for the year ended December 31, 2003. The increase in net sales included a \$56.5 million increase in the Over-the-Counter Drug Category, a \$1.8 million decrease in the Personal Care Category and a \$1.8 million increase in the Household Cleaning Category.

Over-the-Counter Drug Category. Net sales increased by \$56.5 million, or 210.5%, from \$26.8 million for the year ended December 31, 2002 to \$83.3 million for the year ended December 31, 2003. The increase in net sales was primarily due to the acquisition of *Clear eyes* and *Murine*, which was effective December 30, 2002 and contributed \$47.8 million of net sales to the year ended December 31, 2003. New product introductions, which increased market share and a strong cold and flu season attributed to an increase in *Chloraseptic* net sales of \$8.7 million, or 32.6% from 2002 to 2003. The introduction of Relief Strips and the Pocket Pump contributed \$3.7 million and \$1.2 million to net sales, respectively.

Personal Care Category. Net sales declined by \$1.8 million, or 20.7% from \$8.4 million for the year ended December 31, 2002 to \$6.6 million for the year ended December 31, 2003. The decline in net sales was primarily the result of the 2002 discontinuation of the Prell Spa product line.

Household Cleaning Category. Net sales increased by \$1.8 million, or 2.4%, from \$75.4 million for the year ended December 31, 2002 to \$77.2 million for the year ended December 31, 2003. The increase in net sales was primarily the result of the introduction of *Comet* Clean and Flush in October 2003 representing \$2.8 million of net sales for the year ended December 31, 2003. Bonita Bay also introduced the *Comet* Orange Brite™ Bathroom Spray and Orange Oxygenated Soft Powder in 2003, which generated \$0.7 million of net sales in the year ended December 31, 2003. The increases related to new products were partially offset by a decline in overall industry net sales for Comet's core category.

Gross Profit. Gross profit increased by \$32.3 million, or 62.0%, from \$52.1 million for the year ended December 31, 2002 to \$84.4 million for the year ended December 31, 2003. The net increase in gross profit included a \$34.0 million increase in the Over-the-Counter Drug Category, a \$0.1 million decrease in the Personal Care Category and a \$1.6 million decrease in the Household Cleaning Category.

Over-the-Counter Drug Category. Gross profit increased by \$34.0 million, or 198.3%, from \$17.2 million for the year ended December 31, 2002 to \$51.2 million for the year ended December 31, 2003. The increase in gross profit was due, in part, to inclusion of a full fiscal year of *Clear eyes* and *Murine* sales in 2003. New product introductions contributed \$2.4 million to 2003 gross profit with Relief Strips and Pocket Pump contributing \$1.9 million and \$0.5 million, respectively. Increased gross profit of *Chloraseptic* contributed \$3.2 million. Overall gross margin declined from 64.0% for the year ended December 31, 2002 to 61.5% for 2003. This decline was due to lower margins on *Chloraseptic* as a result of higher than normal product liquidations, which generated lower margins as well as higher costs associated with the new *Chloraseptic* products.

Personal Care Category. Gross profit decreased by \$0.1 million, or 4.8%, from \$2.7 million for the year ended December 31, 2002 to \$2.6 million for the year ended December 31, 2003. The decline in gross profit was due to a decline in sales. Gross margin increased from 32.6% to 39.2% for the year ended December 31, 2003.

Household Cleaning Category. Gross profit decreased by \$1.6 million, or 5.1%, from \$32.2 million for the year ended December 31, 2002 to \$30.6 million for the year ended December 31, 2003. The gross profit attributable to *Comet* Clean and Flush was \$1.1 million in 2003, which was more than offset by lower gross profit margins on other products. Gross profit as a percent of net sales decreased from 42.7% for the year ended December 31, 2002 to 39.6% for the year ended December 31, 2003 as a result of changes in product mix and higher discounts.

Contribution Margin. Contribution margin increased by \$22.9 million, or 54.5%, from \$42.0 million for the year ended December 31, 2002 to \$64.9 million for the year ended December 31, 2003. The net increase in contribution margin included a \$26.9 million increase in the Over-the-Counter Drug Category, a \$0.5 million increase in the Personal Care Category and a \$4.5 million decrease in the Household Cleaning Category.

Over-the-Counter Drug Category. Contribution margin increased by \$26.9 million, or 219.6%, from \$12.3 million for the year ended December 31, 2002 to \$39.2 million for the year ended December 31, 2003. A&P expenses increased \$7.1 million, or 144.9%, from \$4.9 million to \$12.0 million, which was attributable to \$6.3 million for *Clear eyes* and *Murine* as well as \$0.8 million for *Chloraseptic*. Overall contribution margin as a percentage of net sales increased from 45.7% to 47.1% for the year ended December 31, 2002 versus 2003. This increase was the result of adding the *Clear eyes* and *Murine* product line.

Personal Care Category. Contribution margin increased by \$0.5 million, or 51.1%, from \$0.9 million for the year ended December 31, 2002 to \$1.4 million for the year ended December 31, 2003. A&P expenses declined \$0.6 million, or 32.2%, from \$1.8 million to \$1.2 million during the period, which was due to an overall reduction in *Prell* brand spending.

Household Cleaning Category. Contribution margin decreased by \$4.5 million, or 15.6%, from \$28.8 million for the year ended December 31, 2002 to \$24.3 million for the year ended December 31, 2003. The decrease in contribution margin was primarily due to an increase in A&P expenses of \$2.9 million, or 84.6%, from \$3.4 million to \$6.3 million. *Comet* Clean and Flush product development and marketing costs totaling \$1.2 million as well as a mid-year advertising campaign for *Comet* Spray contributed to the higher A&P expenses. Overall contribution margin as a percentage of net sales declined from 38.2% to 31.5% for these reasons.

General and Administrative Expenses. General and administrative expenses increased by \$4.1 million, or 75.2%, from \$5.6 million for the year ended December 31, 2002 to \$9.7 million for the year ended December 31, 2003. This increase was primarily the result of the *Clear eyes* and *Murine* acquisition.

Depreciation and Amortization Expenses. Depreciation and amortization expenses increased by \$1.0 million, or 134.3%, from \$0.7 million for the year ended December 31, 2002 to \$1.7 million for the year ended December 31, 2003. The increase in depreciation and amortization was primarily the result of the *Clear eyes* and *Murine* acquisition.

Interest Expense, net. Interest expense, net increased by \$9.3 million, or 116.1%, from \$8.0 million for the year ended December 31, 2002 to \$17.3 million for the year ended December 31, 2003. The increase in interest expense is a function of the outstanding debt, which increased as a result of the *Clear eyes* and *Murine* acquisition.

Income Taxes. The tax provision for fiscal year 2003 was \$13.8 million with an effective tax rate of 38.3%. The tax provision for fiscal year 2002 was \$11.1 million with an effective tax rate of 40.1%. The difference in both instances between the U.S. federal statutory rate of 34% and the effective rate relates primarily to state income taxes, net of the federal benefit.

Year ended December 31, 2002 compared to year ended December 31, 2001

Net Sales. Net sales increased by \$55.6 million, or 101.1%, from \$55.0 million for the year ended December 31, 2001 to \$110.6 million for the year ended December 31, 2002. The net increase in net sales was comprised of a \$0.4 million decrease in the Over-the-Counter Drug Category, a \$0.8 million decrease in the Personal Care Category and a \$56.9 million increase in the Household Cleaning Category.

Over-the-Counter Drug Category. Net sales decreased by \$0.4 million, or 1.6%, from \$27.2 million for the year ended December 31, 2001 to \$26.8 million for the year ended December 31, 2002. The decrease in net sales was primarily a result of a very weak cough and cold season.

Personal Care Category. Net sales decreased \$0.8 million, or 9.1%, from \$9.2 million for the year ended December 31, 2001 to \$8.4 million for the year ended December 31, 2002. The decline in net sales was primarily attributable to the strong opening orders for the launch of *Prell* Spa formula in 2001.

Household Cleaning Category. Net sales increased by \$56.9 million, or 307.4%, from \$18.5 million for the year ended December 31, 2001 to \$75.4 million for the year ended December 31, 2002. The increase in net sales was due to the acquisition of *Comet* by Bonita Bay Holdings, Inc. effective October 2, 2001, which resulted in the inclusion of only three months of post-acquisition results in 2001 compared with a full year in 2002.

Gross Profit. Gross profit increased by \$23.6 million, or 83.0%, from \$28.5 million for the year ended December 31, 2001 to \$52.1 million for the year ended December 31, 2002. The net increase in gross profit included a \$0.2 million increase in the Over-the-Counter Drug Category, a \$0.8 million decrease in the Personal Care Category and a \$24.2 million increase in the Household Cleaning Category.

Over-the-Counter Drug Category. Gross profit increased by \$0.2 million, or 1.0%, from \$17.0 million for the year ended December 31, 2001 to \$17.2 million for the year ended December 31, 2002. The increase in gross profit was due to a slight cost reduction in 2002, which resulted in a gross margin increase from 62.4% to 64.0%.

Personal Care Category. Gross profit decreased \$0.8 million, or 21.5%, from \$3.5 million for the year ended December 31, 2001 to \$2.7 million for the year ended December 31, 2002. Gross margin, as a percentage of net sales, declined from 37.8% in 2001 to 32.6% in 2002. The decline in gross margin was due to the discontinuation of the *Prell* Spa line and the liquidation of excess inventory.

Household Cleaning Category. Gross profit increased by \$24.2 million, or 303.3%, from \$8.0 million for the year ended December 31, 2001 to \$32.2 million for the year ended December 31, 2002. The increase in gross profit was primarily the result of a full year of *Comet* sales in 2002 compared to three months in 2001. Gross margin decreased slightly from 43.2% for the period ended December 31, 2001 to 42.7% for the year ended December 31, 2002.

Contribution Margin. Contribution margin increased by \$20.9 million, or 99.4%, from \$21.1 million for the year ended December 31, 2001 to \$42.0 million for the year ended December 31, 2002. The net increase in gross profit was comprised of a \$0.6 million decrease in the Over-the-Counter Drug Category, a \$0.5 million increase in the Personal Care Category and a \$21.1 million increase in the Household Cleaning Category.

Over-the-Counter Drug Category. Contribution margin decreased by \$0.6 million, or 5.2%, from \$12.9 million for the year ended December 31, 2001 to \$12.3 million for the year ended December 31, 2002. The decline in contribution margin was due to an increase in A&P expenses of \$0.8 million, or 20.5%, from \$4.1 million in 2001 to \$4.9 million in 2002, which was due to increased spending for TV media and promotion. The remaining fluctuation in contribution margin was the result of factors previously discussed.

Personal Care Category. Contribution margin increased by \$0.5 million, or 108.8%, from \$0.4 million for the year ended December 31, 2001 to \$0.9 million for the year ended December 31, 2002. The increase in contribution margin was due, in part, to a decline in A&P expenses of \$1.3 million, or 40.0%, from \$3.1 million in 2001 to \$1.8 million in 2002, which was due to the elimination of the *Prell* Spa line A&P spending.

Household Cleaning Category. Contribution margin increased by \$21.1 million, or 274.9%, from \$7.7 million for the year ended December 31, 2001 to \$28.8 million for the year ended December 31, 2002. The increase in A&P expenses related to a full year of expenses related to *Comet* as the seller funded *Comet's* A&P commitment for the three months that would have been included in 2001.

General and Administrative Expenses. General and administrative expenses increased by \$1.5 million, or 34.3%, from \$4.1 million for the year ended December 31, 2001 to \$5.6 million for the year ended December 31, 2002. The increase was primarily due to the full year impact of the *Comet* acquisition in October 2001.

Depreciation and Amortization Expenses. Depreciation and amortization expenses decreased by \$3.4 million, or 82.1%, from \$4.2 million for the year ended December 31, 2001 to \$0.7 million for the year ended December 31, 2002. The decline was the result of the adoption of SFAS No. 142, the discontinuation of the amortization of goodwill.

Interest Expense, net. Interest expense, net increased by \$1.8 million, or 29.2%, from \$6.2 million for the year ended December 31, 2001 to \$8.0 million for the year ended December 31, 2002. The increase in interest expense is a function of the outstanding debt, which increased as a result of the *Comet* acquisition.

Other Expense (Income), net. Other expense of \$1.6 million for the year ended December 31, 2001 relates to loss on the extinguishment of debt.

Income Taxes. The tax provision for fiscal 2002 was \$11.1 million with an effective tax rate of 40.1%. The tax provision for fiscal 2001 was \$1.9 million with an effective tax rate of 37.8%. The difference in both instances between the U.S. federal statutory rate of 34% and the effective rate relates primarily to state income taxes, net of the federal benefit.

Liquidity and Capital Resources

We have historically financed our operations with a combination of internally generated funds and borrowings. Our principal uses of cash are for operating expenses, servicing long-term debt, acquisitions, working capital, payment of income taxes and capital expenditures.

Prestige International Holdings, LLC

Operating Activities

Nine months ended December 31, 2004 compared to the nine months ended December 31, 2003. Net cash provided by operating activities was \$39.9 million for the nine months ended December 31, 2004, compared to \$8.9 million for the nine months ended December 31, 2003. The increase in net cash provided by operating activities for the nine months ended December 31, 2004 was primarily due to net income of \$13.7 million in 2004, adjusted for non-cash items of \$29.8 million in 2004, compared to net income of \$5.2 million, adjusted for non-cash items of \$8.6 million in 2003. Working capital increased by \$3.5 million for the nine months ended December 31, 2004, primarily due to an increase in accounts receivable of \$5.5 million related to the increase in net sales during the period, a decrease in accrued expenses of \$6.9 million, offset by a reduction of inventories of \$8.0 million.

Investing Activities

Nine months ended December 31, 2004 compared to the nine months ended December 31, 2003. Net cash used in investing activities was \$425.7 million for the nine months ended December 31, 2004, compared to net cash used of \$0.5 million for the nine months ended December 31, 2003. The net cash used in investing activities in the nine months ended December 31, 2004 was primarily for the acquisition of Bonita Bay on April 6, 2004 and Vetco on October 6, 2004.

Financing Activities

Nine months ended December 31, 2004 compared to the nine months ended December 31, 2003. Net cash provided by financing activities was \$389.1 million for the nine months ended December 31, 2004, compared to \$11.2 million of net cash used in financing activities for the nine months ended December 31, 2003. Net cash provided by financing activities for the nine months ended December 31, 2004 was primarily a result of proceeds of borrowings of \$698.5 million and the issuance of preferred units and common units of \$58.7 million primarily related to the Bonita Bay acquisition. This was partially offset by repayment of the debt incurred in February 2004 at the time of the Medtech acquisition, the paydown of the revolving credit facility and scheduled payments on current debt of \$344.6 million. In addition, deferred financing costs of \$23.5 million offset proceeds from borrowings. Net cash used in financing activities in the nine months ended December 31, 2003 was primarily related to a payment on a note payable for Denorex.

Medtech

Operating Activities

Period from April 1, 2003 through February 5, 2004 and the period from February 6, 2004 to March 31, 2004. Net cash provided by (used in) operating activities was \$7.8 million for the period from April 1, 2003 through February 5, 2004, compared to \$(1.7) million for the period from February 6, 2004 through March 31, 2004. The cash flows provided by operating activities for the period from April 1, 2003 through February 5, 2004 were primarily the result of net income of \$2.4 million adjusted for non-cash items of \$7.9 million, partially offset by net changes in working capital of (\$2.5) million. The \$2.5 million net increase in working capital can be attributed to a \$3.4 million decrease in accounts payable and accrued expenses due primarily to reductions in the reserve for Pecos returns, an increase of \$2.3 million in inventory due primarily to new product launches and a decrease of \$3.1 million in accounts receivable. The cash flows used in operating activities for the period from February 6, 2004 through March 31, 2004 were primarily the result of changes in working capital of (\$5.3) million partially offset by net income of \$1.8 million adjusted for non-cash items of \$1.8 million. The \$5.3 million net increase in working capital can be attributed to an increase in accounts receivable of \$4.0 million, a \$3.1 million decrease in accounts payable and accrued liabilities due to the payment of \$2.7 million of bonuses to management in connection with the acquisition of Medtech, and a \$1.1 million decrease in inventory.

Fiscal year 2003 compared to fiscal year 2002. Net cash provided by operating activities was \$12.5 million for the year ended March 31, 2003, compared to \$3.9 million for the year ended March 31, 2002. The cash flows provided by operating activities for the fiscal year 2003 were primarily the result of a net loss of \$14.4 million adjusted for non-cash items of \$21.7 million, coupled with net changes in working capital of \$5.2 million. The \$5.2 million net decrease in working capital can be attributed to a \$3.9 million decrease in inventory due to better supply chain management and a \$2.6 million increase in accrued expenses. The cash flows provided by operating activities for fiscal year 2002 were primarily the result of \$0.6 million of net income adjusted for non-cash items of \$6.7 million. The remaining net decrease of \$3.3 million is due to an increase in inventory of \$2.8 which is attributed to the acquisition of Denorex in February 2002.

Investing Activities

Period from April 1, 2003 through February 5, 2004 and the period from February 6, 2004 to March 31, 2004. Net cash used in investing activities was \$0.6 million for the period from April 1, 2003 through February 5, 2004, compared to \$166.9 million for the period from February 6, 2004 through March 31,

2004. Net cash used in investing activities for the period from April 1, 2003 through February 5, 2004 is primarily the result of expenditures of \$0.5 million related to payments for an option to purchase the rights to certain Medtech products. Net cash used in investing activities for the period from February 6, 2004 through March 31, 2004 is the result of the acquisitions of Medtech/Denorex and Spic and Span during the period partially offset by the release of \$0.7 million of previously restricted cash related to the Pecos divestiture in March 2003.

Fiscal year 2003 compared to fiscal year 2002. Net cash used in investing activities of Medtech was \$2.2 million for the year ended March 31, 2003, compared to net cash used of \$4.4 million for the year ended March 31, 2002. Net cash used in investing activities during fiscal year 2003 is primarily the result of restricted cash (\$0.7 million) related to the Pecos divestiture in March 2003, capital expenditures of \$0.4 million, expenditures of \$0.2 million for an option to purchase the rights to certain Medtech products and expenditures of \$0.8 million related to direct acquisition costs of Denorex. Net cash used in investing activities during the fiscal year ended March 31, 2002 is the result of property and equipment purchases (\$0.1 million), intangible purchases (\$0.2 million) and costs related to Denorex (\$4.1 million).

Financing Activities

Period from April 1, 2003 through February 5, 2004 and the period from February 6, 2004 to March 31, 2004. Net cash provided by (used in) financing activities was (\$8.6) million for the period from April 1, 2003 through February 5, 2004, compared to \$172.0 million for the period from February 6, 2004 through March 31, 2004. Net cash used in financing activities for the period from April 1, 2003 through February 5, 2004 is primarily the result of a net paydown of Medtech's senior bank facilities. Net cash provided by financing activities for the period from February 6, 2004 through March 31, 2004 is primarily the result of capital contributions received of \$100.4 million and a net increase in indebtedness of \$74.6 million directly as a result of the acquisitions of Medtech/Denorex and Spic and Span.

Fiscal year 2003 compared to fiscal year 2002. Net cash provided by (used in) financing activities for the year ended March 31, 2003 was \$(14.7) million compared to \$5.5 million for the year ended March 31, 2002. Cash flows used in financing activities during fiscal year 2003 were attributed to scheduled pay down of the Medtech's senior bank facilities. The cash flows provided by financing activities during fiscal year 2002 were attributed to a \$13.0 million stock issuance in connection with the Denorex acquisition in February 2002 partially offset by scheduled payments on outstanding debt.

Bonita Bay Holdings, Inc.

Operating Activities

Three months ended March 31, 2004 compared to three months ended March 31, 2003. Net cash provided by operating activities was \$7.6 million for the three months ended March 31, 2004, compared to \$8.4 million for the three months ended March 31, 2003. The cash flows provided by operating activities for the three months ended March 31, 2004 were primarily the result of net income of \$3.0 million adjusted for non cash items of \$3.2 million and net changes in working capital of \$1.3 million. The \$1.3 million net decrease in working capital can be attributed to a decrease in accounts receivable of \$8.5 million offset by increases in inventory, prepaid expenses and decreases in accrued expenses. The decrease in accounts receivable is attributable to stricter credit terms and lower sales. The cash flows used in operating activities for the three months ended March 31, 2003 were primarily the result of net income of \$3.1 million adjusted for non cash items of \$3.2 million and a net change in working capital of \$2.1 million. The \$2.1 million net decrease in working capital can be

attributed to an increase in accrued expenses and a decrease in inventories offset by a decrease in accounts payable.

Fiscal year 2003 compared to fiscal year 2002. Net cash provided by operating activities of Bonita Bay was \$35.0 million for the year ended December 31, 2003, compared to \$22.0 million for the year ended December 31, 2002. The cash flows provided by operating activities for the fiscal year 2003 were primarily the result of net income of \$22.3 million adjusted for non-cash items of \$12.1 million, coupled with net changes in working capital of \$0.6 million. The \$0.6 million net increase in working capital can be attributed to a \$7.5 million increase in accounts receivable primarily as a result of the acquisition of the *Clear eyes* and *Murine* brands. Offsetting the increase in receivables are decreases in inventory of \$1.8 million and increases in accrued expenses of \$2.1 million. The cash flows provided by operating activities for fiscal year 2002 were primarily the result of \$16.6 million of net income adjusted for non-cash items of \$6.1 million. The remaining net decrease of \$0.7 million is primarily due to increases in accounts receivable (\$5.5 million) and inventory (\$3.6 million) offset by increases in accounts payable (\$6.6 million) resulting from the acquisition of the *Clear eyes* and *Murine* brands.

Fiscal year 2002 compared to fiscal year 2001. Net cash provided by operating activities of Bonita Bay was \$22.0 million for the year ended December 31, 2002, compared to \$9.9 million for the year ended December 31, 2001. Cash flows provided by operating activities for the year ended March 31, 2002 were the result of the factors described above. The cash flows provided by operating activities for fiscal year 2001 were primarily the result of \$3.1 million of net income adjusted for non-cash items of \$7.6 million. The remaining net decrease of \$0.8 million is due to increases in accounts receivable (\$1.5 million) and inventory (\$2.1 million) offset by increases in accounts payable and accrued expenses of \$3.0 million resulting from the acquisition of the *Comet* brand from Procter & Gamble on October 2, 2001.

Investing Activities

Three months ended March 31, 2004 compared to three months ended March 31, 2003. Net cash used in investing activities was \$0.1 million for the three months ended March 31, 2004, compared to \$0.2 million for the three months ended March 31, 2003. Net cash used in investing activities for the three months ended March 31, 2004 is primarily the result of capital expenditures of \$0.1 million. Net cash used in investing activities for the three months ended March 31, 2003 is the result of capital expenditures of \$0.1 million and the acquisition of Clear Eyes/Murine brands of \$0.1 million.

Fiscal year 2003 compared to fiscal year 2002. Net cash used in investing activities of Bonita Bay was \$0.9 million for the year ended December 31, 2003, compared to net cash used of \$110.9 million for the year ended December 31, 2002. The decrease in cash used in investing activities is primarily the result of the 2002 acquisition of the *Clear eyes* and *Murine* brands.

Fiscal year 2002 compared to fiscal year 2001. Net cash used in investing activities of Bonita Bay was \$110.9 million for the year ended December 31, 2002, compared to net cash used of \$144.9 million for the year ended December 31, 2001. The decrease in cash used in investing activities is primarily the result of cash used for the 2002 acquisition of *Clear eyes* and *Murine* brands as compared to the 2001 acquisition of the *Comet* brand.

Financing Activities.

Three months ended March 31, 2004 compared to three months ended March 31, 2003. Net cash used in financing activities was \$6.9 million for the three months ended March 31, 2004, compared to \$7.7 million for the three months ended March 31, 2003. Net cash used in financing activities for the

three months ended March 31, 2004 is primarily the result of payments on long term debt. Net cash used in financing activities for the three months ended March 31, 2003 is primarily the result of the repurchase and retirement of common stock for \$13.3 million offset by net borrowings of \$6.4 million.

Fiscal year 2003 compared to fiscal year 2002. Net cash used in financing activities for the year ended December 31, 2003 was \$34.4 million, compared to cash provided of \$95.6 million for the year ended December 31, 2002. Cash flows used in financing activities during fiscal year 2003 were primarily attributable to a net pay down of Bonita Bay's senior bank facilities of \$20.6 million and repurchases of common stock in the amount of \$13.3 million. The cash flows provided by financing activities during fiscal year 2002 were primarily attributable to debt and equity issuances associated with the 2002 *Clear eyes* and *Murine* brand acquisition.

Fiscal year 2002 compared to fiscal year 2001. Net cash provided by financing activities for the year ended December 31, 2002 was \$95.6 million, compared to \$134.2 million for the year ended December 31, 2001. Cash flows provided by financing activities during the fiscal year ended December 31, 2002 were the result of the factors described above. This cash provided by financing activities during fiscal year 2001 is primarily attributable to debt and equity issuances associated with the October 2001 *Comet* brand acquisition.

Tax Attributes

We have significant tax attributes in the form of amortizable intangibles, with varying remaining lives of between 7 and 15 years, related to the structuring of our brand acquisitions, and net operating loss carry-forwards (NOLs), subject to Section 382 of the Internal Revenue Code. These tax attributes may be used to offset future taxable income. At December 31, 2004 we have available beneficial tax attributes, in the form of \$387.9 million of amortizable intangibles and \$12.0 million of net operating loss carryforwards.

Pro Forma Capital Resources After the Bonita Bay Acquisition, Vetco Acquisition and Reorganization and Offering

In connection with the Bonita Bay acquisition, our subsidiary, Prestige Brands, Inc., entered into a senior credit facility and issued senior subordinated notes. We used borrowings under the senior credit facility and proceeds from the issuance of the senior subordinated notes, as well as proceeds from the issuance of additional equity securities to fund the acquisition purchase price, refinance existing indebtedness and provide funds for working capital and general corporate purposes. Prestige Brands borrowed approximately \$458.5 million under the senior credit facility in connection with the Bonita Bay acquisition and \$30.0 million in connection with the Vetco acquisition.

The senior credit facility provides for an aggregate principal amount of up to \$523.0 million, which includes:

- a senior secured term loan facility in an aggregate principal amount of up to \$373.0 million, which we refer to as the "term loan facility";
- a second lien term loan facility in an aggregate principal amount of up to \$100.0 million, which we refer to as the "tranche C term loan facility"; and
- a non-amortizing senior secured revolving credit facility in an aggregate principal amount of up to \$50.0 million.

As of December 31, 2004, we had an aggregate of \$680.3 million of outstanding indebtedness, which consisted of the following:

- an aggregate of \$470.3 million of borrowings under the term loan facility and no borrowings under the revolving credit facility; and
- \$210.0 million of 9¹/₄% senior subordinated notes due 2012.

We had \$50.0 million of borrowing capacity under the revolving credit facility at such time.

All loans under the senior credit facility bear interest at floating rates, which can be either a base rate, or at our option, a LIBO rate, plus an applicable margin. As of December 31, 2004, an aggregate of \$470.3 was outstanding under the term loans at a weighted average interest rate of 5.5%.

The term loan facility, other than the tranche C term loan facility, matures in April 2011, and the tranche C term loan facility matures 180 days later. We must make a quarterly amortization payment on each loan under the term loan facility, other than the tranche C term loan facility, equal to 0.25% of the initial principal amount of the term loans. The revolving credit facility matures, and the commitments relating to the revolving credit facility terminate, in April 2009. The obligations under the senior credit facility are guaranteed on a senior basis by Prestige Brands International, LLC, our intermediate holding company, and all of its domestic subsidiaries, other than the borrower, and are secured by substantially all of our assets.

The senior credit facility contains various financial covenants, including covenants with respect to leverage ratio, interest coverage ratio and fixed charge coverage ratio, as well as covenants restricting us from undertaking specified corporate actions, including, asset dispositions, acquisitions, payment of dividends and other specified payments, changes of control, incurrence of indebtedness, creation of liens, making loans and investments and transactions with affiliates. We were in compliance with our financial and restrictive covenants under the credit facility at December 31, 2004.

In connection with the Bonita Bay acquisition, Prestige Brands also issued \$210.0 million of 9¹/₄% senior subordinated notes due 2012. The notes are guaranteed by Prestige Brands International, LLC and all of its domestic subsidiaries, other than the issuer, on a senior subordinated basis. The indenture governing the notes contains covenants restricting specified corporate actions, including, incurrence of indebtedness, payment of dividends and other specified payments, making loans and investments, creating liens, asset dispositions, acquisitions, changes of control and transactions with affiliates. We were in compliance with the covenants under the indenture governing the notes at December 31, 2004.

We anticipate using \$100.0 million of the net proceeds from this offering to repay borrowings under the senior credit facility's tranche C term loan and \$84.0 million of net proceeds from this offering to redeem a portion of the 9¹/₄% notes. We anticipate that we will incur a pre-tax charge of approximately \$10.8 million on the early extinguishment of debt with the proceeds of this offering. This relates primarily to the write-off of unamortized debt issuance costs and redemption premiums. In addition, we expect to amend the senior credit facility, effective upon completion of this offering, to among other things, increase available borrowings under the revolving credit facility from \$50.0 million to \$60.0 million. For more information, see "Description of Principal Indebtedness—Prestige Brands Senior Credit Facility."

Our principal sources of funds are anticipated to be cash flows from operating activities and available borrowings under the revolving credit facility. We believe that these funds will provide us with sufficient liquidity and capital resources for us to meet our current and future financial obligations, as

well as to provide funds for working capital, capital expenditures and other needs for at least the next 12 months. However, this may not be the case. Also, additional financing may not be available when required or, if available, may not be on terms satisfactory to us. We regularly review acquisition opportunities and other potential strategic transactions, which may require additional debt or equity financing.

Commitments

As of December 31, 2004, we had ongoing commitments under various contractual and commercial obligations as follows:

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1 to 3 years	4 to 5 years	After 5 years
	(in millions)				
Long-term debt	\$ 680.3	\$ 3.7	\$ 7.5	\$ 7.5	\$ 661.6
Interest on long-term debt ⁽¹⁾	298.6	44.5	88.4	87.5	78.2
Operating leases	1.3	0.5	0.6	0.2	—
Total contractual cash obligations	\$ 980.2	\$ 48.7	\$ 96.5	\$ 95.2	\$ 739.8

(1) Represents the estimated interest obligations on the outstanding revolving credit facility, the outstanding balance on the Tranche B term loan, the outstanding balance on the Tranche C term loan, and the outstanding balance on the senior subordinated notes, together, assuming scheduled principal payments (based on the terms of the loan agreements) were made and assuming a weighted average interest rate of 6.7%. Estimated interest obligations would be different under different assumptions regarding interest rates or timing of principal payments. If interest rates on borrowings with variable rates increased by ¹/₈%, interest expense would increase approximately \$0.9 million, in the first year.

Off-Balance Sheet Arrangements

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

Inflation

Inflationary factors such as increases in the costs of raw materials, packaging materials, purchased product and overhead may adversely affect our operating results. Although we do not believe that inflation has had a material impact on our financial position or results of operations for the periods referred to above, a high rate of inflation in the future may have an adverse effect on us and our operating results.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to changes in interest rates because our senior credit facility with Citicorp North America, Inc., Bank of America, N.A. and Merrill Lynch Capital, is variable rate debt. Interest rate changes therefore generally do not affect the market value of such debt but do impact the amount of our interest payments and, therefore, our future earnings and cash flows, assuming other factors are held constant. As of December 31, 2004, we had variable rate debt of approximately \$470.3 million.

Holding other variables constant, including levels of indebtedness, a one percentage point increase in interest rates on our variable debt would have had an estimated impact on pre-tax earnings and cash flows for the next year of approximately \$4.7 million.

Critical Accounting Policies

The significant accounting policies are described in the notes of each of the audited financial statements included elsewhere in this prospectus. All companies presented herein utilize the same critical accounting policies, except as otherwise stated. While all significant accounting policies are important to our consolidated financial statements, some of these policies may be viewed as being critical. Such policies are those that are both most important to the portrayal of our financial condition and require our most difficult, subjective and complex estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent assets and liabilities. These estimates are based upon our historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions. The most critical accounting policies are as follows:

Reserve for returns, allowance for doubtful accounts and the allowance for obsolete and damaged inventory. We must make estimates of potential future product returns related to current period sales. In order to do this, we analyze historical returns, current economic trends and changes in customer demand and acceptance of our products when evaluating the adequacy of our reserve for returns in any accounting period. If actual future returns are greater than estimated by management, our financial statements in future periods would be adversely affected.

In the ordinary course of business, we grant non-interest bearing trade credit to our customers on normal credit terms. To reduce our credit risk, we perform ongoing credit evaluations of our customers' financial condition. In addition, we maintain an allowance for doubtful accounts receivable based upon our historical collection experience and expected collectibility of our accounts receivable. If uncollectible account balances exceed our estimates, our financial statements would be adversely affected.

We write down our inventory for estimated obsolescence or damage equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required.

Valuation of long-lived and intangible assets and goodwill. Under SFAS 142, "Goodwill and Other Intangible Assets", goodwill and indefinite-lived intangible assets are no longer amortized, but must be tested for impairment at least annually. Intangible assets with definite lives are amortized over their respective estimated useful lives. We are required to make judgments regarding the value assigned to acquired intangible assets and their respective useful lives. Our determination of the values and lives was based on our analysis of the requirements of SFAS 141 and 142 as well as an independent evaluation of such assets. We have determined that a significant portion of our trademarks have indefinite lives. If we determine that any of these assets has a finite life, we would amortize the value of that asset over the remainder of such finite lives. Intangible assets with finite lives and other long-lived assets must also be evaluated for impairment when management believes that the carrying value of the asset will not be recovered. Future adverse changes in market conditions or poor operating results could result in an impairment charge in the future. There were no impairments of goodwill, indefinite-lived intangible assets or other long-lived assets during the year ended March 31, 2004 or the

quarter ended December 31, 2004. Goodwill and other long-term assets, net totaled \$927.7 million as of December 31, 2004.

Revenue Recognition. For sales transactions, we comply with the provisions of Staff Accounting Bulletin 104 "Revenue Recognition", which states that revenue should be recognized when the following revenue recognition criteria are met: (1) persuasive evidence of an arrangement exists; (2) the product has been shipped and the customer takes ownership and assumes the risk of loss; (3) the selling price is fixed or determinable; and (4) collection of the resulting receivable is reasonably assured. These criteria are satisfied upon shipment of product and revenues are recognized accordingly.

Revenue is recorded on a net basis for international sales of the *Clear eyes* and *Murine* brands under transition service agreements with the prior owner and prior to satisfaction of regulatory requirements for the years ended December 31, 2003 and 2002, as Bonita Bay was not the primary obligor under this arrangement.

Recent Accounting Pronouncements

In December 2003, the FASB issued FASB Interpretation No. 46R ("FIN 46R"), "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51 (revised December 2003)," FIN 46R addresses consolidation by business enterprises of variable interest entities, as defined. For entities created after December 31, 2003, the Company will be required to apply FIN 46R as of the date it first becomes involved with the entity. FIN 46R is effective for the Company for entities created before December 31, 2003, for year ending March 31, 2004. The adoption of FIN 46R had no impact on the Company's financial position, results of operations or cash flows.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." This statement establishes standards for how an issuer classifies and measures financial instruments with characteristics of both liabilities and equity. Under SFAS No. 150, an issuer is required to classify financial instruments issued in the form of shares that are mandatorily redeemable, financial instruments that, at inception, embody an obligation to repurchase the issuer's equity shares and financial instruments that embody an unconditional obligation, as liabilities. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and was effective for the Company for the year ended March 31, 2004. On November 7, 2003, the FASB indefinitely deferred the classification and measurement provisions of SFAS No. 150 as they apply to some mandatorily redeemable non-controlling interests. This deferral is expected to remain in effect while these provisions are further evaluated by the FASB. The adoption of SFAS No. 150 had no impact on the Company's financial position, results of operations or cash flows.

In November 2004, the FASB issued SFAS No. 151 "Inventory Costs—an amendment of ARB No. 43, Chapter 4." This statement amends the guidance in Accounting Research Bulletin No. 43, Chapter 4, to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs and wasted material. This statement requires that those items be recognized as current period charges and that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. SFAS No. 151 is effective for fiscal years beginning after June 15, 2005. We do not expect the adoption of this standard to have a significant impact on our financial position, results of operations or cash flows.

In December 2004, the FASB issued SFAS No. 123R "Share-Based Payments." SFAS 123R requires the Company to recognize compensation expense for equity instruments awarded to employees. SFAS 123R is effective for the Company as of the beginning of the first interim period that begins after June 15, 2005. The Company does not expect the adoption of this standard to have a significant impact on its financial statements.

MARKET, RANKING AND OTHER DATA

The data included in this prospectus regarding market share and ranking, including our position and the position of our competitors within these markets are based on data generated by the independent market research firm Information Resources, Inc., which we refer to as "Information Resources." Information Resources data reports retail sales in the food, drug and mass merchandise markets. Information Resources data for the mass merchandise market, however, does not include Wal-Mart, which ceased providing sales data to Information Resources in 2001. Although Wal-Mart represents a significant portion of the mass merchandise market for us, as well as our competitors, we believe that Wal-Mart's exclusion from Information Resources data does not significantly change our market share or ranking relative to our competitors.

Unless otherwise indicated, all references in this prospectus to:

- "market share" or "market position" are based on sales in the United States, as calculated by Information Resources for the 52 weeks ended August 8, 2004.
- "ACV" refer to the All Commodity Volume Food Drug Mass Index, as calculated by Information Resources for the 52 weeks ended August 8, 2004. ACV measures the weighted sales volume of stores that sell a particular product out of all the stores that sell products in that market segment generally. For example, if a product is sold by 50% of the stores that sell products in that market segment, but those stores account for 85% of the sales volume in that market segment, that product would have an ACV of 85%. We believe that ACV is a measure of a product's importance to major retailers. We believe that a high ACV evidences a product's attractiveness to consumers, as major retailers will try and carry products which are demanded by its customers. Lower ACV measures would indicate that a product is not as available to consumers because major national and regional retailers do not carry products for which consumer demand may not be as high. For these reasons, we believe that ACV is an important measure to investors in brand name consumer product companies like Prestige.

BUSINESS

We sell well-recognized, brand name over-the-counter drug, household cleaning and personal care products. We operate in niche segments of these categories where we can use the strength of our brands, our established retail distribution network, a low cost operating model and our experienced management team as a competitive advantage to grow our presence in these categories and, as a result, our sales and profits. Our ten major brands, set forth in the table below, have strong and established levels of consumer awareness and retail distribution across all major channels. On a pro forma basis, approximately 67% of our sales for the year ended March 31, 2004 are from brands that have a number one or number two market share position. The following table outlines the leadership position of our major brands:

Major Brands	Market Position ⁽¹⁾	Market Segment	Market Share ⁽¹⁾	ACV ⁽¹⁾
			(%)	(%)
Over-the-Counter Drug:				
<i>Chloraseptic</i>	#1	Liquid Sore Throat Relief	47.3%	95%
<i>Clear eyes</i>	#2	Redness Relief	16.9	95
<i>Compound W</i>	#1	Wart Removal	34.3	88
<i>Murine</i>	#3	Personal Ear Care	16.8	63
<i>Little Remedies</i> ⁽²⁾	N/A		N/A	N/A
<i>New-Skin</i>	#1	Liquid Bandages	35.4	89
Household Cleaning:				
<i>Comet</i>	#2	Abrasive Tub and Tile Cleaner	29.4	99
<i>Spic and Span</i>	#6	All Purpose Cleaner	2.6	68
Personal Care:				
<i>Cutex</i>	#1	Nail Polish Remover	28.5	91
<i>Denorex</i>	#4	Medicated Shampoo	10.9	75

(1) Source: Information Resources, Inc. See "Market, Ranking and Other Data" at page 77 of this prospectus for information regarding market share calculations and ACV.

(2) Market share and ACV information for market segments in which *Little Remedies* products compete is not available from Information Resources or any other independent third party researcher that we have been able to identify.

Some of our product lines that account for a large percentage of our sales have a relatively small market share relative to our competitors. For example, while *Clear eyes* has a number two market share position of 16.9%, its top competitor, *Visine*®, has a market share of 39.8%. In contrast, some of our brands with number one market positions have competitors with very similar market share. For example, while *Compound W* has a number one market position of 34.3%, its chief competitor, *Dr. Scholl's Clear Away*, has a market position of 33.7%. Similarly, while *Cutex* is the number one brand name nail polish remover with a market share of 28.5%, non-branded, private label nail polish removers account for 50.9% of the market. Finally, while our *New-Skin* liquid bandage product has a number one market position of 35.4%, the size of the liquid bandage market is relatively small, particularly when compared to the much larger bandage category.

Our History

Originally formed in 1996 as a joint venture of Medtech Labs and The Shansby Group to acquire over-the-counter drug brands from American Home Products, our company has been led by chief executive officer Peter Mann and chief financial officer Peter Anderson since 2001. Since that time, our

company's portfolio of brand name products has expanded from over-the-counter drugs to include household cleaning and personal care products. We have principally added brands to our portfolio by acquiring strong and well-recognized brands from larger consumer products and pharmaceutical companies. In 2004, GTCR Golder Rauner II, LLC, a private equity firm, acquired our business from the original founders and continued to move forward with Peter Mann and Peter Anderson leading the management team. In this prospectus, we refer to this acquisition as the "Medtech acquisition."

In April 2004, we acquired Bonita Bay Holdings, Inc. Bonita Bay was the parent holding company of Prestige Brands International, Inc. and conducted its business under the "Prestige" name. The Prestige business was established in October 1999 to acquire leading brands being divested by major consumer products and pharmaceuticals companies. Since that date, Prestige has acquired *Comet* (2001), *Chloraseptic* (2000) and *Prell* from Procter & Gamble. In December 2002, Prestige purchased *Clear eyes* and *Murine* from Abbott Laboratories. After we completed the acquisition of Bonita Bay, including its Prestige subsidiary, we began to conduct our business under the "Prestige" name. We acquired all of the brands listed above in this acquisition. We refer to this acquisition as the "Bonita Bay acquisition."

In October 2004, we acquired the rights to the *Little Remedies* brands through our purchase of Vetco, Inc. Vetco is engaged in the development, distribution and marketing of pediatric over-the-counter healthcare products, primarily marketed under the Little Remedies brand name. Vetco's products include *Little Noses* nasal products, *Little Tummy's* digestive health products, *Little Colds* cough/cold remedies and *Little Remedies* New Parents Survival Kits. The *Little Remedies* products provide relief for common childhood ailments without unnecessary additives such as saccharin, alcohol, artificial flavors, coloring dyes or harmful preservatives. We refer to this acquisition as the "Vetco acquisition."

Our company has grown by acquiring strong and well-recognized brands from larger consumer products and pharmaceutical companies, as well as other brands from smaller private companies. While the brands we have purchased from larger consumer products and pharmaceutical companies have long histories of support and brand development, we believe that at the time we acquired them they were considered non-core by their previous owners and did not benefit from the focus of senior level management or strong marketing support. We believe that the brands we have purchased from smaller private companies had been constrained by the limited resources of their prior owners.

Our products are sold by mass merchandisers and in drug, grocery, dollar and club stores. Our senior management team and dedicated sales force maintain long-standing relationships with our top 50 customers, which accounted for approximately 81% of our gross sales, on a pro forma basis, excluding the Vetco acquisition, for the year ended March 31, 2004.

Since completing the Bonita Bay acquisition, we have operated through a holding company that is a limited liability company. As described in "Reorganization as a Corporation," our new holding company will be a Delaware corporation upon completion of this offering.

Competitive Strengths

Diversified Portfolio of Recognized and Established Brands. We own and market well-recognized brands with long histories in the marketplace. On average, each of our ten major brands were established over 60 years ago and are widely recognized by consumers. For example:

- *Comet*, our largest household cleaning brand, was originally introduced in 1956. *Comet* products have a 29.4% market share in the abrasive tub/tile cleaner category and an ACV of 99%.

Comet's 14 ounce and 21 ounce containers of cleanser powder are the number one and number two selling products in the abrasive tub/tile cleaner category. See "Market, Ranking and Other Data" on page 77 of this prospectus for more information on market share and ACV.

- *Chloraseptic*, our largest over-the-counter drug brand, was originally introduced in 1957. *Chloraseptic* has a 47.3% market share in the sore throat relief sprays/liquids category and an ACV of 95%.
- *Cutex*, our largest personal care brand, was originally introduced in 1916. It has no significant brand name competition and is the market leader in the nail polish remover category, with a market share of 28.5% and an ACV of 91%.

Our diverse portfolio of products provides us multiple sources of growth and minimizes our reliance on any one single category. We provide significant marketing support to our brands in order to grow our long-term profitability.

Strong Competitor in Attractive, Niche Categories. We strategically choose to compete in niche product categories that address recurring consumer needs and that we believe are considered non-core to larger consumer and pharmaceutical companies. We believe we are well positioned in these categories due to the long history and consumer awareness of our brands, our strong market positions and our low-cost operating model.

Proven Ability to Develop and Introduce New Products. We focus our marketing and product development efforts on identifying underserved consumer needs and then designing products that directly address those needs. Recent new products include:

- *Compound W Freeze Off*, a cryogenic wart removal product which allows consumers to use a wart freezing treatment similar to that used by doctors. *Compound W Freeze Off* has generated \$32.7 million in gross sales since its introduction in July 2003 through December 31, 2004.
- *Chloraseptic Relief Strips*, which combine popular dissolvable strips and *Chloraseptic's* sore throat relief medicine for the treatment of mouth pain. The *Chloraseptic Relief Strip* product has generated \$11.0 million in gross sales since its introduction in July 2003 through December 31, 2004.
- Our introduction of *New-Skin Scar Therapy*. We introduced this product in January 2004. The *New-Skin Scar Therapy* product has generated \$1.7 million in gross sales since its introduction in January 2004 through December 31, 2004.
- Our introduction of *Twister*, a portable and spill-proof nail polish remover under the *Cutex* brand. The *Twister* product has generated \$1.4 million in gross sales since its introduction in May 2004 through December 31, 2004.
- Our introduction of *Spic and Span* disinfecting wipes. *Spic and Span* disinfecting wipes have generated \$0.4 million in gross sales since their introduction in July 2003 through December 31, 2004.

Efficient Operating Model. We focus our internal resources on marketing, sales, customer service and product development. While we directly manage the production planning and quality control aspects of the manufacturing, warehousing and distribution of our products, we outsource the operating elements of these functions to well-established, lower-cost third-party providers. This approach allows

us to benefit from third-party economies of scale and maintain a highly variable cost structure, with low overhead, limited working capital investment and minimal capital expenditures. On a pro forma basis for the fiscal year ended March 31, 2004, our gross margin was approximately 53%, while our general and administrative expenses and our capital expenditures represented less than 10% and 1% of net sales, respectively.

Experienced Senior Management Team with Proven Ability to Acquire, Integrate and Grow Brands. We have an experienced senior management team averaging over 30 years of consumer products experience in marketing, sales, customer service and product development. Since joining our company, this senior management team has increased our sales and integrated several brands into our portfolio. Unlike many large consumer products companies, which we believe often entrust their smaller brands to rotating junior employees, our experienced managers are dedicated to specific brands and remain with those brands as they grow and evolve. Prior to managing our company, Peter Mann, our chief executive officer, Peter Anderson, our chief financial officer, and several other members of our management team previously held senior positions at a publicly traded company.

Growth Strategy

Our growth strategy is to focus on our marketing, sales, customer service and product development efforts in order to continue to enhance our brands and drive growth. We plan to execute this strategy through:

- **Investing in Advertising and Promotion.** We will continue to invest in advertising and promotion that drive the growth of our brands. Our marketing strategy is focused primarily on consumer-oriented programs that include media advertising, targeted couponing programs and in-store advertising. While the absolute level of marketing expenditure differs by brand and category, we typically have increased the amount of investment in our brands after acquiring them. For example, after the acquisition of *Clear eyes* in 2002, we introduced new packaging and increased advertising and promotion, which has resulted in growth in domestic brand sales of approximately 15% during calendar year 2003.
- **Growing our Categories and Market Share with Innovative New Products.** Our strategy is to grow the number of categories in which we participate, the size of those categories, and our share within those categories through ongoing product innovation. For example, we are developing a *Compound W* product which will combine Freeze Off-branded cryogenic wart treatment with subsequent medication administered via adhesive pads, which will be the first such combination product in the wart treatment category. We are also in the process of launching an artificial tears product under the *Clear eyes* brand, which we expect to increase *Clear eyes'* market share in the eye care category.
- **Increasing Distribution Across Multiple Channels.** Our broad distribution ensures that our products are well positioned across all available channels and that we are able to participate in changing consumer retail trends. Recently, we have expanded our sales in dollar and club stores, introducing customized packaging and sizes of our products for these higher growth channels. For example, *Comet* and *Spic and Span* have grown approximately 11% and 189%, respectively, in these channels during the calendar year ended December 31, 2003.
- **Growing Our International Business.** We intend to increase our focus on growing our international business. International sales represent approximately 7% of our pro forma net sales for the year ended March 31, 2004. Management believes that international sales can become a

significant percentage of our business. *Clear eyes*, *Murine* and *Chloraseptic* are currently sold internationally, and a number of our other brands have previously been sold internationally. Management intends to expand the number of our brands sold through our existing international distribution network and is actively negotiating with additional distribution partners for further expansion into other international markets.

- Pursuing Strategic Acquisitions.** We have an active corporate development program and intend to continue to pursue strategic add-on acquisitions that enhance our product portfolio. We seek to acquire highly complementary, recognized brands in attractive categories and channels. For example, we recently purchased the *Little Remedies* brand, which competes in the pediatric over-the-counter drug category, where we previously had a limited presence. Our management team has a long track record of successfully identifying, acquiring and integrating new brands. We believe we have a strong pipeline of attractive acquisition candidates, and that our strong cash flow generation will enhance our ability to successfully pursue these acquisitions. We believe our business model will allow us to integrate these future acquisitions in an efficient manner, while also providing opportunities to realize significant cost savings.

Products

We conduct our operations through three principal business segments: over-the-counter drug, household cleaning and personal care. The following table identifies and sets forth certain historical gross sales information with respect to the major brands within each of our segments:

Business Segment	Major Brands	Date Acquired	Gross Sales for the Fiscal Year Ended ⁽¹⁾			Gross Sales for the Nine Months Ended December 31, 2004
			2002	2003	2004	
(unaudited)						
(dollars in thousands)						
Over-the-Counter	<i>Chloraseptic</i> ⁽²⁾⁽³⁾	03/00	\$ 30,713	\$ 30,967	\$ 40,067	\$ 29,905
Drug:	<i>Clear eyes</i> ⁽²⁾⁽³⁾⁽⁴⁾	12/02	N/A	N/A	32,502	30,587
	<i>Compound W</i>	10/96	13,944	16,822	29,163	34,534
	<i>Murine</i> ⁽²⁾⁽⁴⁾	12/02	N/A	N/A	16,089	11,745
	<i>Little Remedies brands</i> ⁽⁵⁾	10/04	8,413	10,062	14,241	11,677
	<i>New-Skin</i>	08/97	4,544	9,919	11,830	8,647
Household	<i>Comet</i> ⁽²⁾⁽³⁾⁽⁴⁾	10/01	N/A	80,563	84,279	65,352
Cleaning:	<i>Spic and Span</i>	01/01	22,742	23,422	24,978	21,044
Personal Care:	<i>Cutex</i>	12/98	14,792	15,886	15,872	11,772
	<i>Denorex</i> ⁽⁴⁾	02/02	N/A	16,661	14,706	9,213

(1) The data for the fiscal years 2002, 2003 and 2004 is derived from the financial data for the fiscal year ended December 31 of the prior year for Bonita Bay (*Chloraseptic*, *Clear eyes*, *Murine* and *Comet*), Spic and Span and Vetco (*Little Remedies brands*) and March 31 for Medtech (*Compound W*, *New-Skin* and *Cutex*) and Denorex.

(2) Except for the nine months ended December 31, 2004, gross sales for these brands are not included in the historical financial statements of Prestige Holdings because we acquired Bonita Bay on April 6, 2004, which is after its most recent fiscal year end.

(3) These brands each accounted for over 10% of our gross sales for the last fiscal year.

(4) Brand level sales not available for period when brand was under prior ownership.

(5) Gross sales for this brand are not included in the historical financial statements of Prestige Holdings because we acquired Vetco on October 6, 2004, which is after our most recent fiscal year end.

Over-the Counter Drug Category.

Our portfolio of over-the-counter drugs consists of *Clear eyes*, *Murine*, *Chloraseptic*, the Compound W wart removal products, the *Little Remedies* line of pediatric over-the-counter healthcare products and first aid products such as *New-Skin* and *Dermoplast*. Other niche brands in this category include *Percogesic*® and *Momentum*®, *Freezone*®, *Mosco*® and *Outgro*®, *Sleep-Eze*®, *Compoz*® and *Heet*®. For the year ended March 31, 2004, the over-the-counter drugs category accounted for 50.7% of our net sales.

Clear eyes and Murine. Bonita Bay purchased the *Clear eyes* and *Murine* brands from Abbott Laboratories in December 2002. Since its introduction in 1968, the *Clear eyes* brand has been marketed as an effective eye care product that helps take redness away and helps moisturize the eye. *Clear eyes* has an ACV of 95%. The *Murine* brand is over 100 years old. *Murine* products consist of both lubricating and soothing eye drops and ear wax removal aids.

Clear eyes, Murine Tears and Murine Ear Care are leading brands in the over-the-counter personal eye and ear care categories. The 0.5 oz. container of *Clear eyes* redness relief eye drops is the number one selling product in the eye redness relief category and *Clear eyes* is the number two brand in that category with 16.9% market share. The ear drop category is composed of products that loosen earwax, treat trapped water (swimmer's ear) and treat ear aches. *Murine* is the number three ear care brand with 16.8% market share.

Chloraseptic. Bonita Bay acquired *Chloraseptic* in March 2000 from Procter & Gamble. *Chloraseptic* was originally developed by a dentist in 1957 to relieve sore throats and mouth pain. *Chloraseptic's* 6 oz. cherry liquid sore throat spray is the number one selling product in the sore throat liquids/sprays segment. The *Chloraseptic* brand has an ACV of 95% and is number one in sore throat liquids/sprays with 47.3% market share.

Historically, *Chloraseptic* products were limited to sore throat lozenges and traditional sore throat sprays that were stored and used at home. Since its acquisition by Bonita Bay, the *Chloraseptic* product line has been expanded to also include portable sprays, gargle, mouth pain sprays and relief strips introduced in July 2003 that combine popular dissolvable strips with *Chloraseptic's* professionally recommended medicine. These product introductions enable us to market *Chloraseptic* products as a system, encourage consumers to buy multiple types of *Chloraseptic* products and increase volume for the entire product line.

Compound W. Medtech acquired *Compound W* from American Home Products in 1996. The *Compound W* brand has a long heritage; its wart removal products having been introduced almost 50 years ago. *Compound W* products are specially designed to provide relief of common and plantar warts and are sold in multiple forms of treatment depending on the consumer's need, including Fast-Acting Liquid, Fast-Acting Gel, One Step Pads for Kids, One Step Pads for Adults and Freeze Off. We believe that *Compound W* is one of the most trusted names in wart removal, as evidenced by "the pharmacist recommended solution for removing common skin warts" recognition to its Fast-Acting Liquid product.

Compound W is the number one wart removal brand in the United States with a 34.3% market share and an ACV of 88%.

Since *Compound W*'s acquisition, we have successfully expanded the wart remover category and enhanced the value associated with the *Compound W* brand by introducing several new products. On July 1, 2003, we introduced a cryogenic wart removal product, *Compound W Freeze Off*, which allows consumers to use a wart freezing treatment similar to that used by doctors. *Compound W Freeze Off* has achieved high trade acceptance and achieved \$25.9 million in sales for the twelve months ended December 31, 2004. We have also extended the *Compound W* brand by introducing Fast Acting Liquid, One Step Pads for Kids and Waterproof One Step Pads.

Little Noses. *Little Noses* was first introduced to the market in 1992 and is marketed as a product for the relief of childhood nasal discomfort containing no alcohol, saccharin, artificial flavors or coloring dyes. The *Little Noses* product line consists of saline nasal spray/drops, decongestant nose drops, a nasal aspirator for the removal of mucous from nasal passages and moisturizing nasal gel.

Little Colds. *Little Colds* was first introduced to the market in 2001 and is marketed as a product for the relief of childhood cold symptoms containing no alcohol, saccharin, artificial flavors or coloring dyes. The *Little Colds* product line includes six different products consisting of a multi-symptom cold relief formula, dissolvable sore throat relief strips, sore throat relief *Saf-T-Pops*®, cough relief formula, decongestant formula and a combined decongestant plus cough relief formula.

Little Tummy's. *Little Tummy's* was first introduced to the market in 1994 and is marketed as a product for the relief of childhood stomach discomfort containing no alcohol, saccharin, artificial flavors or coloring dyes. The *Little Tummy's* product line consists of gas relief drops, laxative drops and a nausea relief aid.

New-Skin. The brand has a long heritage, with the core product believed by management to be over 100 years old. *New-Skin* products consist of liquid bandages for small cuts and scrapes that are designed to replace traditional bandages in an effective and easy to use form. The *New-Skin* line has three products: *New-Skin* Liquid Bandage, *New-Skin* Burn Relief and *New-Skin* Wound and Blister Dressing. Each product works by drying and creating a thin, clear, protective covering when applied to the skin. The *New-Skin* brand has a 89% ACV.

New-Skin competes in the liquid bandage segment of the first aid bandage category. Within this segment, *New-Skin* has a 35.4% market share.

Dermoplast. Medtech acquired *Dermoplast* from American Home Products in 1996. *Dermoplast* is an aerosol spray anesthetic for minor topical pain that was traditionally a "hospital-only" brand dispensed to mothers after giving birth. The primary use in hospitals is for post episiotomy pain, post-partum hemorrhoidal pain, and for the relief of female genital itching. *Dermoplast* enjoys broad distribution across the drug and mass merchandise channels, with an ACV of 63%.

Since *Dermoplast's* acquisition, Medtech introduced retail versions of the products, a move that effectively doubled the size of the business. In addition to the traditional hospital uses mentioned above, *Dermoplast* offers sanitary, convenient first aid relief for pain and itching from minor skin irritations, sunburn, insect bites, minor cuts, scrapes and burns. The products are currently offered in two formulas: regular strength and antibacterial strength.

Household Cleaning Category.

Our portfolio of household cleaning brands includes the *Comet* and *Spic and Span* brands. For the year ended March 31, 2004, the household cleaning category accounted for 36.2% of our net sales.

Comet. Bonita Bay acquired *Comet* from Procter & Gamble in October 2001. *Comet* was originally introduced in 1956 and is one of the most widely recognized household cleaning brands, with an ACV of 99%. *Comet* products include different varieties of cleaning powders, sprays, gels, creams and toilet cleaners, some of which are abrasive and some of which are non-abrasive. *Comet* competes in the abrasive and non-abrasive tub/tile cleaner sub-category of the household cleaning category. The tub/tile cleaner sub-category includes abrasive powders and non-abrasive liquids, sprays, creams and gels. The abrasive tub/tile cleaner sub-category is *Comet*'s primary market. The top three brands in this market are Henkel's Soft Scrub®, *Comet* and Colgate Palmolive's Ajax®. *Comet* is the number two brand in this sub-category with 29.4% market share behind Henkel's Soft Scrub, which has 44.6% market share. The non-abrasive tub and tile cleaner segment is more fragmented and competitive than the abrasive segment and *Comet* has been attempting to build momentum in its efforts to increase its market share in the non-abrasive tub and tile cleaner segment through focused advertising and promotions, including free-standing insert coupons, hang collar coupons and television advertising.

Since *Comet*'s acquisition, Bonita Bay has expanded the brand's distribution, increased advertising and promotion and implemented focused marketing initiatives. Further, under Bonita Bay ownership, *Comet* has seen multiple new product introductions to extend the brand into new categories and increase usage. Some of the significant recent product launches include *Comet* Orange Brite Bathroom Spray and *Comet* Orange Oxygenated Soft Powder products introduced in June 2003 as line extensions for existing *Comet* sprays and powders. These and other new products are aimed at extending *Comet*'s brand value by promoting *Comet* as a comprehensive cleaning system of powders, sprays and creams.

Spic and Span. *Spic and Span* was introduced to the market in 1925 and is marketed as the complete home cleaner with four product lines consisting of dilutables, hard surface sprays, soft powder and disinfecting wipes, all of which can be used for multi-room and multi-surface cleaning. Since its acquisition from Procter & Gamble in January 2001, the product line has grown from eight to 34 separate products and we have increased advertising and promotional efforts supporting the products.

Personal Care Category.

Our portfolio of personal care brands includes the brands of *Denorex* dandruff shampoo, *Cutex* nail products and *Prell* shampoo. Other brands in this category include *EZO*® denture cushion, *Oxipor VHC*® skin-care lotion, *Cloverine*® skin salve, *Zincon*® shampoo and *Kerodex*® barrier cream. For the year ended March 31, 2004, the personal care category accounted for 13.1% of our net sales.

Denorex. *Denorex* was acquired by Medtech from American Home Products in February 2002. The *Denorex* brand was originally launched in 1971 by American Home Products to compete in the then new "therapeutic" segment of the medicated shampoo category. The *Denorex* brand has strong consumer awareness as an effective solution to scalp problems, as illustrated by its ACV of 75%. The current lineup of *Denorex* products includes Extra Strength and Extra Strength with Conditioner, Therapeutic Strength and Therapeutic Strength with Conditioner, and the Advanced Formula that was recently renamed as the Everyday Formula to attract moderate dandruff sufferers.

Denorex competes in the therapeutic segment of the dandruff shampoo category. Within the therapeutic shampoo segment *Denorex* has a 10.9% market share competing with McNeil-PPC's Nizoral®, Chattem's Selsun Blue® and Neutrogena's T-Gel.

Cutex. *Cutex* is an old and, we believe, trusted brand, synonymous with its core products' key function: nail polish removal. *Cutex* has an ACV rating of 91%. *Cutex* has four product lines: Quick and Gentle Liquid Nail Polish Remover, *Cutex Essential Care*® Advanced Liquid, *Essential Care* Advanced Nail Polish Remover Pads and Quick and Gentle Instant Jar Nail Polish Removers.

Cutex is the number one brand in the nail polish remover category and has a leading 28.5% market share of the category. The main competition is private label, which collectively has 50.9% market share.

Cutex is currently introducing a nail treatment line with a variety of new and innovative products designed to meet consumer needs. The nail treatment category is similar to that of nail polish remover, but offers a higher retail selling price and profitability compared to the nail polish remover category.

Prell. Prestige acquired *Prell* from Procter & Gamble in November 1999. *Prell* was launched in 1947 and is a highly recognized shampoo brand. We believe *Prell* has a loyal base of consumers seeking shampoo at the mid-price point segment.

Prell competes in the shampoo segment in the United States. The shampoo category is fragmented and populated by hundreds of brands. The fragmented nature of the shampoo segment places a premium on distribution and brand recognition and positioning.

Marketing and Sales

Our marketing approach is based upon the acquisition and rebuilding of established, mass market brands that possess what we believe to be significant brand value and unrealized potential. Our marketing objective is to increase sales and market share by developing and executing professionally designed, creative and cost-effective advertising and promotional programs. Once we acquire a brand, we implement a brand building strategy that uses the brand's existing consumer awareness to maximize sales of current products and grows the brand through product innovation. This brand building process involves the evaluation and enhancement of the existing brand name, the development and introduction of innovative new products and the professional execution of support programs. All new product concepts are thoroughly researched before launch. To ensure consistent growth, the brands are supported by an integrated trade, consumer and advertising effort, although advertising is used selectively. Recognizing that financial resources are limited, we allocate our resources to focus on those brands that show the greatest opportunities for growth and financial success. Brand priorities vary from year to year and generally revolve around the introduction of new items.

Customers

Our senior management team and dedicated sales force maintain long-standing relationships with our top 50 customers, accounting for approximately 81% of our combined gross sales on a pro forma basis, excluding the Vetco acquisition, for the year ended March 31, 2004. Our sales force consists of 10 people and is also complemented by third-party sales management organizations who focus on key client relationships by interfacing directly with the remaining accounts and report directly to members of management.

We enjoy broad distribution across each of the major retail channels, including mass merchandisers and drug, food, dollar and club stores. The following table sets forth the percentage of gross sales to

our top 50 customers for the last two fiscal years and the nine months ended December 31, 2004 across our five major distribution channels:

Channel of Distribution	Percentage of Gross Sales to Top 50 Customers ⁽¹⁾		
	2003	2004	Nine Months Ended December 31, 2004
Mass	36.2%	37.8%	39.5%
Food	28.8	26.1	21.7
Drug	23.1	23.4	23.8
Dollar	5.9	7.2	10.0
Club	5.6	4.6	3.0
Other	0.4	0.9	2.0

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

Due to the diversity of our product line, we believe that each of these channels is important to our business and we continue to seek opportunities for growth in each sector. We have recently expanded our sales in dollar and club stores by introducing customized packaging and sizes of our brand name products for these channels.

Our principal customer relationships include Wal-Mart, Walgreens, Target, CVS and Kroger. For the year ended March 31, 2004, on a pro forma basis, excluding the Vetco acquisition, our top five and ten customers accounted for approximately 38.6% and 49.7% of our gross sales. No single customer other than Wal-Mart accounted for more than 10% of our gross sales in the most recent fiscal year and none of our other top five customers accounted for less than 3.0% of our gross sales for the most recent fiscal year. Our top fifteen customers each purchase products from virtually every major product line.

Our strong customer relationships provide us with a number of important benefits including minimizing slotting fees and shortening payment time after invoicing. In addition, these relationships help us by facilitating new product introductions and ensuring prominent shelf space. Management's emphasis on strong personal and professional relationships, speed and flexibility, leading sales technology capabilities, including electronic data interchange, e-mail, the internet, integrated retail coverage, consistent marketing support programs and ongoing product innovation we believe will continue to maximize our competitiveness in the increasingly complex retail environment.

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

Channels of Distribution	Customers
Mass	Kmart Meijer Target Wal-Mart
Drug	CVS Eckerd Rite Aid Walgreens
Food	Albertson's Food Lion Kroger Publix Safeway Winn Dixie
Dollar	Dollar General Family Dollar Dollar Tree
Club	Costco Sam's Club BJ's Wholesale Club

Outsourcing and Manufacturing

In order to maximize our competitiveness and efficiently allocate our resources, third-party manufacturers provide us with all of our manufacturing needs. We have found that contract manufacturing maximizes our flexibility and responsiveness to industry and consumer trends while minimizing the need for capital expenditures. We select contract manufacturers based on what we believe to be the best overall value, and we take into account factors such as depth of services, the management team, manufacturing flexibility, regulatory compliance and competitive pricing. We also conduct thorough reviews of each potential manufacturer's facilities, quality standards, capacity and financial stability. We generally only purchase finished products from our manufacturers, and none of those products require unique raw materials.

Our primary contract manufacturers provide comprehensive services from product development through manufacturing of finished goods and are responsible for such matters as production planning, product research and development, procurement, production and quality testing through product release. The manufacturer is responsible for all capital expenditures and works with us to develop improved packaging and promotional offers. In most instances, we provide our contract manufacturers with guidance in the form of product development, performance criteria, regulatory guidance, sourcing of packaging materials and monthly master production schedules. This management approach results in minimal capital expenditures and maximizes our cash flow, which is reinvested to support our marketing initiatives and to repay outstanding indebtedness.

We have relationships with over 20 third-party manufacturers. As of March 31, 2004, on a pro forma basis giving effect to the Bonita Bay acquisition and the Vetco acquisition, we sold 73 types of individual products. We do not have long-term contracts with the manufacturers of 38 of those types of

individual products. These 38 products accounted for approximately 25.0% of our gross sales for the year ended March 31, 2004. Not having manufacturing agreements for these products exposes us to the risk that the manufacturer could stop producing our products at any time, for any reason or fail to provide us with the level of products we need to meet our customers' demand.

Our largest suppliers of manufactured goods for the year ended March 31, 2004 included Vijon Laboratories, Abbott Laboratories, Kolmar Canada, Procter & Gamble, OraSure Technologies and Humco Holdings. We enter into manufacturing agreements for a majority of our products, each of which vary based on the third-party producer and the types of products being supplied. These agreements explicitly outline the manufacturer's obligations and product specifications with respect to the brand or brands being produced. The manufacturing agreements are typically one to seven years in duration and prices under these agreements generally are established annually and subject to quarterly adjustments for actual raw material and packaging cost changes. Labor cost increases are generally limited to increases in the consumer price index. All of our other products are manufactured on a purchase order basis. Orders are generally based on batch sizes and result in no long-term obligations or commitments.

Warehousing and Distribution

We store virtually all of our finished inventory in one distribution warehouse in St. Louis, Missouri. While consolidating our storage and distribution into one facility enables us to reduce our costs, there are risks associated with this strategy. If a disaster, such as a flood or fire, were to occur at the distribution center, we could incur significant costs and experience significant delays in distributing our products. We could incur significantly higher costs and experience longer lead times during the time it takes us to reopen or replace our distribution center, which may adversely affect our sales and profitability.

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

We manage product distribution in the mainland United States through one facility located in St. Louis and leased and operated by Ozburn-Hessey Logistics. Ozburn-Hessey handles all finished goods storage and all customer shipments, as well as, counting and disposition of customer returns. Our agreement with Ozburn-Hessey expires in May, 2007, although either party may terminate it upon 120 days advance written notice. We believe our relationship with Ozburn-Hessey is good. However, there are numerous other national and regional logistics services providers of similar quality that could be engaged on similar terms on short notice in the event our agreement with Ozburn-Hessey is not renewed or terminated. If Ozburn-Hessey abruptly stopped providing its logistics services to us, our business operations could suffer a temporary disruption while a new services provider was engaged. We believe this process could be completed quickly and any temporary disruption resulting therefrom would have an insignificant effect on our operating results and financial condition. For the Over-the-Counter Drug and Personal Care product lines, freight and warehousing costs are a relatively small portion of our expenses (5% of sales) due to the high value and low weight of the product line. For the Household category, the freight costs were approximately 7% due to the products' higher weight. We pay a fixed lease on the warehouse space and a handling fee per case of product shipped from the facility. Canadian brands are warehoused and distributed by Canadian-based distribution companies.

Regulation

Product Regulations. The formulation, manufacturing, packaging, labeling, distribution, importation, sale and storage of our products are subject to extensive regulation by various federal agencies, including the FDA, the FTC, the Consumer Product Safety Commission, the EPA and by various agencies of the states, localities and foreign countries in which our products are manufactured, distributed and sold. Regulatory issues are handled internally by management and an experienced FDA consultant. Our operations team works closely with our co-packers on quality and makes frequent site visits. When and if the FDA chooses to audit a particular facility that is manufacturing one of our products, we are notified immediately and updated on the process of the audit as it proceeds. To prepare manufacturers for audits, we perform "mock" FDA inspections at least biannually. Our management intends to continue this procedure across all of our brands. This continual evaluation process ensures that our manufacturing processes and products are of the highest quality and in compliance with all regulatory needs. If we or our manufacturers fail to comply with these regulations, we could become subject to significant claims or penalties, which could materially and adversely affect our business. In addition, the adoption of new regulations or changes in the interpretations of existing regulations may result in significant additional compliance costs or discontinuation of product sales and may adversely affect the marketing of our products, which could result in a significant loss of sales revenues.

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

In accordance with the FDC Act and FDA regulations, the manufacturing processes of our third party manufacturers must also comply with the FDA's cGMPs. The FDA inspects our facilities and those of our third party manufacturers periodically to determine if we and our third party manufacturers are complying with cGMPs.

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

Intellectual Property

We own a number of trademark registrations and applications in the United States, Canada and other foreign countries. The following are some of the most important trademarks registered in the United States: *APF*®, *Chloraseptic*, *Clear eyes*, *Cinch*®, *Cloverine*, *Comet*, *Compound W*, *Compoz*, *Cutex*, *Denorex*, *Dermoplast*, *Essential Care*, *Freezone*, *Heet*, *Kerodex*, *Momentum*, *Mosco*, *Murine*, *New-Skin*, *Outgro*, *Oxipor VHC*, *Percogesic*, *Prell*, *Simple Pad*®, *Simplegel*®, *Sleep-Eze*, *Spic and Span*, *Vacuum Grip*® and *Zincon*. In addition, we have an exclusive royalty bearing license to use the *EZO* trademark in the United States for a term of 10 years from January 1, 2003 at the end of which we shall have the right to purchase the trademark for \$1,000. While we own the U.S. trademark registration for *Kerodex*, we have an obligation to pay royalties to Unilever/Scientific with respect to the manufacture and sale of barrier creams sold in the United States under the *Kerodex* trademark. This royalty obligation will continue so long as we make, use or sell these products in the United States.

Our trademarks and tradenames are how we convey that the products we sell are "brand name" products. Our ownership of these trademarks and tradenames enables us to prevent others from using them and allows us to compete based on the value associated with them. Enforcing our proprietary rights in these trademark and tradenames, however, is expensive. If we are not able to effectively enforce our rights, others may be able to dilute our trademarks and tradenames and hurt the value that our customers associate with our brands, which could adversely affect our sales and operating results.

As part of our acquisition of the *Clear eyes* and *Murine* product lines from Abbott Laboratories in 2002, specified country closings were scheduled to take place after 2003 in order for the parties to obtain the necessary regulatory approvals in those countries. While a number of those closings have occurred and the trademark registrations and applications in such countries have been assigned to us, we and Abbott are still in the process of executing separate agreements to effect assignments of trademark registrations and applications for the *Clear eyes* and *Murine* trademarks in some countries that represent smaller markets for us.

We acquired other intellectual property rights from Procter & Gamble and Abbott Laboratories when we acquired the trademarks related to the *Comet*, *Chloraseptic*, *Clear eyes*, *Murine* and *Prell* product lines; however, we did not in each case obtain title to all of the intellectual property used to manufacture and sell those products. Therefore, we are dependent upon Procter & Gamble, Abbott Laboratories and other third parties for intellectual property used in the manufacture and sale of some of our products. For example, we rely on third parties for intellectual property relating to *Comet* products, *Chloraseptic* strips, *Prell* shampoo, *Spic and Span* dilutables, *Cinch* spray and *Spic and Span* soft powder. We have licenses for such intellectual property or manufacturing agreements with the owners of such intellectual property. However, if we are unable to maintain these arrangements, we would have to establish new arrangements with different licensors or manufacturers. If this were to occur, we could experience disruptions in our business, our ability to meet customer demand could be constrained and our sales and operating results could be adversely affected.

We have granted MF Distributions, Inc. an exclusive license (with an option to purchase) to sell *Spic and Span* and *Cinch* products in Canada for a royalty. In 2003, we assigned our Italian trademark applications and registrations for *Spic and Span* and *Cinch* to Conter, S.p.A., and entered into a concurrent use agreement with Conter with respect to such marks.

We have granted Procter & Gamble the right to use the *Comet* and *Chlorinol*® trademarks in the commercial/institutional/industrial segment in the United States and Canada until 2010 and in all of its segments in specified Eastern European countries until 2006. In addition, we have granted to Procter & Gamble the right to use the *Spic and Span* trademark in connection with cleaning products for use primarily outside the home and in a business or institution until 2009.

Information Technology

We use ACCPAC as our business management system. The system handles our accounts receivables, accounts payable, inventory control, purchase orders, order entry and general ledger transactions. We are currently running three separate entities on the system and plan to integrate other entities on the system in connection with the Bonita Bay acquisition. Because this system gives us the ability to manage several different companies at the same time, we anticipate that such integration will be completed without disruption to our daily operations.

For EDI transactions, we use Gentran, a software from Sterling Commerce which is one of the most widely used packages for EDI in the United States. The above systems, along with our highly experienced staff located in Jackson, Wyoming, gives us the capability to add brands or entire companies to the portfolio in a seamless fashion.

Employees

We employed 75 individuals as of December 31, 2004. None of our employees are party to collective bargaining agreements. Management believes that its relations with its employees are good.

Properties

Our corporate headquarters are located in Irvington, New York, a suburb of New York City. Primary functions undertaken at the Irvington facility include senior management, marketing, sales, operations and finance. The lease on the Irvington facility expires on July 31, 2008. We also have a secondary administrative center in Jackson, Wyoming. Primary functions undertaken at the Jackson facility include back office functions such as invoicing, credit and collection, general ledger and customer service. The lease on the Jackson facility expires on December 31, 2005.

Legal Proceedings

In June 2003, Dr. Theodosakis filed a lawsuit, *Theodosakis v. Walgreens, et al.*, in Federal District Court in Arizona, alleging that two of our subsidiaries, Medtech Products and Pecos Pharmaceutical, as well as other unrelated parties, infringed the trade dress of two of his published books. Specifically, Dr. Theodosakis published "The Arthritis Cure" and "Maximizing the Arthritis Cure" regarding the use of dietary supplements to treat arthritis patients. Dr. Theodosakis alleged that his books have a distinctive trade dress, or cover layout, design, color and typeface, and that products that the defendants sold under the ARTHx trademarks infringed the books' trade dress and constituted unfair competition and false designation of origin. Additionally, Dr. Theodosakis alleged that the defendants made false endorsements of the products by referencing his books on the product packaging and that the use of his name, books and trade dress invaded his right to publicity. We sold the ARTHx trademarks, goodwill and inventory to a third-party, Contract Pharmacal Corporation, in March 2003. On January 12, 2005, the court granted our motion for summary judgment and dismissed all claims against us. The plaintiff has a right to perfect an appeal within 30 days.

We are also involved from time to time in routine legal matters and other claims incidental to our business. When it appears probable in management's judgment that we will incur monetary damages or other costs in connection with such claims and proceedings, and such costs can be reasonably estimated, liabilities are recorded in the financial statements and charges are recorded against earnings. We believe the resolution of such routine matters and other incidental claims, taking into account reserves and insurance, will not have a material adverse effect on our financial condition or results of operation.

MANAGEMENT

Directors and Executive Officers

Our directors and executive officers are as follows:

Name	Age	Position
Peter C. Mann	62	President, Chief Executive Officer and Director
Peter J. Anderson	50	Chief Financial Officer
Gerard F. Butler	55	Chief Sales Officer
Michael A. Fink	60	Senior Vice President of Marketing
Charles Schrank	55	Senior Vice President of Marketing
Eric M. Millar	61	Senior Vice President of Operations
David A. Donnini	39	Director
Vincent J. Hemmer	36	Director
Gary E. Costley	61	Director
L. Dick Buell	54	Director

The following sets forth biographical information with respect to our executive officers and directors.

Peter C. Mann, *President, Chief Executive Officer and Director*, has been the President and CEO since inception and previously served as President and CEO of Medtech since June 2001. Mr. Mann is a senior consumer and pharmaceutical products business executive with over 35 years of general management, marketing and sales experience. From 1973 to 2001, Mr. Mann served as the President of the Americas Division within Block Drug Company, Inc. and the only non-family member within the Office of Chief Executive. At Block Drug Company, Inc., Mr. Mann was responsible for the overall strategic and financial direction for the corporation and directly managed all business conducted in the United States, Canada, Mexico and South America. Mr. Mann joined Block Drug Company, Inc. in 1973 as a Group Product Manager and subsequently served in numerous key positions including Vice President—New Products, Vice President—Consumer Products & Oral Care Division, Senior Vice President—U.S. Consumer Marketing & Sales, and President—U.S. Division during his career with the company. Prior to his joining Block Drug Company, Inc. he held senior management positions for such leading consumer products companies as The Mennen Company, Swift & Co. and Chemway, Inc. Mr. Mann is a graduate of Brown University.

Peter J. Anderson, *Chief Financial Officer*, has served as Chief Financial Officer since inception and has been Medtech's Chief Financial Officer since joining in April 2001. Mr. Anderson is a senior financial executive with extensive experience in the branded consumer goods and over-the-counter pharmaceutical industries, both domestically and internationally. Prior to joining Medtech, Mr. Anderson served as the Chief Financial Officer for Block Drug Company, Inc. from April, 1999 to March, 2001, the Coach and Aris/Isotoner divisions of the Sara Lee Corporation from June 1996 to April 1999 and Lancaster Group USA, a division of Benckiser from March 1994 to June 1996. Other prior positions include Vice President of Finance of the International Division at Sterling Winthrop Inc. and Vice President of Finance at Sterling Health-USA. Mr. Anderson received his BA and MBA from Fairleigh Dickinson University and is a certified public accountant.

Gerard F. Butler, *Chief Sales Officer*, has served as Chief Sales Officer since inception and has served as the Chief Sales Officer of Medtech since joining in September 2001. Mr. Butler is a senior management executive with over 30 years of consumer products experience. Prior to joining Medtech, Mr. Butler served from April 1983 to April 2001 as the Vice President of Consumer Products Sales for

Block Drug Company, Inc. where, at the age of 34, he was named their youngest ever Vice President. In the latter part of his 26 year career at Block, Mr. Butler reported directly to the president of the company and provided sales, marketing and strategic leadership for all of Block's consumer brands. Previously, he held sales management positions with Procter & Gamble and Purex Corporation. Mr. Butler has a BS and an MBA from Manhattan College.

Michael A. Fink, *Senior Vice President of Marketing*, has been the Senior Vice President of Marketing since joining Medtech in February 2002. Mr. Fink is an executive with extensive experience in marketing over-the-counter personal care and consumer products. Prior to joining Medtech, Mr. Fink served as Vice President & General Manager Business & Marketing Development for Block Drug from March 1998 to May 2001 where he reported directly to the president of the company. Mr. Fink left Block Drug in May 2001 in connection with its sale to GlaxoSmithKline and worked as an independent consultant until joining Medtech in February 2002. In his 25 year career at Block Drug Company, Inc. Mr. Fink held various executive positions including Vice President—General Manager of the Household Products Division, where he oversaw such brands as 2000 Flushes, X-14, Carpet Fresh and Lava. Mr. Fink is a graduate of American University.

Charles Schrank, *Senior Vice President of Marketing*, has been the Senior Vice President of Marketing since joining Medtech in January 2001. Prior to joining Medtech, Mr. Schrank served as Vice President of Marketing for Block Drug from August 1994 to January 2001. Prior to that time, Mr. Schrank held various marketing positions of increasing responsibility since joining Block Drug in 1978.

Eric M. Millar, *Senior Vice President of Operations*, has served as our Senior Vice President of Operations since joining The Spic and Span Company in December 2001. From January 2000 to November 2001, Dr. Millar was the owner and director of Point Management Services, a business consultancy based in the United Kingdom, and carried out manufacturing and logistics assignments for both UK and USA based companies.

David A. Donnini, *Director*, has served as a director since inception. Mr. Donnini is currently a Principal of GTCR Golder Rauner, LLC, which he joined in 1991. He previously worked as an associate consultant with Bain & Company. Mr. Donnini earned a BA in Economics summa cum laude, Phi Beta Kappa with distinction, from Yale University and an MBA from Stanford University where he was the Robichek Finance Award recipient and an Arjay Miller Scholar. Mr. Donnini is a director of various companies including American Sanitary, Inc., Cardinal Logistics Management, InfoHighway Communications Corporation, InteCap (formerly Technology Dispute & Resolution Consulting), Coinmach Corporation, Synagro Technologies, Keystone Group Holdings, Fairmount Food Group, LLC, Syniverse Technologies (formerly TSI Telecommunications Services) and Polypore, Inc.

Vincent J. Hemmer, *Director*, has served as a director since inception. Mr. Hemmer is currently a Principal with GTCR Golder Rauner, LLC and has been with GTCR since 1996. Mr. Hemmer previously worked as a consultant with the Monitor Company and an investment banker with Credit Suisse First Boston. He earned a BS in Economics, magna cum laude, and was a Benjamin Franklin Scholar at The Wharton School of the University of Pennsylvania. Mr. Hemmer received his MBA from Harvard University. Mr. Hemmer is currently a director of Fairmount Food Group and Synagro Technologies.

Gary E. Costley Ph.D., *Director*, has served as a director since November 2004. Dr. Costley is currently managing partner at C&G Capital and Management, a private investment company, which he joined in July 2004. He previously served from 2001 to June 2004 as chairman and chief executive officer of International Multifoods Corporation and from 1997 to 2001 as its chairman, president and

chief executive officer. From 1995 to 1996, Dr. Costley served as dean of the Graduate School of Marketing at Wake Forest University. Prior to that time, Dr. Costley spent 24 years with the Kellogg Company where he held various positions of increasing responsibility, including his most recent role as president of Kellogg North America. Dr. Costley earned a BS in Animal Science and both an MS and PhD in Nutrition from Oregon State University. Dr. Costley is currently a director of Principal Financial Group and Accelrys, Inc.

L. Dick Buell, Director, has served as a director since November 2004. Mr. Buell is currently chief executive officer and director of Catalina Marketing Corporation, which he joined in March 2004. From January 2002 to January 2004, Mr. Buell was chief executive officer of WS Brands, a portfolio company of Willis Stein & Partners. From February 2000 to December 2001, Mr. Buell was president and chief operating officer of Foodbrands America, Inc., a unit of Tyson Foods. Prior to that time, Mr. Buell spent 10 years at Griffith Laboratories, Inc. and served as chief executive officer from 1992 to 1999. From 1983 to 1990, Mr. Buell served as vice president of marketing for Kraft Grocery Products and from 1979 to 1983 as a consultant at McKinsey & Company. Mr. Buell earned his BS in Engineering from Purdue University and his MBA from the University of Chicago.

Family Relationships

There are no family relationships between any of our executive officers and directors.

Board Composition

Our amended and restated certificate of incorporation provides that our board of directors shall consist of such number of directors as determined from time to time by resolution of the board. Initially, our board of directors will consist of five members. Any additional directorships resulting from an increase in the number of directors may only be filled by the directors then in office. The term of office for each director will last until his successor is elected or appointed, with election for each directorship being held annually. Within one year of the completion of this offering, a majority of our board of directors will be "independent" as defined under the rules of the New York Stock Exchange.

Committees of the Board

Prior to the consummation of this offering, we intend to establish an audit committee, a compensation committee and a corporate governance and nominating committee. Each committee will consist of three persons, at least one of whom is not employed by us, and is "independent" as defined under the rules of the New York Stock Exchange. Within one year of the consummation of this offering, all the members of these committees will be independent.

Audit Committee. The audit committee is responsible for (1) selecting the independent auditors, (2) approving the overall scope of the audit, (3) assisting the board of directors in monitoring the integrity of our financial statements, the independent accountant's qualifications and independence, the performance of the independent accountants and our internal audit function and our compliance with legal and regulatory requirements, (4) annually reviewing an independent auditors' report describing the auditing firms' internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the auditing firm, (5) discussing the annual audited financial and quarterly statements with management and the independent auditor, (6) discussing earnings press release, as well as financial information and earnings guidance provided to analysts and rating agencies, (7) discussing policies with respect to risk assessment and risk management,

(8) meeting separately, periodically, with management, internal auditors and the independent auditor, (9) reviewing with the independent auditor any audit problems or difficulties and management's response, (10) setting clear hiring policies for employees or former employees of the independent auditors, (11) handling such other matters that are specifically delegated to the audit committee by the board of directors from time to time and (12) reporting regularly to the full board of directors.

Upon the completion of this offering, our audit committee will consist of Messrs. Costley, Buell and Hemmer. Our board of directors will adopt a written charter for the audit committee, which will be available on our website.

Compensation Committee. The compensation committee is responsible for (1) reviewing key employee compensation policies, plans and programs, (2) reviewing and approving the compensation of our executive officers, (3) reviewing and approving employment contracts and other similar arrangements between us and our executive officers, (4) reviewing and consulting with the chief executive officer on the selection of officers and evaluation of executive performance and other related matters, (5) administration of stock plans and other incentive compensation plans and (6) such other matters that are specifically delegated to the compensation committee by the board of directors from time to time. Upon the completion of this offering, our compensation committee will consist of Messrs. Costley, Buell and Donnini. Our board of directors will adopt a written charter for the compensation committee, which will be available on our website.

Corporate Governance and Nominating Committee. Our corporate governance and nominating committee's purpose will be to assist our board of directors by identifying individuals qualified to become members of our board consistent with criteria set by our board and to develop our corporate governance principles. This committee's responsibilities will include: (1) evaluating the composition, size and governance of our board of directors and its committees and making recommendations regarding future planning and the appointment of directors to our committees, (2) establishing a policy for considering stockholder nominees for election to our board of directors, (3) recommending ways to enhance communications and relations with our stockholders, (4) evaluating and recommending candidates for election to our board of directors, (5) overseeing our board of directors performance and self-evaluation process and developing continuing education programs for our directors, (6) reviewing our corporate governance principles and providing recommendations to the board of directors regarding possible changes, and (7) reviewing and monitoring compliance with our code of ethics and our insider trading policy. Upon the completion of this offering, our corporate governance and nominating committee will consist of Messrs. Costley, Buell and Hemmer. Our board of directors will adopt a written charter for the corporate governance and nominating committee, which will be available on our website.

Other Committees. Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Compensation of Directors

Our directors are currently not entitled to receive any compensation for serving on the board of directors. Directors are reimbursed for their out-of-pocket expenses incurred in connection with such services. Following this offering, directors who are not our employees will receive compensation that is commensurate with arrangements offered to directors of companies that are similar to us. Compensation arrangements for independent directors established by our board of directors may be in the form of cash payments and/or option grants or other equity securities.

Compensation Committee Interlocks and Insider Participation

The compensation arrangements for our Chief Executive Officer and each of our Named Executive Officers were established pursuant to the terms of the respective employment agreements between us and each executive officer, with the exception of Richard Thome who does not have an employment agreement. The terms of the employment agreements were established pursuant to arms-length negotiations between a representative of our existing equity investors and each executive officer.

None of our executive officers serves, and we anticipate that none will serve, as a member of the board of directors or compensation committee of any entity that has one or more executive officers that serves on our board of directors or compensation committee.

Executive Compensation

The following table sets out the compensation for fiscal 2004 for our President and Chief Executive Officer and our other four most highly compensated officers, who are collectively referred to as the "Named Executive Officers":

Name and Principal Position	Year	Annual Compensation		All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	
Peter C. Mann President, Chief Executive Officer and Director	2004	415,265	2,506,701(1)	12,000(6)
Peter J. Anderson Chief Financial Officer	2004	295,962	237,602(2)	12,000(6)
Gerard F. Butler Chief Sales Officer	2004	218,000	169,363(3)	12,000(6)
Michael A. Fink Senior Vice President of Marketing	2004	195,000	93,600(4)	12,000(6)
Richard Thome Senior Vice President of Operations	2004	193,100	175,338(5)	4,500(6)

- (1) Includes bonus of \$2,251,663 paid in connection with the Medtech acquisition and bonuses of \$100,063 and \$154,975 related to the performance of Spic and Span and Medtech, respectively. The Medtech performance bonus was earned in fiscal 2004 and paid in the subsequent fiscal year on April 30, 2004.
- (2) Includes bonus of \$123,852 paid in connection with the Medtech acquisition and bonuses of \$28,250 and \$85,500 related to the performance of Spic and Span and Medtech, respectively. The Medtech performance bonus was earned in fiscal 2004 and paid in the subsequent fiscal year on April 30, 2004.
- (3) Includes bonus of \$82,363 paid in connection with the Medtech acquisition and bonuses of \$21,600 and \$65,400 related to the performance of Spic and Span and Medtech, respectively. The Medtech performance bonus was earned in fiscal 2004 and paid in the subsequent fiscal year on April 30, 2004.
- (4) Includes bonus related to performance of Medtech. This bonus was earned in fiscal 2004 and paid in the subsequent fiscal year on April 30, 2004.
- (5) Includes bonus of \$82,650 paid in connection with the Medtech acquisition and bonus of \$92,688 related to the performance of Medtech. The Medtech performance bonus was earned in fiscal 2004 and paid in the subsequent fiscal year on April 30, 2004.
- (6) Such amounts include a matching contribution to our 401(k) plan in April 2004 for contributions made in 2003.

Option Grants in Fiscal Year 2004

There were no options granted to our Named Executive Officers in fiscal year 2004.

Aggregate Options Exercised in the Year and Year-End Values

There were no options outstanding in fiscal year 2004.

Senior Management Agreements

In connection with the Medtech acquisition, we entered into senior management agreements, dated February 6, 2004, with the following members of our management team: Peter C. Mann, Peter J. Anderson, Gerard F. Butler and Michael A. Fink. On March 17, 2004, we entered into senior management agreements with Charles Schrank and Eric M. Millar.

Employment Terms. Under their respective senior management agreements, each of Messrs. Mann, Anderson, Butler and Fink will serve in the following positions and receive the following annual base salary, subject to increase by the board of directors:

Name	Position	Annual Base Salary
Peter C. Mann	Chief Executive Officer	\$ 425,000
Peter J. Anderson	Chief Financial Officer	297,000
Gerard F. Butler	Chief Sales Officer	227,000
Eric M. Millar	Senior Vice President of Operations	205,000
Michael A. Fink	Senior Vice President of Marketing	203,000
Charles Schrank	Senior Vice President of Marketing	188,000

In addition to the above compensation, each executive is eligible for an annual bonus to be determined by the board of directors for each fiscal year of employment and is entitled to any other benefits approved by the board of directors and made available to other senior managers.

Each executive's employment will continue until his:

- resignation without good reason, or his disability or death,
- termination of employment with cause,
- termination of employment without cause or
- resignation with good reason.

If an executive's employment is terminated by us without cause or by executive for good reason, then during the one-year period following the termination we will be obligated to pay him, in equal installments on regular payroll dates, an aggregate amount equal to his annual base salary and his prior annual bonus.

Each executive has agreed to limitations on his ability to disclose confidential information relating to us and acknowledges that all discoveries, inventions, methods and other work product relating to his employment belong to us. Also, during the one-year period following an executive's termination of employment, he agrees not to engage in any manner in any business in the United States that competes

with one of our significant revenue-producing brands or with respect to which we conducted discussions relating to the acquisition of such business during the year preceding executive's termination and during his receipt of any severance payments. Furthermore, during the non-compete period, executive agrees not to solicit our employees or customers or hire our key employees.

Equity Purchase. In connection with the Medtech acquisition and as contemplated by their respective senior management agreements, Messrs. Mann, Anderson, Butler and Fink, and on March 17, 2004, Mr. Schrank and Mr. Millar, each acquired (1) a strip of class B preferred units and/or common units of Prestige Holdings, which are referred to as "co-invest units," and (2) additional common units, which are available only for issuance to management investors and which are referred to as "carried units." A description of the class B preferred units and the common units is set forth below under "Limited Liability Company Agreement." The purchase price of the class B preferred units and the common units was \$1000 per unit and \$0.10 per unit, respectively.

Co-invest units were fully vested when purchased. Carried units, however, are subject to vesting. Fifteen percent of Mr. Mann's carried units were vested when purchased and 17% will vest annually over a period of five years from the date of purchase, subject to acceleration in the event of a sale of Prestige Holdings. Twenty percent of Messrs. Anderson, Butler, Fink, Schrank and Millar's carried units will vest annually over a period of five years from the date of purchase, subject to acceleration in the event of a sale of Prestige Holdings. The senior management agreements prohibit a management investor from transferring any of his co-invest units or carried units, subject to specified exceptions. The transfer restrictions terminate with respect to specified securities upon such securities being transferred in a public sale and with respect to all securities upon the sale of Prestige Holdings.

As part of the Medtech and Denorex acquisition, each of the executives listed in the table below sold (1) the number of shares of Medtech common stock indicated below to us in exchange for \$4.93 per share and (2) the number of shares of Denorex common stock indicated below to Prestige Personal Care, Inc. in exchange for \$128.75 per share. In addition, each of Messrs. Mann, Anderson, Butler and Fink contributed the remainder of their respective Medtech common stock and Denorex common stock to Prestige Holdings in exchange for a number of class B preferred units and common units of Prestige Holdings based on a price of \$1,000 per unit and \$0.10 per unit, respectively.

Name	Number of Shares of Medtech Common Sold to Prestige Brands	Number of Shares of Denorex Common Sold to Prestige Personal Care	Gross Proceeds from Sale	Number of Shares of Medtech Common Contributed to Prestige Holdings	Number of Shares of Denorex Common Contributed to Prestige Holdings
Peter C. Mann	195,258	3,424	\$ 1,403,433	161,989	1,565
Peter J. Anderson	161,801	1,363	973,158	52,547	508
Gerard F. Butler	107,867	909	648,769	35,031	338
Michael A. Fink	37,301	2,494	505,028	34,148	0

Name	Aggregate Value of Shares Contributed	Number of Class B Preferred Units received in Exchange for Contribution	Number of Common Units received in Exchange for Contribution	Aggregate Value of Class B Preferred Units and Common Units Received in Exchange for Contribution
Peter C. Mann	\$ 1,000,000	749,569	2,504,310	\$ 1,000,000
Peter J. Anderson	324,387	202,683	1,217,032	324,387
Gerard F. Butler	216,257	125,520	907,367	216,257
Michael A. Fink	168,343	107,368	609,746	168,343

As part of the Spic and Span acquisition, Mr. Mann received 27,667 common units of Prestige Holdings in exchange for 8,305 shares of Spic and Span class A common stock, Mr. Anderson received 6,914 common units of Prestige Holdings in exchange for 2,074 shares of Spic and Span class A common stock, Mr. Butler received 9,233 common units of Prestige Holdings in exchange for 2,768 shares of Spic and Span class A common stock and Mr. Schrank sold 1,730 shares of Spic and Span class A common stock for cash.

In connection with GTCR's follow-on equity investment on April 6, 2004, to partially finance the Bonita Bay acquisition, each of Messrs. Mann, Anderson, Butler and Fink's holdings of common units were reduced pursuant to anti-dilution provisions in the senior management agreements. See "Unit Purchase Agreement" below. In connection with the Bonita Bay acquisition, and as contemplated in his senior management agreement, Mr. Millar acquired a strip of class B preferred units and additional co-invest units.

Equity Repurchase. Prestige Holdings may be required to purchase an executive's vested units in the event of the termination of his employment:

- due to death or disability,
- by us without cause, provided that, at such time, financial targets are being met and defaults are not existing under our financing arrangements or
- by the executive for good reason, provided that, at such time, financial targets are being met and defaults are not existing under our financing arrangements.

In addition, Prestige Holdings may be required to purchase a portion of an executive's class B preferred units at the fair market value of such securities if the investors that are a party to the unit purchase agreement elect not to purchase all of the class B preferred units contemplated to be purchased by them under such agreement, or, all of such class B preferred units have not been purchased by them under the unit purchase agreement prior to a sale of Prestige Holdings or an initial public offering of the equity of Prestige Holdings or any corporate successor thereto.

In addition, Prestige Holdings and the investors that are party to the unit purchase agreement will have the right to purchase all or any portion of an executive's unvested units if his employment is terminated and all or any portion of the executive's vested units in the event of the termination of his employment:

- due to death or disability,
- by us with cause,

- by him without good reason or
- at a time when financial targets are not being met or defaults are existing under our financing arrangements.

If Prestige Holdings elects to purchase any units pursuant to the call option described in the preceding sentence, the purchase price of any such units may, among other alternatives, be paid by issuing class A preferred units to the executive. The aggregate capital contributions deemed made to Prestige Holdings in respect of such class A preferred units will be equal to the aggregate repurchase price of the units being repurchased with such class A preferred units. The purchase price for securities purchased pursuant to the call option will be:

- in the case of unvested carried units, the lesser of the original cost and the fair market value of such units;
- in the case of vested carried units and common units, the fair market value of such units, provided that, if the executive's employment is terminated with cause, then the purchase price shall be the lesser of the original cost and the fair market value of such units; and
- in the case of the class B preferred units, the fair market value of such units, provided that, if the executive's employment is terminated with cause, then the purchase price shall be the lesser of the original cost and the fair market value of such units.

Repurchases by Prestige Holdings under the put and call options described above are subject to:

- Prestige Holdings' ability to pay the purchase price from its readily available cash resources,
- restrictions contained in laws applicable to Prestige Holdings or its subsidiaries and
- restrictions contained in Prestige Holdings' and its subsidiaries' debt and equity financing agreements, including the senior credit facility and the indenture governing the 9¹/₄% notes.

Prestige Holdings may therefore defer repurchases while such restrictions apply.

Amended and Restated Senior Management Agreements

In connection with the corporate reorganization, each executive will exchange the common units he holds for shares of common stock. In addition, each executive will enter into an amended and restated senior management agreement. The amended agreements, among other things, accelerate the vesting of the executive's unvested shares of common stock. Pursuant to the amended agreements, 25.5% of Mr. Mann's unvested shares of common stock, 30% of Mr. Anderson's unvested shares of common stock and 20% of Messrs. Butler, Fink, Schrank and Millar's unvested shares of common stock will vest immediately upon the consummation of this offering, with each executives' remaining unvested shares of common stock vesting on a daily basis through February 6, 2009. In addition, the amended agreements eliminate the right of each executive to require us to repurchase his shares of common stock in the event he ceases to be employed by us. The amended agreements also eliminate the rights of the existing equity investors and us to repurchase an executive's vested shares of common stock in the event he ceases to be employed by us. We will, however, retain our right to repurchase an executive's unvested shares of common stock, at a price equal to the lower of cost or fair market value, if he ceases to be employed by us for any reason.

Employee Securities Purchase Agreements

On November 1, 2004, Prestige Holdings sold an aggregate of 337,000 common units to a total of 33 employees at a price of \$0.70 per common unit. Each employee's common units are subject to vesting, with 20% vesting annually over a period of five years from the date of purchase, subject to acceleration in the event of a sale of Prestige Holdings. In connection with the corporate reorganization, each employee will exchange its common units for a proportionate number of shares of our common stock.

2005 Long-Term Equity Incentive Plan

Prior to the completion of this offering, we intend to adopt the Prestige Brands Holdings, Inc. 2005 Long-Term Equity Incentive Plan. The equity incentive plan provides for grants of stock options, restricted stock, restricted stock units, deferred stock units and other equity-based awards. Directors, officers and other employees of Prestige Holdings and its subsidiaries, as well as others performing services for us, will be eligible for grants under the plan. The purpose of the equity incentive plan is to provide these individuals with incentives to maximize stockholder value and otherwise contribute to our success and to enable us to attract, retain and reward the best available persons for positions of responsibility. The following is a summary of the material terms of the equity incentive plan, but does not include all of the provisions of the plan. For further information about the plan, we refer you to the complete copy of the equity incentive plan, which we have filed as an exhibit to the registration statement of which this prospectus is a part.

Administration. The compensation committee of our board of directors will administer the equity incentive plan. Our board of directors also has the authority to administer the plan and to take all actions that the compensation committee is otherwise authorized to take under the plan.

Available Shares. A total of 5,000,000 shares of our common stock, representing 10.0% of our outstanding common stock after the offering, will be available for issuance under the equity incentive plan. The number of shares available for issuance under the equity incentive plan is subject to adjustment in the event of a reorganization, stock split, merger or similar change in our corporate structure or the outstanding shares of common stock. In the event of any of these occurrences, we may make any adjustments we consider appropriate to, among other things, the number and kind of shares, options or other property available for issuance under the plan or covered by grants previously made under the plan. The shares available for issuance under the plan may be, in whole or in part, authorized and unissued or held as treasury shares.

Eligibility. Directors, officers and employees of Prestige Holdings and its subsidiaries, as well as other individuals performing services for us, will be eligible to receive grants under the equity incentive plan. However, only employees may receive grants of incentive stock options. In each case, the compensation committee will select the actual grantees.

Stock Options. Under the equity incentive plan, the compensation committee or the board of directors may award grants of incentive stock options conforming to the provisions of Section 422 of the Internal Revenue Code, and other, non-qualified stock options. The compensation committee may not, however, award to any one person in any calendar year options to purchase common stock equal to more than 25.0% of the total number of shares authorized under the plan, and it may not award incentive options first exercisable in any calendar year whose underlying shares have a fair market value greater than \$100,000, determined at the time of grant.

The exercise price of an option granted under the plan may not be less than 100% of the fair market value of a share of common stock on the date of grant, and the exercise price of an incentive option awarded to a person who owns stock constituting more than 10% of Prestige Holdings' voting power may not be less than 110% of such fair market value on such date.

Unless the compensation committee determines otherwise, the exercise price of any option may be paid in any of the following ways:

- in cash,
- by delivery of shares of common stock with a fair market value equal to the exercise price, and/or
- by simultaneous sale through a broker of shares of common stock acquired upon exercise.

If a participant elects to deliver shares of common stock in payment of any part of an option's exercise price, the compensation committee may in its discretion grant the participant a "reload option." The reload option entitles its holder to purchase a number of shares of common stock equal to the number so delivered. The reload option may also include, if the compensation committee chooses, the right to purchase a number of shares of common stock equal to the number delivered or withheld in satisfaction of any of the Company's tax withholding requirements in connection with the exercise of the original option. The terms of each reload option will be the same as those of the original exercised option, except that the grant date will be the date of exercise of the original option, and the exercise price will be the fair market value of the common stock on the date of exercise.

The compensation committee will determine the term of each option in its discretion. However, no term may exceed ten years from the date of grant or, in the case of an incentive option granted to a person who owns stock constituting more than 10% of the voting power of the Company, five years from the date of grant. In addition, all options under the equity incentive plan, whether or not then exercisable, generally cease vesting when a grantee ceases to be a director, officer or employee of, or to otherwise perform services for, the Company or its subsidiaries. Options generally expire 30 days after the date of cessation of service, so long as the grantee does not compete with the Company during the 30-day period.

There are, however, exceptions depending upon the circumstances of cessation. In the case of a participant's death or disability, all options that are exercisable shall remain so for up to 180 days after the date of death or disability, and all options that were not exercisable will terminate upon the date of death or disability. In the case of a participant's retirement, all options that are exercisable shall remain so for up to 90 days after the date of retirement, and all options that were not exercisable will terminate upon the date of retirement. In each of the foregoing circumstances, the board of directors or compensation committee may elect to accelerate the vesting of unvested options and further extend the applicable exercise period in its discretion. Upon termination for cause, all options will terminate immediately. If we undergo a change in control and a grantee is terminated from service (other than for cause) within one year thereafter, all options will become fully vested and exercisable and remain so for up to one year after the date of termination. In addition, the compensation committee has the authority to grant options that will become fully vested and exercisable automatically upon a change in control of the Company, whether or not the grantee is subsequently terminated.

Restricted Stock. Under the equity incentive plan, the compensation committee may award restricted stock subject to the conditions and restrictions, and for the duration, which will generally be at least six months, that it determines in its discretion. If a participant ceases to be a director, officer or

employee of, or to otherwise perform services for, the Company or its subsidiaries during any period of restriction, all shares of restricted stock on which the restrictions have not lapsed shall be immediately forfeited to the Company. If, however, the cessation occurs due to death, disability or retirement, the compensation committee may elect to provide that all restrictions on shares of restricted stock granted to such participant shall lapse. If we undergo a change in control and a participant is terminated (other than for cause) from being a director, officer or employee of, or otherwise performing services for, the Company or its subsidiaries within one year after such change in control, all restrictions on shares of restricted stock granted to such participant shall lapse. In addition, the compensation committee has the authority to award shares of restricted stock with respect to which all restrictions shall lapse automatically upon a change in control of the Company, whether or not the participant is subsequently terminated.

Restricted Stock Units; Deferred Stock Units. Under the equity incentive plan, the compensation committee may award restricted stock units subject to the conditions and restrictions, and for the duration, which will generally be at least six months, that it determines in its discretion. Each restricted stock unit is equivalent in value to one share of common stock and entitles the grantee to receive one share of common stock for each restricted stock unit at the end of the vesting period applicable to such restricted stock unit. If a participant ceases to be a director, officer or employee of, or to otherwise perform services for, the Company or its subsidiaries during any period of restriction, all restricted stock units on which the restrictions have not lapsed shall be immediately forfeited to the Company. If, however, the cessation occurs due to death, disability or retirement, the compensation committee may elect to provide that all restrictions on restricted stock units granted to such participant shall lapse. If we undergo a change in control and a participant is terminated (other than for cause) from being a director, officer or employee of, or otherwise performing services for, the Company or its subsidiaries within one year after such change in control, all restrictions on restricted stock units granted to such participant shall lapse. In addition, the compensation committee has the authority to award restricted stock units with respect to which all restrictions shall lapse automatically upon a change in control of the Company, whether or not the participant is subsequently terminated. Prior to the later of (i) the close of the tax year preceding the year in which restricted stock units are granted or (ii) 30 days of first becoming eligible to participate in the plan (or, if earlier, the last day of the tax year in which the participant first becomes eligible to participate in the plan) and on or prior to the date the restricted stock units are granted, a grantee may elect to defer the receipt of all or a portion of the shares due with respect to the restricted stock units and convert such restricted stock units into deferred stock units. Subject to specified exceptions, the grantee will receive shares in respect of such deferred stock units at the end of the deferral period.

Performance Awards. Under the equity incentive plan, the compensation committee may grant performance awards contingent upon achievement by the grantee, the Company and/or its subsidiaries or divisions of set goals and objectives regarding specified performance criteria, such as, for example, return on equity, over a specified performance cycle, as designated by the compensation committee. Performance awards may include specific dollar-value target awards, performance units, the value of which is established by the compensation committee at the time of grant, and/or performance shares, the value of which is equal to the fair market value of a share of common stock on the date of grant. The value of a performance award may be fixed or fluctuate on the basis of specified performance criteria. A performance award may be paid out in cash and/or shares of our common stock or other securities.

Unless the compensation committee determines otherwise, if a grantee ceases to be a director, officer or employee of, or to otherwise perform services for, the Company or its subsidiaries prior to completion of a performance cycle due to death, disability or retirement, the grantee will receive the portion of the performance award payable to him or her based on achievement of the applicable

performance criteria over the elapsed portion of the performance cycle. If termination of employment or service occurs for any other reason prior to completion of a performance cycle, the grantee will become ineligible to receive any portion of a performance award. If we undergo a change in control, a grantee will earn no less than the portion of the performance award that he or she would have earned if the applicable performance cycle had terminated as of the date of the change in control.

Vesting, Withholding Taxes and Transferability of All Awards. The terms and conditions of each award made under the equity incentive plan, including vesting requirements, will be set forth consistent with the plan in a written agreement with the grantee. Except in limited circumstances, no award under the equity incentive plan may vest and become exercisable within six months of the date of grant, unless the compensation committee determines otherwise.

Unless the compensation committee determines otherwise, a participant may elect to deliver shares of common stock, or to have us withhold shares of common stock otherwise issuable upon exercise of an option or upon grant or vesting of restricted stock or a restricted stock unit, in order to satisfy our withholding obligations in connection with any such exercise, grant or vesting.

Unless the compensation committee determines otherwise, no award made under the equity incentive plan will be transferable other than by will or the laws of descent and distribution or to a grantee's family member by gift or a qualified domestic relations order, and each award may be exercised only by the grantee, his or her qualified family member transferee, or any of their respective executors, administrators, guardians, or legal representatives.

Amendment and Termination of the Equity Incentive Plan. The board of directors may amend or terminate the equity incentive plan in its discretion, except that no amendment will become effective without prior approval of our stockholders if such approval is necessary for continued compliance with applicable stock exchange listing requirements. Furthermore, any termination may not materially and adversely affect any outstanding rights or obligations under the equity incentive plan without the affected participant's consent. If not previously terminated by the board of directors, the equity incentive plan will terminate on the tenth anniversary of its adoption.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table shows information regarding the beneficial ownership of shares of our common stock before and after the completion of this offering (after giving effect to the redemption of class B preferred units for cash and common stock that was reallocated among our existing equity investors) and shows the number of and percentage owned by:

- each person who is known by us to own beneficially more than 5% of our outstanding common stock;
- each member of our board of directors;
- each of our named executive officers; and
- all members of our board of directors and our executive officers as a group.

In addition, up to 3,500,000 shares of common stock owned by the GTCR funds, the TCW/Crescent funds, senior management and other employees may be sold if the underwriters exercise their over-allotment option, as set forth in the table on the following page. No other stockholder is selling common stock as part of this offering. Unless otherwise indicated, the principal address of each of the stockholders below is c/o Prestige Brands Holdings, Inc., 90 North Broadway, Irvington, NY 10533.

	Shares Beneficially Owned			
	Prior to Offering		After Offering	
	Number	%	Number	%
GTCR Funds ⁽¹⁾	22,710,894	85.2	23,051,873	46.1
TCW/Crescent Funds ⁽²⁾	1,374,658	5.2	1,390,732	2.8
David A. Donnini ⁽¹⁾⁽³⁾	22,710,894	85.2	23,051,873	46.1
Vincent J. Hemmer ⁽¹⁾⁽³⁾	22,710,894	85.2	23,051,873	46.1
Gary E. Costley	—	—	—	—
L. Dick Buell	—	—	—	—
Peter C. Mann	1,120,602	4.2	968,265	1.9
Peter J. Anderson	479,019	1.8	410,942	*
Gerard F. Butler	379,303	1.4	324,518	*
Michael A. Fink	238,487	*	204,756	*
Charles Schrank	90,686	*	76,834	*
Eric M. Millar	95,217	*	81,889	*
Richard Thome	6,884	*	5,833	*
All directors and executive officers as a group (11 persons)	25,121,092	94.2	25,124,910	50.3

* Denotes less than one percent.

(1) Amounts shown reflect the aggregate interests held by GTCR Fund VIII, L.P. ("Fund VIII"), GTCR Fund VIII/B, L.P. ("Fund VIII/B"), GTCR Co-Invest II, L.P. ("Co-Invest II") and GTCR Capital Partners, L.P. ("Capital Partners") (collectively, the "GTCR Funds"). The address of each such person and/or entity is c/o GTCR Golder Rauner, L.L.C., 6100 Sears Tower, Chicago, IL 60606.

(2) Amounts shown reflect the aggregate interests held by TCW/Crescent Mezzanine Partners III, L.P., TCW/Crescent Mezzanine Trust III and TCW/Crescent Mezzanine Partners III Netherlands, L.P. (collectively, the "TCW/Crescent Funds"). The address of each such person and/or entity is c/o TCW/Crescent Mezzanine, L.L.C., 200 Crescent Court, Suite 1600, Dallas, Texas 75201.

(3) Represents shares held by the GTCR Funds, as described in note (1). Messrs. Donnini and Hemmer are each principals and/or members of GTCR Golder Rauner, L.L.C. ("GTCR") and GTCR Golder Rauner II, L.L.C. ("GTCR II"). GTCR is the general partner of GTCR Partners VI, L.P., the general partner of Capital Partners. GTCR II is the general partner of GTCR Partners VIII, L.P. ("Partners VIII") and Co-Invest II. Partners VIII is the general partner of Fund VIII and Fund VIII/B. Accordingly Messrs. Donnini and Hemmer may be deemed to beneficially own the shares owned by the GTCR Funds. Each such person disclaims beneficial ownership of any such shares in which he does not have a pecuniary interest. The address of each such person is c/o GTCR Golder Rauner, L.L.C., 6100 Sears Tower, Chicago, IL 60606.

The following table sets forth information regarding the ownership of shares of our common stock assuming the underwriters' over-allotment option is exercised in full:

Name	Number of Shares Offered in Over-Allotment Option	Shares Beneficially Owned After the Offering	
		Number	%
GTCR Funds	3,128,110	19,923,763	39.8
TCW/Crescent Funds	189,340	1,201,392	2.4
Peter C. Mann	94,135	874,130	1.7
Peter J. Anderson	34,791	376,151	*
Gerald F. Butler	22,438	302,080	*
Michael A. Fink	14,108	190,648	*
Charles Schrank	4,777	72,057	*
Eric M. Millar	5,401	76,488	*
Carlton Blackburn	132	4,534	*
Ron Franko	132	4,534	*
Robert Dooley	132	4,534	*
Brian Fisher	132	4,534	*
Steve Garcia	132	4,534	*
Philip Henschel	132	4,534	*
Sam Blankenship	132	4,534	*
David Talbert	1,125	11,579	*
Kirk T. Anderson	132	4,534	*
Rita Holmes	55	1,890	*
Elaine Connolly	165	5,668	*
Adam Blumenthal	77	2,644	*
Steven Kornhauser	2,361	21,253	*
Mark Zabrowsky	132	4,534	*
Douglas Mann	77	2,644	*
Christopher Maynard	110	3,778	*
Fred Goldsmith	165	5,668	*
Cheryl Yancey-Biron	110	3,778	*
James Rogers	220	7,556	*
Harris Semegram	165	5,668	*
Dale Johnson	110	3,778	*
Victoria Ann DeCora	55	1,890	*
Julie McKnight	55	1,890	*
Lynda Yazzolino	33	1,912	*
John Capalongo	77	2,644	*
Richard Thome	165	5,668	*
Keith Kolakoski	110	3,778	*
Robert Pritchard	110	3,778	*
Kyra Malinich	33	1,912	*
Judy Manus	33	1,912	*
Phillip Kennedy	55	1,890	*
Dru-Anne Heun	110	3,778	*
Sally Walton	132	4,534	*

* Denotes less than one percent.

The individuals listed as selling stockholders in the table above are employees of our company. We have agreed to pay all the expenses of the selling stockholders in the offering other than underwriting discounts and commissions. In the event the underwriters' over-allotment is not exercised in full, the number of shares to be sold by the selling stockholders named above will be reduced proportionally.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Redemption of Class B Preferred Units

We intend to contribute approximately \$115.4 million of the net proceeds from the offering to Prestige International Holdings, LLC, which will then use such proceeds, together with 3,911,710 shares of our common stock contributed to it by our existing stockholders, to redeem the following number of its outstanding class B preferred units held by some of our directors, executive officers and security holders who beneficially own more than five percent of any class of our voting securities. We refer to Prestige International Holdings, LLC as "Prestige LLC" in this section of the prospectus.

Name	Number of Units	Aggregate Redemption Amount Paid in Cash	Aggregate Redemption Amount Paid in Stock
GTCR Funds	152,362.523	\$ 107,975,390	3,658,895
TCW/Crescent Funds	9,017.250	6,406,293	217,086
David A. Donnini ⁽¹⁾	152,362.523	107,975,390	3,658,895
Vincent J. Hemmer ⁽¹⁾	152,362.523	107,975,390	3,658,895
Peter C. Mann	749.569	533,772	18,088
Peter J. Anderson	202.683	144,332	4,891
Gerard F. Butler	125.520	89,384	3,025
Michael A. Fink	107.368	76,457	2,591
Eric M. Millar	49.013	34,449	1,167

(1) Messrs. Donnini and Hemmer are each principals and/or members of the GTCR Funds, as set forth in note (3) of the first table under "Principal and Selling Stockholders," and therefore may be deemed to beneficially own the units owned by the GTCR Funds. Messrs. Donnini and Hemmer each disclaim beneficial ownership of any such units in which he does not have a pecuniary interest.

The per unit redemption amount for each class B preferred unit to be redeemed by Prestige LLC will be equal to the liquidation value of the class B preferred unit of \$1,000 per unit plus all accrued but unpaid yield through the redemption date, assumed to be December 31, 2004 for purposes of the table set forth above.

Agreements Relating to Formation of Prestige International Holdings, LLC

The following discussion summarizes various agreements and transactions entered into in connection with the formation and capitalization of Prestige LLC. Prestige Brands Holdings, Inc., a Delaware corporation, the shares of which are being sold to the public in this offering, will be the direct parent company of Prestige LLC. This will occur pursuant to a reorganization that will take place prior to the completion of this offering. The reorganization will not affect our operations, which we will continue to conduct through our operating subsidiaries. See "Reorganization as a Corporation."

The agreements described below resulted from negotiations between GTCR, its co-investors and management. While the terms and conditions of such agreements may not be identical to those that would have been obtained from negotiations between unaffiliated third parties, we believe the terms and conditions set forth in such agreements are customary for transactions of this type.

Unit Purchase Agreement

Pursuant to the unit purchase agreement entered into among Prestige LLC, the GTCR investors and the co-investors, in connection with the Medtech acquisition, on February 6, 2004, the GTCR investors and the co-investors acquired a strip of class B preferred units and common units of Prestige LLC for an aggregate purchase price of \$102,220,951 and \$3,000,000, respectively. In addition, the GTCR investors committed to purchase up to an aggregate of 144,779.049 class B preferred units at a price of \$1,000 per unit and, in any such case, the co-investors will have the option to purchase their proportionate share of such class B preferred units. The co-investors, however, will forfeit their rights to purchase additional class B preferred units should they on any occasion elect not to purchase their proportionate share of the additional class B preferred units being purchased by the GTCR investors. In connection with the Bonita Bay acquisition, the GTCR investors and the co-investors purchased 58,179.250 class B preferred units at a price of \$1,000 per unit. The discretionary investment of the remaining \$86,599,799 is conditioned upon the GTCR investors and the board of managers of Prestige LLC approving the proposed use of the proceeds from the investment, as well as the satisfaction of other conditions specified in the agreement.

This agreement will be terminated prior to the completion of this offering.

Limited Liability Company Agreement

Prestige LLC has issued senior preferred units, class B preferred units and common units, and under the terms of its limited liability agreement dated April 6, 2004, has the authority to create and issue class A preferred units. Prestige LLC's securities have the following features:

- Senior preferred units are entitled to a preferred yield of 8.0% per annum, or 0% per annum if specified sales targets are not met, compounded annually. On any liquidation or other distribution by us, senior preferred unitholders are entitled to an amount equal to their original investment, net of any prior returns of capital, plus any accrued and unpaid preferred yield. We refer to this yield as the "senior preference amount," because it is paid before any payments may be made to holders of class A preferred units, class B preferred units or common units. We have issued 22,500 senior preferred units.
- Class A preferred units are entitled to a preferred yield of 8.0% per annum, compounded quarterly. On any liquidation or other distribution by us, class A preferred unitholders are entitled to an amount equal to their original investment, net of any prior returns of capital, plus any accrued and unpaid preferred yield. We refer to this yield as the "class A preference amount," because it is paid before any payments may be made to holders of class B preferred units or common units. We have issued no class A preferred units.
- Class B preferred units are entitled to a preferred yield of 8.0% per annum, compounded quarterly. On any liquidation or other distribution by us, class B preferred unitholders are entitled to an amount equal to their original investment, net of any prior returns of capital, plus any accrued and unpaid preferred yield. We refer to this yield as the "class B preference amount," because it is paid before any payments may be made to holders of common units. We have issued 162,864.312 class B preferred units.
- Common units represent our common equity. After payment of the senior preference amount, the class A preference amount and the class B preference amount, common unitholders are entitled to any remaining proceeds, pro rata, of any liquidation or other distribution by us. We have issued 58,109,786 common units.

Prestige LLC will become our wholly owned subsidiary in connection with the corporate reorganization, which will occur prior to the completion of this offering.

Securityholders Agreement

With the exception of the holders of senior preferred units, which holders are a party to the senior preferred investor rights agreement, each securityholder of Prestige LLC is a party to the securityholders agreement dated April 6, 2004. Pursuant to the securityholders agreement of Prestige LLC, units of Prestige LLC beneficially owned by the securityholders of Prestige LLC are generally subject to restrictions on transfer, other than exempt transfers described in the securityholders agreement. When reference is made to "units" of Prestige LLC in this discussion, such reference shall be deemed to include the equity securities of any successor to Prestige LLC following a change in corporate form, whether in preparation for an initial public offering or otherwise.

The securityholders agreement also provides:

- the management investors and the other investors party thereto with customary tag-along rights with respect to transfers of Prestige LLC units beneficially owned by the GTCR investors, as defined in the securityholders agreement, which would enable them to transfer their units on the same terms and conditions as the GTCR investors in connection with specified transfers of units by the GTCR investors;
- the management investors and the other investors with customary preemptive rights in connection with issuances, excluding, for example, issuances pursuant to the Unit Purchase Agreement, to the GTCR investors of any preferred or common units of Prestige LLC or any securities convertible, exchangeable or exercisable for preferred or common units;
- in connection with sales of interests in Prestige LLC by any investor party thereto other than the GTCR investors, rights of first refusal with respect to such sales, first to Prestige LLC, then to the holders of common units; and
- the GTCR investors with drag along rights with respect to Prestige LLC units owned by the management investors and the other investors party thereto, which would require the management investors and other investors to sell their units in connection with a sale of the company that is approved by a majority of the holders of the common units.

This agreement will be terminated prior to the completion of this offering.

Senior Preferred Investor Rights Agreement

Pursuant to the senior preferred investor rights agreement of Prestige LLC, dated March 5, 2004, the senior preferred units of Prestige LLC are generally subject to restrictions on transfer, other than certain exempt transfers described in the senior preferred investor rights agreement. When reference is made to senior preferred units in this discussion, such reference shall be deemed to include the equity securities of any successor to Prestige LLC following a change in corporate form, whether in preparation for an initial public offering or otherwise.

The senior preferred investor rights agreement also provides:

- the holders of senior preferred units with a put right such that Prestige LLC may be required to purchase the senior preferred units, at a price per unit equal to the unreturned capital and

unpaid yield in respect of such unit, in the event a sale of Prestige LLC occurs or GTCR Fund VIII, L.P. and/or its affiliates transfer 25% or more of their equity securities of Prestige LLC, subject to exceptions;

- in connection with certain sales of senior preferred units, rights of first offer with respect to such sales, first to GTCR Fund VIII, L.P. (and/or its designees), then to Prestige LLC; and
- GTCR Fund VIII, L.P. with drag along rights with respect to the senior preferred units, which would require the holders of senior preferred units to sell their units in connection with a sale of the company that is approved by a majority of the holders of the common units.

This agreement will be terminated prior to the completion of this offering.

Registration Rights Agreement

Under the registration rights agreement of Prestige LLC, the holders of a majority of the investor registrable securities, as defined in the registration rights agreement, have the right at any time, subject to specified conditions, to request Prestige LLC, any corporate successor or any subsidiary, to register any or all of their securities under the Securities Act on Form S-1, which we refer to as a "long-form registration" at Prestige LLC's expense or on Form S-2 or Form S-3, which we refer to as a "short-form registration" at Prestige LLC's expense. In addition, following an initial public offering by Prestige LLC, subject to specified conditions, the holders of a majority of the TCW/Crescent registrable securities, as defined in the registration rights agreement, have the right to request one short-form registration at Prestige LLC's expense. Prestige LLC is not required, however, to effect any long-form registration within 90 days after the effective date of a previous long-form registration or a previous registration in which the holders of registrable securities were given the piggyback rights described in the following sentence, without any reduction. At Prestige LLC's expense, all holders of registrable securities are entitled to the inclusion of such securities in any registration statement used by Prestige LLC to register any offering of its equity securities, other than pursuant to a registration requested by holders of a majority of the investor registrable securities or holders of a majority of TCW/Crescent registrable securities, an initial public offering of Prestige LLC's equity securities or a registration on Form S-4 or Form S-8. With the exception of the holders of senior preferred units, each securityholder of Prestige LLC is a party to the registration rights agreement.

Professional Services Agreement

Under the professional services agreement, dated April 6, 2004, between Prestige LLC and GTCR, Prestige LLC has engaged GTCR as a financial and management consultant. During the term of its engagement, GTCR agreed to consult on business and financial matters, including corporate strategy, budgeting of future corporate investments, acquisition and divestiture strategies and debt and equity financings for an annual management fee of \$4 million.

At the time of any purchase of equity by the GTCR investors, the co-investors and/or their affiliates pursuant to the unit purchase agreement, Prestige LLC has agreed to pay GTCR a placement fee equal to two percent of the amount paid in connection with such purchase. At the time of any other equity or debt financing of Prestige LLC or any of its subsidiaries prior to a public offering by Prestige LLC, other than the purchase of securities of Prestige LLC by any executive of Prestige LLC or any of its subsidiaries, Prestige LLC has agreed to pay to GTCR a placement fee equal to two percent of the gross amount of such financing. GTCR was paid a fee of approximately \$5.0 million in connection with the consummation of the Medtech acquisition. Prestige LLC did not pay GTCR a fee in connection with the consummation of the Bonita Bay acquisition.

This agreement will be terminated prior to the completion of this offering.

Exchange Agreement

In connection with the reorganization, we will enter into an Exchange Agreement with Prestige LLC and each of the holders of common units of Prestige LLC pursuant to which such holders will transfer to us an aggregate of 58,109,786 common units, representing all of Prestige LLC's outstanding common units, in exchange for 26,666,667 shares of our common stock. Under the Exchange Agreement, so long as the GTCR investors and the TCW investors hold at least ten percent of the common stock they respectively held after completion of this offering, we are required to provide them:

- monthly and annual balance sheets and statements of income and cash flows;
- reports, management letters or other information concerning significant aspects of our operations or financial affairs that we provide to our independent accountants;
- thirty days prior to the beginning of each fiscal year, an annual budget for such fiscal year;
- prompt notice of the occurrence of specified material events, including, contract defaults, legal proceedings, casualty events or similar losses, changes in the conduct of our business, changes in any accounting procedures, practices or bases of accounting and any other transaction, event or circumstance that may have a material adverse effect on us; and
- any other information and financial data that they may reasonably request.

Notwithstanding the foregoing, in the event that either the GTCR investors or the TCW investors requests not to receive the foregoing statements, reports, documents or other information, we have agreed to not deliver such information to them for the period indicated in their request.

In addition, for so long as the GTCR investors and the TCW investors hold at least ten percent of the common stock they respectively held after completion of this offering, we have agreed:

- to file all reports required to be filed under the Securities Act and the Exchange Act and take such further actions as the GTCR investors or the TCW investors may reasonably request to enable them to sell shares of common stock pursuant to Rule 144 or a registration statement on Form S-2 or S-3;
- not to make any public announcements with respect to the GTCR investors or the TCW investors without their prior consent, unless such disclosure is required by law, in which case we must provide them with an opportunity to review and comment on the content of such disclosure;
- to provide the GTCR investors and the TCW investors any information necessary for any filings they must make under the Hart-Scott-Rodino Antitrust Improvements Act of 1976;
- to cause our independent accountants to conduct additional procedures with respect to our compensation, expense reimbursement and related party transaction practices, at the request of the GTCR investors; and
- not to issue or grant any stock-based compensation to our executive officers without the prior consent of the GTCR investors, provided that the GTCR investors hold at least 50% of the common stock they held after the completion of this offering.

DESCRIPTION OF PRINCIPAL INDEBTEDNESS

Prestige Brands Senior Credit Facility

General

In connection with the consummation of the Bonita Bay acquisition, one of our subsidiaries, Prestige Brands, Inc., entered into a senior credit facility with Citicorp North America, Inc., as administrative agent and tranche C agent, Bank of America, N.A., as syndication agent, Merrill Lynch, a division of Merrill Lynch Business Financial Services Inc., as documentation agent, and a syndicate of financial institutions and institutional lenders. Set forth below is a summary of the material terms of the senior credit facility.

The senior credit facility provides for an aggregate principal amount of up to \$523.0 million. The senior credit facility provides for:

- a senior secured term loan facility in an aggregate principal amount of up to \$373.0 million, which we refer to as the "term loan facility";
- a second lien term loan facility in an aggregate principal amount of up to \$100.0 million, which we refer to as the "tranche C term loan facility"; and
- a non-amortizing senior secured revolving credit facility in an aggregate principal amount of up to \$50.0 million. A portion of this facility will be available for swing loans and for the issuance of letters of credits.

We borrowed approximately \$458.5 million under the senior credit facility to provide a portion of the proceeds required to consummate the Bonita Bay acquisition. We borrowed an additional \$18.0 million under the tranche B term loan and \$12.0 million under the revolving credit facility to provide a portion of the proceeds required to consummate the Vetco acquisition. The revolving credit facility will also be used for working capital and general corporate needs, including permitted acquisitions.

Incremental Increases

Prestige Brands has the right to make up to two requests to increase the commitments under the facilities in an aggregate principal amount of up to \$132.0 million, provided specified conditions set forth in the credit agreement are met. Each lender has a first right to participate in each incremental increase, but no lender is required to commit to any incremental increase. We will be entering into an amendment to the credit agreement, effective upon the completion of this offering, that would, among other things, increase this amount to \$200.0 million. In addition, the amount available under the revolving credit facility will increase to \$60.0 million.

Collateral and Guarantees

Prestige Brands International, LLC, our intermediate holding company, and all its domestic subsidiaries, other than Prestige Brands, guarantee Prestige Brands' obligations under the senior credit facilities and their obligations arising under cash management transactions or interest rate or other hedging arrangements with any of the lenders. Prestige Brands International, LLC and its domestic subsidiaries also guarantee Prestige Brand's obligations under the 9¹/₄% notes. The note guarantees are subordinated to the senior credit facility guarantees.

The obligations under the senior credit facility are secured by a first priority security interest in substantially all of the assets of Prestige Brands and each guarantor. Prestige Brands' obligations under the tranche C term loan facility are junior to the first priority security interest of the term loan facility and the revolving credit facility.

Interest and Commitment Fees

All loans under the senior credit facility bear interest, at the option of Prestige Brands, at a specified or applicable margin, plus one of the following rates:

- for base rate loans, the highest of (i) Citibank N.A.'s base rate and (ii) the Federal Funds Effective Rate plus 1/2 of 1%; or
- for Eurodollar loans, current London-Inter-Bank Offer Rate or, LIBO rate, as quoted by Citicorp.

In the case of loans under the revolving credit facility, the specified or applicable margin is a floating rate ranging from 0.75 to 1.5% for base rate loans and 1.75 to 2.50% for Eurodollar loans. As of December 31, 2004, the applicable margin was at the highest point in the range. In the case of loans under the term loan facility, other than the tranche C term loan facility, applicable margin refers to 1.75% per annum for base rate loans and 2.75% per annum for Eurodollar loans. We will be entering into an amendment to the term loan facility, effective upon the completion of this offering, that will, among other things, reduce these rates to 1.25% and 2.25%, respectively. In the case of loans under the tranche C term loan facility, applicable margin is 3.75% per annum for base rate loans and 4.75% per annum for Eurodollar loans.

Default Interest. During the continuance of a material event of default, loans may bear interest at an additional 2% per annum.

Unused Commitment Fee. Prestige Brands must pay a non-refundable, unused commitment fee equal to 0.50% per annum on the daily average unused portion of the revolving credit facility.

Repayment; Prepayments

The term loan facility, other than the tranche C term loan facility, matures on April 6, 2011, and the tranche C term loan facility matures 180 days later. Prestige Brands must make a quarterly amortization payment on each loan under the term loan facility, other than the tranche C term loan facility, equal to 0.25% of the initial principal amount of the term loans, other than the tranche C term loan.

The revolving credit facility matures, and the commitments relating to the revolving credit facility terminate, on April 6, 2009.

Prestige Brands may make optional prepayments of borrowings under the senior credit facility other than the tranche C facility, and optional reductions of the unutilized portion of the revolving credit facility commitments, without premium or penalty. The tranche C term loan facility is subject to prepayment restrictions and premiums. We intend to use a portion of the net proceeds from this offering to repay approximately \$100.0 million of borrowings outstanding under the tranche C facility. In connection therewith, we will be entering into an amendment to the term loan facility, effective upon the completion of this offering, that would allow us, among other things, to make optional prepayments on the tranche C facility from the net proceeds of this offering.

Mandatory Prepayments

Prestige Brands is required to make mandatory prepayments on the senior credit facility to the extent it receives net cash proceeds from asset sales subject to a \$5.0 million basket, debt issuances or other dispositions of property. If Prestige Brands' leverage ratio is greater than 4.50 to 1.0 for the most recent four fiscal quarter period, it must use 50% of the net cash proceeds it receives from equity issuances to prepay its loans under the senior credit facility. Beginning on the last day of fiscal year 2005, if Prestige Brands' leverage ratio is greater than 4.25 to 1.0, it is required to use a portion of any excess cash flow to make prepayments under the senior credit facility. As of the quarter ended December 31, 2004, Prestige Brands' leverage ratio was 6.47 to 1.0. These prepayments are subject to percentage limitations, reinvestment rights and other exceptions set forth in the credit agreement. We will be entering into an amendment to our credit agreement, effective upon completion of this offering, that would, among other things, eliminate our requirement to make prepayments as a result of the equity issuances described in this paragraph.

Prestige Brands has not made, nor has it been required to make, prepayments on the loans under the senior credit facility. If Prestige Brands is required to make prepayments under the senior credit facility, it may have an adverse effect on our results of operations.

Certain Covenants

The senior credit facility contains financial ratio covenants that require Prestige Brands to:

- have a leverage ratio of less than 6.85 to 1.0 for the quarter ended December 31, 2004, and decreasing over time to 3.75 to 1.0 for the quarter ended September 30, 2010 and remaining level thereafter. Our leverage ratio was less than 6.85 to 1.0 for the quarter ended December 31, 2004;
- have an interest coverage ratio of greater than 2.25 to 1.0 for the quarter ended December 31, 2004, and increasing to 3.25 to 1.0 for the quarter ending March 31, 2011. Our interest coverage ratio was greater than 2.25 to 1.0 for the quarter ended December 31, 2004; and
- have a fixed charge coverage ratio of greater than 1.5 to 1.0 for the quarter ended December 31, 2004, and for each quarter thereafter until the quarter ending March 31, 2011. Our fixed charge coverage ratio was greater than 1.5 to 1.0 for the quarter ended December 31, 2004.

We will be entering into an amendment to our credit agreement, effective upon completion of the offering, that would, among other things, amend the leverage ratio and interest coverage ratio covenants set forth above to require Prestige Brands to:

- have a leverage ratio of less than 5.50 to 1.0 for the quarter ending March 31, 2005, and decreasing over time to 3.75 to 1.0 for the quarter ending September 30, 2010 and remaining level thereafter; and
- have an interest coverage ratio of greater than 2.50 to 1.0 for each fiscal quarter ending during the period January 1, 2005 through September 30, 2005, and increasing over time to 3.25 to 1.0 for each fiscal quarter ending during the period January 1, 2010 through March 31, 2011.

In addition, the senior credit facility contains representations and warranties and affirmative covenants relating to the status of Prestige Brands and its subsidiaries and requiring it to, among other

things, remain in good standing and comply with laws and material contracts. In addition, there are negative covenants which, among other things, limit our ability to:

- incur additional indebtedness and grant liens and encumbrances;
- provide guarantees;
- make investments, capital expenditures or distributions;
- conduct transactions with affiliates;
- conduct asset sales, merge or consolidate; and
- prepay other indebtedness.

As of December 31, 2004, we were in compliance with all of these covenants.

Events of Default

The senior credit facility contains events of default, which, if triggered, allow the agent at the request of the applicable lenders to terminate all commitments and declare all amounts under the loans immediately due and payable. The following events, among others, after the lapse of applicable cure periods or required notice constitute events of default under the senior credit facility:

- failure to pay any principal, interest or fee on the loans when due;
- material breaches of representations and warranties;
- failure to observe financial and other covenants;
- a default in excess of specified amounts under other material indebtedness, including under the indenture governing the notes;
- declaration of bankruptcy or other forms of insolvency;
- commencement of enforcement proceedings with respect to an order or judgment in excess of \$5 million, to the extent not covered by insurance;
- a change of control; or
- failure of any guarantee or security document or any subordination provision supporting the senior credit facility to be in full force and effect.

Prestige Brands 9¹/₄% Senior Subordinated Notes

General

In April 2004, in connection with the Bonita Bay acquisition, our subsidiary, Prestige Brands, Inc., issued \$210,000,000 of 9¹/₄% senior subordinated notes due 2012, pursuant to an indenture, dated April 6, 2004, among Prestige Brands, Inc., as issuer, the guarantors named in the indenture and U.S. Bank National Association, as trustee. The 9¹/₄% notes will mature on April 15, 2012, and interest on

the 9¹/₄% notes is payable semiannually on April 15 and October 15 of each year. The net proceeds of the offering of the 9¹/₄% notes, together with borrowings under the senior credit facility, were used to consummate the Bonita Bay acquisition, repay outstanding indebtedness and to pay related fees and expenses.

Ranking

The 9¹/₄% notes are unsecured senior subordinated obligations of Prestige Brands and are subordinated to the senior credit facility and other existing and future senior indebtedness. The 9¹/₄% notes rank equally to senior subordinated indebtedness and rank senior to subordinated indebtedness. In addition, the 9¹/₄% notes effectively rank junior to all existing and future indebtedness and other liabilities of Prestige Brands' subsidiaries that are not guarantors, which consist of non-domestic subsidiaries. Because the 9¹/₄% notes are subordinated, in the event of bankruptcy, liquidation or dissolution and acceleration of or payment default on senior indebtedness, holders of the 9¹/₄% notes will not receive any payment until holders of senior indebtedness and senior guarantor indebtedness have been paid in full.

Note Guarantees

Prestige Brands International, LLC, our intermediate holding company, and all its domestic subsidiaries, other than Prestige Brands, have, jointly and severally, unconditionally guaranteed on a senior unsecured basis Prestige Brands' obligations under the 9¹/₄% notes and all of its obligations under the 9¹/₄% notes indenture. Such subsidiary guarantors have agreed to pay, in addition to the amount stated above, any and all costs and expenses (including reasonable counsel fees and expenses) incurred by the trustee or the holders of 9¹/₄% notes in enforcing any rights under the note guarantees. The obligations of the guarantors under the guarantees rank equally in right of payment with other indebtedness of such guarantor, except to the extent such other indebtedness is expressly subordinate to the obligations arising under the guarantee. The obligations of each guarantor under its guarantee is limited as necessary to prevent that guarantee from constituting a fraudulent conveyance or fraudulent transfer under or similar laws affecting the rights of creditors generally.

Redemption

Except as described below, the 9¹/₄% notes are not redeemable until April 15, 2008. On and after April 15, 2008, Prestige Brands may redeem all or any portion of the 9¹/₄% notes, at once or over time, after giving the required notice under the indenture. The 9¹/₄% notes may be redeemed at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest on the 9¹/₄% notes, if any, to the applicable redemption date, but excluding the redemption date, if redeemed during the twelve-month period beginning on April 15 of the years indicated below:

Year	Percentage
2008	104.625%
2009	102.313%
2010 and thereafter	100.000%

At any time prior to April 15, 2008, Prestige Brands may redeem all or any portion of the 9¹/₄% notes, at once or over time, after giving the required notice under the indenture at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the 9¹/₄% notes to be redeemed, and

(2) the sum of the present values of (a) the redemption price of the 9¹/₄% notes at April 15, 2008 (as set forth in the preceding paragraph) and (b) the remaining scheduled payments of interest from the redemption date through, April 15, 2008, but excluding accrued and unpaid interest through the redemption date, discounted to the redemption date, assuming a 360 day year consisting of twelve 30 day months, at the treasury rate plus 75 basis points, plus, in either case, accrued and unpaid interest, including special interest, if any, to but excluding the redemption date.

In addition, at any time and from time to time, prior to April 15, 2007, Prestige Brands may redeem up to a maximum of 40% of the original aggregate principal amount of the 9¹/₄% notes with the proceeds of one or more equity offerings, at a redemption price equal to 109.250% of the principal amount of 9¹/₄% notes redeemed, plus accrued and unpaid interest, including special interest, on the redeemed notes, if any, to but excluding the redemption date; provided, however, that after giving effect to any such redemption, at least 60% of the original aggregate principal amount of the 9¹/₄% notes issued on the issue date remains outstanding. We plan to use a portion of the proceeds of this offering to redeem 40% of the outstanding 9¹/₄% notes for approximately \$84.0 million, not including a redemption premium of approximately \$7.8 million.

Change of Control

If a change of control occurs, Prestige Brands will be required to offer to purchase the 9¹/₄% notes at 101% of the aggregate principal amount the 9¹/₄% notes, plus accrued and unpaid interest to the date of purchase. A "change of control" is generally defined under the 9¹/₄% notes indenture to mean when any of the following occur:

(1) any "person" or "group" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), is or becomes the beneficial owner, directly or indirectly, of more than 50% of the total voting power of the voting stock of Prestige Brands or Prestige Brands International, LLC, our intermediate holding company and indirect parent of Prestige Brands, (for the purposes of this clause, such person or group shall be deemed to beneficially own any voting stock of Prestige Brands or Prestige Brands International, LLC held by a parent entity, if such person or group beneficially owns, directly or indirectly, at least a majority of the voting power of the voting stock of such parent entity);

(2) the sale, transfer, assignment, lease, conveyance or other disposition, directly or indirectly, of all or substantially all the property of Prestige Brands International, LLC and its domestic subsidiaries, considered as a whole, shall have occurred, or Prestige Brands International, LLC, Prestige Products Holdings, Inc., the direct parent of Prestige Brands, or Prestige Brands merges, consolidates or amalgamates with or into any other person (other than one or more permitted holders, as defined in the indenture) or any other person (other than one or more permitted holders) merges, consolidates or amalgamates with or into Prestige Brands International, LLC, Prestige Products Holdings, Inc. or Prestige Brands, in any such event pursuant to a transaction in which the outstanding voting stock of such entity is reclassified into or exchanged for cash, securities or other property, other than any such transaction where (a) the outstanding voting stock of such entity is reclassified into or exchanged for other voting stock of such entity or for voting stock of the Surviving Person, and (b) the holders of the voting stock of such entity immediately prior to such transaction own, directly or indirectly, not less than a majority of the voting stock of such entity or the surviving person immediately after such transaction and in substantially the same proportion as before the transaction;

(3) during any 2-year period, the members of the board of managers of Prestige Brands International, LLC at the beginning of the period no longer constitute at least a majority of the board of directors; or

(4) the equity holders of Prestige Brands International, LLC approve any plan of liquidation or dissolution.

Events of Default

The 9¹/₄% notes indenture contain customary events of default, including, without limitation, payment defaults, covenant defaults, certain cross-defaults to mortgages, indentures or other instruments, certain events of bankruptcy and insolvency, judgment defaults, and failure of any guarantee of the 9¹/₄% notes to be in full force and effect.

Covenants

The 9¹/₄% notes indenture contains covenants for the benefit of the holders of the 9¹/₄% notes that, among other things, limit the ability of Prestige Brands International, LLC and any of its restricted subsidiaries to:

- incur additional indebtedness;
- pay dividends on, redeem or repurchase capital stock;
- make investments;
- create liens;
- sell assets;
- in the case of the restricted subsidiaries, incur obligations that restrict their ability to make dividends or other payments;
- in the case of the restricted subsidiaries, guarantee or secure indebtedness;
- enter into transactions with affiliates;
- create unrestricted subsidiaries; and
- consolidate, merge or transfer all or substantially all of Prestige Brands' assets and the assets of its subsidiaries on a consolidated basis.

These limitations are, however, subject to a number of important qualifications and exceptions.

Additional Information

The foregoing summary of the 9¹/₄% notes indenture is qualified in its entirety by reference to all of the provisions of the 9¹/₄% notes indenture, which has been filed with the SEC. See "Where You Can Find More Information."

DESCRIPTION OF CAPITAL STOCK

General Matters

Upon completion of this offering, our total amount of authorized capital stock will be 250,000,000 shares of common stock, \$0.01 par value per share, and 5,000,000 shares of preferred stock, \$0.01 par value per share. Upon completion of the offering, 50,000,000 shares of common stock and no shares of preferred stock will be issued and outstanding. The discussion set forth below describes the most important terms of our capital stock, certificate of incorporation and by-laws as will be in effect upon completion of this offering. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description you should refer to our certificate of incorporation and bylaws, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part, and to the applicable provisions of the Delaware General Corporation Law.

Common Stock

All of our existing common stock is, and the shares of common stock being offered by us and the selling stockholders, if any, in this offering will be, upon payment therefor, validly issued, fully paid and nonassessable. Set forth below is a brief discussion of the principal terms of our common stock.

Dividend Rights. Subject to preferences that may apply to shares of preferred stock outstanding at the time, holders of outstanding shares of common stock are entitled to receive dividends out of assets legally available at the times and in the amounts as the board of directors may from time to time determine. For more information, see "Dividend Policy."

Voting Rights. Each outstanding share of our common stock is entitled to one vote on all matters submitted to a vote of stockholders.

Preemptive or Similar Rights. Our common stock is not entitled to preemptive or other similar subscription rights to purchase any of our securities.

Conversion Rights. Our common stock is not convertible.

Right to Receive Liquidation Distributions. Upon our liquidation, dissolution or winding up, the holders of our common stock are entitled to receive pro rata our assets which are legally available for distribution, after payment of all debts and other liabilities and subject to the prior rights of any holders of preferred stock then outstanding.

NYSE Listing. We have applied to list our common stock on the New York Stock Exchange under the symbol "PBH." In order to meet one of the requirements for listing our common stock on the New York Stock Exchange, the underwriters will undertake to sell 100 or more shares of our common stock to a minimum of 2,000 beneficial holders.

Preferred Stock

Following this offering, our board of directors may, without further action by our stockholders, from time to time, direct the issuance of up to 5,000,000 shares of preferred stock in any series and may, at the time of issuance, determine the rights, preferences and limitations of each series. Satisfaction of any dividend preferences of outstanding shares of preferred stock would reduce the

amount of funds available for the payment of dividends on shares of common stock. Holders of shares of preferred stock may be entitled to receive a preference payment in the event of our liquidation, dissolution or winding-up before any payment is made to the holders of shares of common stock. Under specified circumstances, the issuance of shares of preferred stock may render more difficult or tend to discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of our securities or the removal of incumbent management. Upon the affirmative vote of a majority of the total number of directors then in office, the board of directors, without stockholder approval, may issue shares of preferred stock with voting and conversion rights which could adversely affect the holders of shares of common stock. Upon consummation of the offering, there will be no shares of preferred stock outstanding, and we have no present intention to issue any shares of preferred stock.

Registration Rights

Under our registration rights agreement with the GTCR funds, the TCW/Crescent funds and members of our management team, holders of a majority of registrable securities, as defined under the agreement, will have the right, subject to specified conditions, to request that we register any or all of their securities under the Securities Act on Form S-1, which we refer to as a "long-form registration", at our expense, or on Form S-2 or Form S-3, which we refer to as a "short-form registration", at our expense. In addition, following this offering, subject to specified conditions, the holders of a majority of the TCW/Crescent registrable securities have the right to request one short-form registration at our expense. We are not required, however, to effect any long-form registration within 90 days after the effective date of a previous long-form registration or a previous registration in which the holders of registrable securities were given the piggyback rights described in the following sentence, without any reduction. At our expense, all holders of registrable securities are entitled to the inclusion of such securities in any registration statement used by us to register any offering of our equity securities, other than pursuant to a registration requested by holders of a majority of the registrable securities or holders of a majority of TCW/Crescent registrable securities, an initial public offering of our equity securities or a registration on Form S-4 or Form S-8.

Anti-takeover Effects of our Certificate of Incorporation and Bylaws

Our certificate of incorporation and bylaws contain certain provisions that are intended to enhance the likelihood of continuity and stability in the composition of the board of directors and which may have the effect of delaying, deferring or preventing a future takeover or change in control of the company unless such takeover or change in control is approved by the board of directors.

These provisions include:

Special Meetings of Stockholders. Our certificate of incorporation provides that, except as otherwise required by law, special meetings of stockholders can only be called by the chairman of the board of directors or our chief executive officer, or pursuant to a resolution adopted by a majority of the board of directors. Stockholders are not permitted to call a special meeting or to require the board of directors to call a special meeting.

Advance Notice Procedures. Our bylaws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to the board of directors. Stockholders at an annual meeting may only consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the board of directors or by a stockholder who was a stockholder of record on the record

date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting.

In the case of an annual meeting of stockholders, notice by a stockholder, in order to be timely, must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders. In the event that the annual meeting is called for a date that is not within 30 days before or 60 days after the anniversary date, in order to be timely, notice by a stockholder must be received not later than the tenth day following the earlier of the date on which notice of the annual meeting was mailed or public disclosure of the date of the annual meeting was made.

In the case of a special meeting of stockholders called for the purpose of electing directors, notice by the stockholder, in order to be timely, must be received not later than the tenth day following the earlier of the date on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made.

Although the bylaws do not give the board of directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or defer a potential acquiror from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of the company.

The Delaware General Corporation Law provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless either a corporation's certificate of incorporation or bylaws require a greater percentage. Our amended and restated certificate of incorporation provides that the affirmative vote of holders of at least $66\frac{2}{3}\%$ of the total votes eligible to be cast in the election of directors will be required to amend, alter, change or repeal our bylaws and specified provisions of our amended and restated certificate of incorporation. This requirement of a super-majority vote to approve amendments to our amended and restated certificate of incorporation and bylaws could enable a minority of our stockholders to exercise veto power over any such amendments.

Authorized but Unissued Shares. Our authorized but unissued shares of common stock and preferred stock are available for future issuance without stockholder approval, subject to the requirements of applicable law or regulation, including any listing requirement of the principal stock exchange on which our common stock is then listed. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy contest, tender offer, merger or otherwise.

Limitation on Liability and Indemnification of Directors and Officers

Our amended and restated certificate of incorporation limits the liability of directors to the fullest extent permitted by the Delaware General Corporation Law. In addition, our certificate of incorporation provides that we shall indemnify our directors and officers to the fullest extent permitted by the Delaware General Corporation Law.

Corporate Opportunities and Transactions with GTCR

In recognition that directors, officers, stockholders, members, managers and/or employees of GTCR and its affiliates and investment funds (collectively, the "GTCR entities") may serve as our directors and/or officers, and that the GTCR entities and our other non-employee directors may engage in similar activities or lines of business that we do, our amended and restated certificate of incorporation provides for the allocation of certain corporate opportunities between us and such persons. Specifically, neither the GTCR entities nor any of our non-employee directors will have any duty to refrain from engaging directly or indirectly in the same or similar business activities or lines of business that we do. In the event that any GTCR entity or non-employee director acquires knowledge of a potential transaction or matter which may be a corporate opportunity for such persons and us, we will not have any expectancy in such corporate opportunity, and such persons will not have any duty to communicate or offer such corporate opportunity to us and may pursue or acquire such corporate opportunity for themselves or direct such opportunity to another person. In addition, if any GTCR entity or non-employee director acquires knowledge of a potential transaction or matter which may be a corporate opportunity for us and such person, we will not have any expectancy in such corporate opportunity unless such corporate opportunity is expressly offered to such person solely in his or her capacity as a director or officer of our company.

In recognition that we may engage in material business transactions with the GTCR entities, from which we are expected to benefit, our amended and restated certificate of incorporation provides that any of our directors or officers who are also directors, officers, stockholders, members, managers and/or employees of any GTCR entity will have fully satisfied and fulfilled his or her fiduciary duty to us and our stockholders with respect to such transaction, if:

- the transaction was approved, after being made aware of the material facts of the relationship between each of Prestige Holdings or a subsidiary thereof and the GTCR entity and the material terms and facts of the transaction, by (i) an affirmative vote of a majority of the members of our board of directors who do not have a material financial interest in the transaction ("Interested Persons") or (ii) an affirmative vote of a majority of the members of a committee of our board of directors consisting of members who are not Interested Person; or
- the transaction was fair to us at the time we entered into the transaction; or
- the transaction was approved by an affirmative vote of the holders of a majority of shares of our common stock entitled to vote generally in the election of directors, voting together as a single class, excluding the GTCR entities and any Interested Person.

Any amendment to the foregoing provisions of our amended and restated certificate of incorporation requires the affirmative vote of at least 80% of the voting power of all shares of our common stock then outstanding.

Transfer Agent and Registrar

Upon the closing of this offering, the transfer agent and registrar for our common stock will be EquiServe Trust Company, N.A.

**MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR
NON-U.S. HOLDERS OF OUR COMMON STOCK**

The following discussion of certain U.S. federal income and estate tax considerations relevant to Non-U.S. Holders of our common stock is for general information only.

As used in this prospectus, the term "Non-U.S. Holder" is a beneficial owner of our common stock other than:

- a citizen or individual resident of the United States;
- a corporation or other entity taxable as a corporation under U.S. federal income tax laws created or organized in or under the laws of the United States, of any state of the United States or the District of Columbia;
- an estate the income of which is includable in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust subject to the primary supervision of a U.S. court and the control of one or more U.S. persons, or a trust that has validly elected to be treated as a domestic trust under applicable Treasury regulations.

If a partnership, including any entity treated as a partnership for U.S. federal income tax purposes, is a holder of our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership, and partners in such partnership, should consult their own tax advisors regarding the tax consequences of the purchase, ownership and disposition of our common stock.

This discussion does not consider:

- U.S. federal income, estate or gift tax consequences other than as expressly set forth below;
- any state, local or foreign tax consequences;
- the tax consequences to the stockholders, beneficiaries or holders of other beneficial interests in a Non-U.S. Holder;
- special tax rules that may apply to selected Non-U.S. Holders, including without limitation, partnerships or other pass-through entities for U.S. federal income tax purposes, banks or other financial institutions, insurance companies, dealers in securities, traders in securities, tax-exempt entities and certain former citizens or residents of the United States;
- special tax rules that may apply to a Non-U.S. Holder that holds our common stock as part of a "straddle, "hedge" or "conversion transaction;" or
- a Non-U.S. Holder that does not hold our common stock as a capital asset within the meaning of the Code (generally property held for investments).

The following discussion is based on provisions of the Code, applicable Treasury regulations and administrative and judicial interpretations thereof, all as of the date of this prospectus, and all of which are subject to change, retroactively or prospectively. We have not requested a ruling from the U.S.

Internal Revenue Service or an opinion of counsel with respect to the U.S. federal income tax consequences of the purchase or ownership of our common stock to a Non-U.S. Holder. There can be no assurance that the U.S. Internal Revenue Service will not take a position contrary to such statements or that any such contrary position taken by the U.S. Internal Revenue Service would not be sustained.

You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation as well as any tax consequences arising under the U.S. federal estate or gift tax rules or under the laws of any state, local, foreign or other taxing jurisdiction or under any applicable tax treaty.

Dividends

We do not anticipate paying cash dividends on our common stock in the foreseeable future. See "Dividend Policy." If distributions are paid on shares of our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, it will constitute a return of capital that is applied against and reduces, but not below zero, a Non-U.S. Holder's adjusted tax basis in our common stock. Any remainder will constitute gain on the common stock. See "—Gain on Disposition of Common Stock." The dividends on our common stock paid to a Non-U.S. Holder generally will be subject to withholding of U.S. federal income tax at a 30% rate on the gross amount of the dividend or such lower rate as may be provided by an applicable income tax treaty.

Dividends that are effectively connected with a Non-U.S. Holder's conduct of a trade or business in the United States or attributable to a permanent establishment or fixed base in the United States under an applicable income tax treaty, known as "U.S. trade or business income," are generally not subject to the 30% withholding tax if the Non-U.S. Holder files the appropriate U.S. Internal Revenue Service form with the payor. However, such U.S. trade or business income, net of specified deductions and credits, generally is taxed at the same graduated rates as applicable to U.S. persons. Any U.S. trade or business income received by a Non-U.S. Holder that is a corporation may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as specified by an applicable income tax treaty.

A Non-U.S. Holder who claims the benefit of an applicable income tax treaty generally will be required to satisfy applicable certification and other requirements prior to the distribution date. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under a relevant income tax treaty.

A Non-U.S. Holder that is eligible for a reduced rate of U.S. federal withholding tax or other exclusion from withholding under an income tax treaty but that did not timely provide required certifications or other requirements, or that has received a distribution subject to withholding in excess of the amount properly treated as a dividend, may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim for refund with the U.S. Internal Revenue Service.

Gain on Disposition of Common Stock

A Non-U.S. Holder generally will not be subject to U.S. federal income tax (or withholding thereof) in respect of gain recognized on a disposition of our common stock unless:

- the gain is U.S. trade or business income, in which case such gain generally will be taxed in the same manner as gains of U.S. persons, and such gains may also be subject to the branch profits tax in the case of a corporate Non-U.S. Holder;
- the Non-U.S. Holder is an individual who is present in the United States for more than 182 days in the taxable year of the disposition and meets certain other requirements; or
- we are or have been a "U.S. real property holding corporation" for U.S. federal income tax purposes at any time during the short of the five-year period ending on the date of disposition or the period that the Non-U.S. Holder held our common stock.

Generally, a corporation is a "U.S. real property holding corporation" if the fair market value of its "U.S. real property interests" equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. The tax relating to stock in a "U.S. real property holding corporation" generally will not apply to a Non-U.S. Holder whose holdings, direct and indirect, at all times during the applicable period, constituted 5% or less of our common stock, provided that our common stock was regularly traded on an established securities market. We believe we have never been, are not currently and are not likely to become a U.S. real property holding corporation for U.S. federal income tax purposes in the future.

Federal Estate Tax

Common stock owned or treated as owned by an individual who is a Non-U.S. Holder at the time of death will be included in such individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax or other treaty provides otherwise.

Information Reporting and Backup Withholding Tax

We must report annually to the U.S. Internal Revenue Service and to each Non-U.S. Holder the amount of dividends paid to that holder and the tax withheld with respect to those dividends. Copies of the information returns reporting those dividends and the amount of tax withheld may also be made available to the tax authorities in the country in which the Non-U.S. Holder is a resident under the provisions of an applicable income tax treaty.

U.S. federal backup withholding, currently at a 28% rate, generally will not apply to payments of dividends made by us or our paying agents, in their capacities as such, to a Non-U.S. Holder if the holder has provided the required certification that it is not a U.S. person or certain other requirements are met. Notwithstanding the foregoing, backup withholding may apply if either we or our paying agent has actual knowledge, or reason to know, that the holder is a U.S. person that is not an exempt recipient.

Payments of the proceeds from a disposition or a redemption effected outside the United States by or through a non-U.S. broker generally will not be subject to information reporting or backup withholding. However, information reporting, but generally not backup withholding, will apply to such a payment if the broker has certain connections with the United States unless the broker has

documentary evidence in its records that the beneficial owner thereof is a Non-U.S. Holder and specified conditions are met or an exemption is otherwise established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder that result in an overpayment of taxes generally will be refunded, or credited against the holder's U.S. federal income tax liability, if any, provided that the required information is timely furnished to the U.S. Internal Revenue Service.

Non-U.S. Holders should consult their own tax advisors regarding application of backup withholding in their particular circumstance and the availability of, and procedure for obtaining, an exemption from backup withholding under current U.S. Treasury regulations.

SHARES ELIGIBLE FOR FUTURE RESALE

Prior to this offering, there was no market for our common stock. We cannot predict the effect, if any, that the sale of our common stock or the availability of shares of common stock for sale will have on the market price prevailing from time to time. Nevertheless, sales of substantial amounts of common stock in the public market following the offering could adversely affect the market price of the common stock and adversely affect our ability to raise capital at a time and on terms favorable to us.

Sale of Restricted Shares

Upon completion of this offering, we will have 50,000,000 shares of common stock outstanding, assuming no exercise of the underwriters' over-allotment option. Of these shares of common stock, the 23,333,333 shares of common stock being sold in this offering, plus any shares sold upon exercise of the underwriters' over-allotment option, will be freely tradeable without restriction under the Securities Act, except for any such shares which may be held or acquired by an "affiliate" of ours, as that term is defined in Rule 144 under the Securities Act, which shares will be subject to the volume limitations and other restrictions of Rule 144 described below. The remaining shares of common stock held by our existing stockholders upon completion of the offering will be "restricted securities," as that phrase is defined in Rule 144, and may not be resold in the absence of registration under the Securities Act or pursuant to an exemption from such registration, including among others, the exemptions provided by Rule 144 or 144(k) under the Securities Act, which rules are summarized below. Taking into account the lock-up agreements described below and the provisions of Rule 144 additional shares will be available for sale in the public market as follows:

- 26,535,628 shares will be available for sale 180 days after the date of this prospectus, the expiration date of the lock-up agreements, and 131,039 shares will be available for sale in November 2005, pursuant to Rule 144 in the event stockholders are entitled to tack their respective holding periods of the limited liability company units; or
- 26,666,667 shares will be available for sale approximately one year after the date of the prospectus pursuant to Rule 144 in the event stockholders are not entitled to tack their respective holding periods of the limited liability company units.

Rule 144

In general, under Rule 144 as currently in effect, beginning 180 days after the date of this prospectus, a person or persons whose shares are aggregated, who has beneficially owned restricted shares for at least one year, including persons who may be deemed to be our "affiliates," would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1.0% of the number of shares of common stock then outstanding, which will equal approximately 500,000 shares immediately after this offering; or
- the average weekly trading volume of our common stock on the New York Stock Exchange during the four calendar weeks before a notice of the sale on Form 144 is filed.

Sales under Rule 144 are also subject to certain manner of sale provisions and notice requirements and to the availability of certain public information about us.

Rule 144(k)

Under Rule 144(k), a person who is not deemed to have been one of our "affiliates" at any time during the 90 days preceding a sale, and who has beneficially owned the shares proposed to be sold for at least two years, including the holding period of any prior owner other than an "affiliate," is entitled to sell these shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144.

2005 Long-Term Equity Incentive Plan

Following the completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register common stock issued or reserved for issuance under our 2005 Long-Term Equity Incentive Plan. Any such Form S-8 registration statement will automatically become effective upon filing. Accordingly, shares registered under such registration statement will be available for sale in the open market, unless such shares are subject to vesting restrictions with us or the lock-up restrictions described below. We expect that the registration statement on Form S-8 will cover 5,000,000 shares.

No prediction can be made as to the effect, if any, future sales of shares, or the availability of shares for future sales, will have on the market price of our common stock prevailing from time to time. The sale of substantial amounts of our common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of our common stock.

Lock-up Agreements

We and our executive officers, directors and existing stockholders (after giving effect to the corporate reorganization) have agreed that, without the prior written consent of the underwriters, we will not, during the period ending 180 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock, or any securities convertible into or exercisable or exchangeable for any shares of our common stock or any right to acquire shares of our common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock, whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise.

Notwithstanding the foregoing, if the 180th day after the date of this prospectus occurs within 17 days following an earnings release by us or the occurrence of material news or a material event related to us, or if we intend to issue an earnings release within 16 days following the 180th day, the 180-day period will be extended to the 18th day following such earnings release or the occurrence of the material news or material event unless such extension is waived by Merrill Lynch and Goldman, Sachs & Co. on behalf of the underwriters.

These restrictions do not apply to any transfers (i) as a *bona fide* gift or gifts, so long as the donee or donees agree in writing to be bound by the restrictions in the lock-up agreement, (ii) to any trust, partnership, corporation or other entity formed for the direct or indirect benefit of the transferor or

the immediate family of the transferor, so long as a duly authorized officer, representative or trustee of the transferee agrees in writing to be bound by the restrictions in the lock-up agreement, and so long as the transfer does not involve a disposition for value, (iii) if the transfer occurs by operation of law, such as rules of descent and distribution, statutes governing the effects of a merger or a qualified domestic order, so long as the transferee executes an agreement acknowledging that the transferee is receiving and holding the shares subject to the provisions of the lock-up agreements or (iv) to an affiliate (as that term is defined in Rule 405 under the Securities Act) of the transferor, so long as such affiliate agrees to be bound in writing by the restrictions in the lock-up agreement. In addition, these restrictions do not apply to grants of options to purchase common stock or issuances of shares of restricted stock or other equity-based awards pursuant to our equity incentive plan described in this prospectus.

The underwriters do not intend to release any portion of the common stock subject to the foregoing lock-up agreements; however the underwriters, in their sole discretion, may release any of the common stock from the lock-up agreements prior to expiration of the 180-day period without notice. In considering a request to release shares from a lock-up agreement, the underwriters will consider a number of factors, including the impact that such a release would have on this offering and the market for our common stock and the equitable considerations underlying the request for releases.

Registration Rights

See "Certain Relationships and Related Transactions" and "Description of Capital Stock" for a description of the registration agreement we have entered into with certain of our stockholders.

UNDERWRITING

We intend to offer the shares through the underwriters. Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman, Sachs & Co. and J.P. Morgan Securities Inc. are acting as representatives of the underwriters named below. Subject to the terms and conditions described in a purchase agreement among us and the underwriters, we have agreed to sell to the underwriters, and the underwriters severally have agreed to purchase from us, the number of shares listed opposite their names below.

Underwriter	Number of Shares
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Goldman, Sachs & Co.	
J.P. Morgan Securities Inc.	
William Blair & Company, L.L.C.	
Piper Jaffray & Co.	
SunTrust Capital Markets, Inc.	
Total	23,333,333

The underwriters have agreed to purchase all of the shares sold under the purchase agreement if any of these shares are purchased. If an underwriter defaults, the purchase agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the purchase agreement may be terminated.

We and the selling stockholders have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the purchase agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or part.

Merrill Lynch will be facilitating Internet distribution for this offering to certain of its Internet subscription customers. Merrill Lynch intends to allocate a limited number of shares for sale to its online brokerage customers. An electronic prospectus is available on the Internet Website maintained by Merrill Lynch. Other than the prospectus in electronic format, the information on the Merrill Lynch Website is not part of this prospectus.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the shares to the public at the public offering price on the cover page of this prospectus and to dealers at that price less a concession not in excess of \$ _____ per share. The underwriters may allow, and the dealers may reallow, a discount not in excess of \$ _____ per share to other dealers. After the public offering, the public offering price, concession and discount may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of the overallotment option.

	Per Share	Without Option	With Option
Public offering price	\$	\$	\$
Underwriting discount	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$

The expenses of the offering, not including the underwriting discount, are estimated at \$4,000,000 and are payable by us. The underwriters have agreed to reimburse certain of our estimated expenses, excluding underwriting discounts and commissions, in connection with this offering.

Overallotment Option

The selling stockholders have granted options to the underwriters to purchase up to 3,500,000 additional shares at the public offering price less the underwriting discount. The underwriters may exercise these options for 30 days from the date of this prospectus solely to cover any overallotments. If the underwriters exercise these options, each will be obligated, subject to conditions contained in the purchase agreements, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

Reserved Shares

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares offered by this prospectus for sale to our employees, directors, families of employees and directors, business associates and other third parties. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not orally confirmed for purchase within one day of the pricing of this offering will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.

No Sale of Similar Securities

We, our existing stockholders, our executive officers and our directors have agreed, with specified exceptions, not to sell or transfer any of our common stock for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch and Goldman, Sachs & Co. on behalf of the underwriters. Specifically, we and these other individuals have agreed not to directly or indirectly:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock, or any securities convertible into or exercisable or exchangeable for any shares of our common stock or any right to acquire shares of our common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock, whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise.

Notwithstanding the foregoing, if the 180th day after the date of this prospectus occurs within 17 days following an earnings release by us or the occurrence of material news or a material event related to us, or if we intend to issue an earnings release within 16 days following the 180th day, the 180-day period will be extended to the 18th day following such earnings release or the occurrence of the material news or material event unless such extension is waived by Merrill Lynch and Goldman, Sachs & Co. on behalf of the underwriters.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires power of disposition.

New York Stock Exchange Listing

We have applied to list our common stock on the New York Stock Exchange under the symbol "PBH." In order to meet the requirements for listing of the shares on that exchange, the underwriters have undertaken to sell a minimum number of shares to a minimum number of beneficial owners.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representative may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

If the underwriters create a short position in the common stock in connection with the offering, i.e., if they sell more shares than are listed on the cover of this prospectus, the underwriters may reduce that short position by purchasing shares in the open market. The representative may also elect to reduce any short position by exercising all or part of the underwriters' option described above. Purchases of our common stock to stabilize its price or to reduce a short position may cause the price of our common stock to be higher than it might be in the absence of such purchases.

The representatives may also impose a penalty bid on underwriters and selling group members. This means that if the representatives purchase shares in the open market to reduce the underwriter's short position or to stabilize the price of such shares, they may reclaim the amount of the selling concession from the underwriters and selling group members who sold those shares. The imposition of a penalty bid may also affect the price of the shares in that it discourages resales of those shares.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common stock. In addition, neither we nor any of the underwriters makes any representation that the representative will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Sales Outside the United States

Each underwriter has represented, warranted and agreed that: (i) it has not offered or sold and, prior to the expiry of a period of six months from the Closing date, will not offer or sell any shares to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring,

holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of any shares in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

The shares may not be offered or sold, transferred or delivered, as part of their initial distribution or at any time thereafter, directly or indirectly, to any individual or legal entity in the Netherlands other than to individuals or legal entities who or which trade or invest in securities in the conduct of their profession or trade, which includes banks, securities intermediaries, insurance companies, pension funds, other institutional investors and commercial enterprises which, as an ancillary activity, regularly trade or invest in securities.

The shares may not be offered or sold by means of any document other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the shares may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation or subscription or purchase, of the securities may not be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than under circumstances in which such offer, sale or invitation does not constitute an offer or sale, or invitation for subscription or purchase, of the securities to the public in Singapore.

The securities have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Other Relationships

The underwriters have performed investment banking and advisory services for us from time to time for which they have received customary fees and expenses. The underwriters may, from time to

time, engage in transactions with and perform services for us in the ordinary course of their business. An affiliate of Merrill Lynch is a lender under our senior credit facility and affiliates of Merrill Lynch, Goldman, Sachs & Co. and J.P. Morgan have also provided commitments under our amended senior credit facility.

LEGAL MATTERS

The validity of the common stock offered hereby will be passed upon on our behalf by Kirkland & Ellis LLP, a limited liability partnership that includes professional corporations, Chicago, Illinois. Certain partners of Kirkland & Ellis LLP are members of a limited liability company that is an investor in GTCR Fund VIII, L.P. and GTCR Fund VIII/B, L.P., each of which, after giving effect to the corporate reorganization, owns common stock of Prestige Brands Holdings, Inc. and preferred units of Prestige International Holdings, LLC that will be purchased with a portion of the net proceeds of this offering. Certain partners of Kirkland & Ellis LLP are members in a partnership that is an investor in GTCR Co-Invest II, L.P., which, after giving effect to the corporate reorganization, also owns common stock of Prestige Brands Holdings, Inc. and preferred units of Prestige International Holdings, LLC that will be purchased with a portion of the net proceeds of this offering. Kirkland & Ellis LLP has from time to time represented, and may continue to represent, GTCR Golder Rauner, LLC and its affiliates in connection with legal matters. The underwriters are represented by Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York.

EXPERTS

The consolidated financial statements of Prestige International Holdings, LLC as of March 31, 2004 and for the period from February 6, 2004 to March 31, 2004 (successor basis) and the combined financial statements of Medtech Holdings, Inc. and The Denorex Company as of March 31, 2003 and for the period from April 1, 2003 to February 5, 2004 and the years ended March 31, 2003 and 2002 (predecessor basis), included in this prospectus, have been so included in reliance on the report of PricewaterhouseCoopers LLP, independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The financial statements of The Spic and Span Company as of December 31, 2002 and 2003, for each of the two years in the period ended December 31, 2003, and for the period from January 24, 2001 through December 31, 2001, included in this prospectus, have been so included in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Bonita Bay Holdings, Inc. at December 31, 2002 and 2003 and for each of the three years in the period ended December 31, 2003 appearing in this prospectus have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of said firm as experts in accounting and auditing.

The financial statements of Vetco, Inc. at December 31, 2003 and 2002 and for each of the two years in the period ended December 31, 2003 appearing in this prospectus have been audited by Eisner LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a Registration Statement on Form S-1 (Registration No. 333-117700) with the Securities and Exchange Commission regarding this offering. This prospectus, which is part of the registration statement, does not contain all of the information included in the registration statement, and you should refer to the registration statement and its exhibits to read that information. As a result of the effectiveness of the registration statement, we will become subject to the informational reporting requirements of the Exchange Act and, under that Act, we will file reports, proxy statements and other information with the SEC. You may read and copy the registration statement, related exhibits and the reports, proxy statements and other information we file with the SEC at the SEC's public reference facilities maintained by the SEC at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. You can also request copies of those documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. The SEC also maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file with the SEC. The site's internet address is www.sec.gov.

You may also request a copy of these filings, at no cost, by writing or telephoning us at:

Prestige Brands Holdings, Inc.
90 North Broadway
Irvington, New York 10533
(914) 524-6810

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**Prestige
International Holdings, LLC**

Financial Statements for the
Nine Months Ended December 31, 2004

F-3

PRESTIGE INTERNATIONAL HOLDINGS, LLC

CONSOLIDATED BALANCE SHEET (Unaudited)

(in thousands)

	December 31, 2004	March 31, 2004
	(successor basis)	(successor basis)
ASSETS		
Current assets:		
Cash	\$ 6,754	\$ 3,393
Accounts receivable, net	36,125	15,391
Other receivables	718	341
Inventories, net	18,888	9,748
Deferred income tax asset	6,574	1,647
Prepaid expenses and other current assets	2,576	234
Total current assets	71,635	30,754
Property and equipment, net	2,670	880
Goodwill	294,660	55,594
Other long-term assets, net	633,067	239,394
Total assets	\$ 1,002,032	\$ 326,622
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 17,806	\$ 5,281
Accounts payable—related parties	1,000	—
Accrued expenses	18,857	7,264
Current portion of long-term debt	3,730	2,000
Total current liabilities	41,393	14,545
Long-term debt	676,563	146,694
Deferred income tax liability	85,070	38,874
Total liabilities	803,026	200,113
Commitments and contingencies (Note 7)		
Members' equity:		
Senior Preferred Units, 22,500 units issued and outstanding as of December 31, 2004 and March 31, 2004 (liquidation preference—\$23,984 as of December 31, 2004)	17,768	17,768
Class A Preferred Units, no units issued and outstanding	—	—
Class B Preferred Units, 162,864 units and 106,656 units issued and outstanding as of December 31, 2004 and March 31, 2004, respectively (liquidation preference—\$174,112 as of December 31, 2004)	155,283	96,807
Common Units, 58,109,786 units and 57,901,655 units issued and outstanding as of December 31, 2004 and March 31, 2004, respectively	5,611	5,273
Additional paid-in capital	4,871	4,871
Retained earnings	15,473	1,790
Total members' equity	199,006	126,509
Total liabilities and members' equity	\$ 1,002,032	\$ 326,622

The accompanying notes are an integral part of these financial statements.

PRESTIGE INTERNATIONAL HOLDINGS, LLC
CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

(in thousands)

	Nine months ended December 31,	
	2004	2003
	(successor basis)	(predecessor basis)
Revenues:		
Net sales	\$ 224,831	\$ 62,085
Other revenues	126	—
Other revenues—related parties	—	292
Total revenues	224,957	62,377
Cost of sales:		
Cost of sales	107,889	23,572
Gross profit	117,068	38,805
Operating expenses:		
Advertising and promotion	31,340	11,990
General and administrative	15,113	7,813
Depreciation	1,395	217
Amortization of intangible assets	5,753	3,732
Total operating expenses	53,601	23,752
Operating income	63,467	15,053
Other income (expense):		
Interest income	135	212
Interest expense	(34,012)	(6,748)
Loss on extinguishment of debt	(7,567)	—
Total other income (expense)	(41,444)	(6,536)
Income before income taxes	22,023	8,517
Provision for income taxes	(8,340)	(3,364)
Net income	\$ 13,683	\$ 5,153

The accompanying notes are an integral part of these financial statements.

PRESTIGE INTERNATIONAL HOLDINGS, LLC
CONSOLIDATED STATEMENT OF MEMBERS' EQUITY (Unaudited)
(in thousands)

	Senior preferred units	Amount	Class A preferred units	Amount	Class B preferred units	Amount	Common units	Amount	Additional paid-in capital	Retained earnings	Total
Balance at March 31, 2004	22,500	\$ 17,768	—	\$ —	106,656	\$ 96,807	57,901,655	\$ 5,273	\$ 4,871	\$ 1,790	\$ 126,509
Issuance of Preferred and Common Units for cash	—	—	—	—	58,385	58,385	1,838,591	148	—	—	58,533
Issuance of Preferred and Common Units in conjunction with Bonita Bay Acquisition	—	—	—	—	94	91	18,842	1	—	—	92
Repurchase/cancellation of Preferred and Common Units in conjunction with Bonita Bay Acquisition	—	—	—	—	(2,271)	—	(1,986,302)	(46)	—	—	(46)
Issuance of restricted units to management for cash	—	—	—	—	—	—	337,000	235	—	—	235
Net Income	—	—	—	—	—	—	—	—	—	13,683	13,683
Balance at December 31, 2004	22,500	\$ 17,768	—	\$ —	162,864	\$ 155,283	58,109,786	\$ 5,611	\$ 4,871	\$ 15,473	\$ 199,006

The accompanying notes are an integral part of these financial statements.

PRESTIGE INTERNATIONAL HOLDINGS, LLC

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

(in thousands)

	Nine months ended	
	December 31, 2004	December 31, 2003
	(successor basis)	(predecessor basis)
Cash flows from operating activities		
Net income	\$ 13,683	\$ 5,153
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Loss on extinguishment of debt	7,567	—
Depreciation	1,395	217
Amortization of intangible assets	5,753	3,732
Amortization of deferred financing costs	2,290	222
Amortization of debt discounts	—	924
Amortization of deferred compensation	—	60
Increase in long-term debt due to accrued interest	—	333
Deferred income taxes	12,749	3,113
Changes in operating assets and liabilities, net of effects of purchase of businesses:		
Accounts receivable	(5,477)	2,691
Accounts receivable—related parties	—	(1,085)
Other receivables	(377)	(1,150)
Inventories	8,041	(1,459)
Prepaid expenses and other current assets	(914)	271
Accounts payable	1,160	(995)
Accounts payable—related parties	1,000	(1,114)
Accrued expenses	(6,932)	(2,009)
Net cash provided by operating activities	39,938	8,904
Cash flows from investing activities		
Purchase of property and equipment	(198)	(64)
Purchase of intangibles	—	(479)
Purchase of businesses, net of cash acquired	(425,479)	—
Net cash used in investing activities	(425,677)	(543)
Cash flows from financing activities:		
Proceeds from borrowings	698,512	13,539
Repayment of borrowings	(344,605)	(24,647)
Payment of deferred financing costs	(23,529)	(115)
Proceeds from issuance of Preferred and Common Units, net	58,722	—
Net cash provided by (used in) financing activities	389,100	(11,223)
Net increase (decrease) in cash	3,361	(2,862)
Cash at beginning of period	3,393	3,530
Cash at end of period	\$ 6,754	\$ 668
Supplemental cash flow information:		
Interest paid	\$ 24,385	\$ 5,610
Income taxes paid	\$ 2,427	\$ 141
Supplemental disclosures of non-cash investing and financing activities:		
Fair value of assets acquired, net of cash acquired	\$ 655,537	\$ —
Fair value of liabilities assumed	(229,966)	—
Purchase price funded with non-cash capital contributions	(92)	—
Cash paid to purchase businesses	\$ 425,479	\$ —

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(in thousands, except unit data)

1. Business and Basis of Presentation*Nature of business*

On February 6, 2004, Prestige International Holdings, LLC ("Prestige Holdings" or the "Company"), through two indirect wholly-owned subsidiaries, acquired all of the outstanding capital stock of Medtech Holdings, Inc. ("Medtech") and The Denorex Company ("Denorex") (collectively the "Predecessor Company") (the "Medtech Acquisition"). Prestige Holdings is controlled by affiliates of GTCR Golder Rauner II, LLC. On March 5, 2004, the Company, through an indirect wholly-owned subsidiary, acquired all of the outstanding capital stock of The Spic and Span Company ("Spic and Span") (the "Spic and Span Acquisition"). On April 6, 2004, the Company, through an indirect wholly-owned subsidiary, acquired all of the outstanding capital stock of Bonita Bay Holdings, Inc. ("Bonita Bay") (the "Bonita Bay Acquisition"). On October 6, 2004, the Company acquired all the outstanding capital stock of Vetco, Inc. ("Vetco") (the "Vetco Acquisition").

The Company is engaged in the marketing, sales and distribution of over-the-counter, personal care and household cleaning brands to mass merchandisers, drug stores, supermarkets and club stores primarily in the United States.

Basis of presentation of unaudited interim financial information

The unaudited consolidated financial information herein has been prepared in accordance with accounting principles generally accepted in the United States of America. In the opinion of management, the financial statements include all adjustments, consisting only of normal recurring adjustments that are considered necessary for a fair presentation of the Company's financial position, results of operations and cash flows for the interim periods. Operating results for the three and nine months ended December 31, 2004 are not necessarily indicative of results that may be expected for the entire year.

The Medtech Acquisition was accounted for as a purchase transaction. As a result, the combined Medtech and Denorex assets and liabilities were adjusted to fair value as of February 6, 2004, in accordance with SFAS No. 141, "Business Combinations". For financial reporting purposes, Medtech and Denorex, which were under common control and management, are considered the predecessor entities. Accordingly, the results of operations and cash flows for the nine months ended December 31, 2003 represent the combined historical financial statements of Medtech and its subsidiaries and Denorex ("predecessor basis"). The balance sheets of the Company as of December 31 and March 31, 2004 and the results of operations for the nine months ended December 31, 2004 and cash flows for the nine months ended December 31, 2004 reflect those purchase accounting adjustments resulting from the Medtech Acquisition ("successor basis"). The Spic and Span, Bonita Bay and Vetco Acquisitions were also accounted for as purchase transactions. The results of operations and cash flows for Spic and Span, Bonita Bay and Vetco have been reflected in the Company's consolidated statements of operations and cash flows beginning on their respective acquisition dates. All significant intercompany transactions and balances have been eliminated.

Recently issued accounting standards

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard ("SFAS") No. 123R ("Share-Based Payment"). SFAS 123R requires the Company to recognize compensation expense for equity instruments awarded to employees. SFAS 123R is effective for the Company as of the beginning of the first interim period that begins after June 15, 2005. The Company does not expect the adoption of this standard to have a significant impact on its financial statements.

2. Acquisition of Business

On April 6, 2004, the Company acquired all of the outstanding capital stock of Bonita Bay for a purchase price of approximately \$562,858 (including working capital adjustments totaling \$1,091). In accordance with SFAS No. 141, the Company was determined to be the accounting acquirer.

The Bonita Bay Acquisition, including fees and expenses related to the new financing of \$22,651 and funds used to pay off \$154,422 of debt and accrued interest incurred to finance the Medtech Acquisition, was financed through the following sources:

Revolving Credit Facility	\$	3,512
Tranche B Term Loan Facility		355,000
Tranche C Term Loan Facility		100,000
9.25% Senior Subordinated Notes		210,000
Capital contributions from Prestige Holdings		58,579
		<hr/>
Total sources of funds	\$	727,091
		<hr/>

The total purchase price of the Bonita Bay Acquisition (which included cash of \$382,269 paid to the selling shareholders, 94 Prestige Holdings Class B Preferred Units valued at an aggregate of \$91 and 18,842 Prestige Holdings Common Units valued at an aggregate of \$1, assumed debt and accrued interest which was retired of \$176,918 and acquisition costs of \$3,579) was allocated to the acquired assets and liabilities as set forth in the following table:

	Bonita Bay	
Cash	\$	4,304
Accounts receivable		13,121
Inventories		16,271
Prepaid expenses and other current assets		1,391
Property, plant and equipment		2,982
Goodwill		217,860
Intangible assets		352,460
Accounts payable and accrued liabilities		(27,745)
Long-term debt		(172,898)
Deferred income taxes		(28,520)
		<hr/>
	\$	379,226
		<hr/>

As a result of the Bonita Bay Acquisition, the Company recorded indefinite lived trademarks of \$340,700 and \$11,760 of trademarks with an estimated weighted average useful life of 7 years.

On October 6, 2004 the Company acquired all the outstanding stock of Vetco, Inc. for a purchase price of approximately \$50,649. To finance the acquisition, the Company used cash on hand of approximately \$20,649 and borrowed an additional \$12,000 on its Revolving Credit Facility and \$18,000 on its Tranche B Term Loan Facility.

The total purchase price of the Vetco Acquisition was allocated to the acquired assets and liabilities as set forth in the following table:

Accounts receivable	\$	2,136
Inventories		910
Prepaid and other current assets		37
Property, plant and equipment		5
Goodwill		21,206
Intangible assets		27,158
Accounts payable and accrued liabilities		(803)
		<hr/>
	\$	50,649
		<hr/>

As a result of the Vetco acquisition, the Company recorded \$27,000 of trademarks with an estimated useful life of 20 years and \$158 related to a 5-year non-compete agreement with the former owner of Vetco.

The following table reflects the unaudited results of the Company's operations on a pro forma basis as if the Medtech, Spic and Span, Bonita Bay and Vetco Acquisitions had been completed on April 1, 2003. The pro forma financial information is not necessarily indicative of the operating results that would have occurred had the acquisitions been consummated as of April 1, 2003, nor is it necessarily indicative of future operating results.

	Pro Forma Nine months ended December 31, 2004		Pro Forma Nine months ended December 31, 2003
	<hr/>		<hr/>
	(unaudited)		(unaudited)
Net sales	\$ 231,173	\$	219,035
Income before income taxes	\$ 31,124	\$	32,331
Net income	\$ 19,297	\$	20,278

3. Inventories

Inventories consist of the following:

	December 31, 2004	March 31, 2004
	(successor basis)	
Packaging and raw materials	\$ 4,110	\$ 1,562
Finished goods	14,778	8,186
Total	\$ 18,888	\$ 9,748

Inventories are shown net of reserves for obsolete and slow moving inventory of \$1,791 and \$125 at December 31 and March 31, 2004, respectively.

4. Other Long-Term Assets

Other long-term assets consist of the following at December 31, 2004:

	Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(successor basis)		
Intangible assets:			
Indefinite lived trademarks	\$ 522,346	\$ —	\$ 522,346
Amortizable intangible assets:			
Trademarks	94,900	(6,635)	88,265
Non-compete agreement	158	(8)	150
	617,404	(6,643)	610,761
Deferred financing costs, net	21,248	—	21,248
Deferred offering costs	1,058	—	1,058
Total	\$ 639,710	\$ (6,643)	\$ 633,067

Other long-term assets consist of the following at March 31, 2004:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(successor basis)		
Intangible assets:			
Indefinite lived trademarks	\$ 181,361	\$ —	\$ 181,361
Amortizable intangible assets:			
Trademarks	56,140	(890)	55,250
	237,501	(890)	236,611
Deferred financing costs, net	2,783	—	2,783
Total	\$ 240,284	\$ (890)	\$ 239,394

As of December 31, 2004, the Company's future amortization of intangible assets is expected to be as follows:

Year ending March 31,	
2005	\$ 2,148
2006	8,592
2007	8,592
2008	8,592
2009	8,592
Thereafter	51,899
Total	\$ 88,415

5. Long-Term Debt

Long-term debt consists of the following:

	December 31, 2004	March 31, 2004
	(successor basis)	
Revolving Credit Facility	\$ —	\$ —
Tranche Term B Term Loan Facility	370,293	—
Tranche C Term Loan Facility	100,000	—
Senior Subordinated Notes	210,000	—
Medtech Revolving Credit Facility	—	10,548
Medtech Term Loan Facility	—	100,000
Medtech Subordinated Notes	—	38,146
	680,293	148,694
Less: current portion	(3,730)	(2,000)
Long-term debt	\$ 676,563	\$ 146,694

Interest rate protection agreement

On June 30, 2004, the Company purchased a 5% interest rate cap covering \$20,000 of its debt. The interest rate cap terminates in June 2006.

6. Business Segments

Segment information has been prepared in accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information". Operating segments are based on product lines. Within each reportable segment are operating segments which have similar economic characteristics, including the nature of the products, production process, type of customer and method of distribution.

There were no inter-segment sales or transfers during the nine months ended December 31, 2004 or 2003. The Company evaluates the performance of its product lines and allocates resources to them based primarily on contribution margin. The table below summarizes information about reportable

segments. The Company did not operate in the household cleaning segment during the nine months ended December 31, 2003.

Nine months ended December 31, 2004	Over-the-Counter Drug	Personal Care	Household Cleaning	Consolidated
(successor basis)				
Net sales	\$ 121,910	\$ 25,545	\$ 77,376	\$ 224,831
Other revenues	—	—	126	126
Total revenues	121,910	25,545	77,502	224,957
Cost of sales	46,935	12,745	48,209	107,889
Gross profit	74,975	12,800	29,293	117,068
Advertising and promotion	19,430	5,306	6,604	31,340
Contribution margin	55,545	7,494	22,689	85,728
Other operating expenses				22,261
Operating income				63,467
Other income (expense)				(41,444)
Provision from income taxes				(8,340)
Net income				\$ 13,683

Nine months ended December 31, 2003	Over-the-Counter Drug	Personal Care	Other	Consolidated
(predecessor basis)				
Net sales	\$ 39,441	\$ 22,644	\$ —	\$ 62,085
Other revenues—related party	—	—	292	292
Total revenues	39,441	22,644	292	62,377
Cost of sales	13,166	10,406	—	23,572
Gross profit	26,275	12,238	292	38,805
Advertising and promotion	6,239	5,751	—	11,990
Contribution margin	20,036	6,487	292	26,815
Other operating expenses				11,762
Operating income				15,053
Other income (expense)				(6,536)
Provision for income taxes				(3,364)
Net income				\$ 5,153

During the nine months ended December 31, 2004, virtually all sales were made to customers in the United States and Canada.

No individual geographical area accounted for more than 10% of net sales in any of the periods presented. At December 31, 2004, all of the Company's long-term assets were located in the United States of America.

7. Commitments and Contingencies

In June 2003, a lawsuit, Theodosakis v. Walgreens, et al, was filed in Federal District Court in Arizona, in which the plaintiff alleged that Medtech Products, a wholly-owned subsidiary of Medtech, and others infringed the dress trade of a book titled "The Arthritis Cure" in connection with the sale of dietary supplement products under the core trademark ARTHx. In addition, the complaint alleged that Medtech Products and others made false endorsements, engaged in unfair competition, made false designations of origin and invaded the privacy rights of the plaintiff. The ARTHx trademarks, goodwill and inventory were sold by Medtech Products to a third party, Contract Pharmacal Corporation, in March 2003. On January 12, 2005, the court granted our motion for summary judgement and dismissed all claims against us. The plaintiff has a right to perfect an appeal within 30 days.

The Company is also involved from time to time in routine legal matters and other claims incidental to its business. When it appears probable in management's judgment that the Company will incur monetary damages or other costs in connection with such claims and proceedings, and such costs can be reasonably estimated, liabilities are recorded in the financial statements and charges are recorded against earnings. The Company believes the resolution of such routine matters and other incidental claims, taking into account reserves and insurance, will not have a material adverse effect on the Company's financial condition or results of operations.

8. Subsequent Event

In January 2005, the Company filed a registration statement on Form S-1 to offer 23,333,333 shares of its common stock to the public.

**Prestige
International Holdings, LLC**

**Financial Statements
March 31, 2004, 2003 and 2002**

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Managers and Members of
Prestige International Holdings, LLC

In our opinion, the accompanying balance sheet and the related statements of operations, of members' equity, and of cash flows present fairly, in all material respects, the financial position of Prestige International Holdings, LLC (the "Company") at March 31, 2004 (successor basis) and the results of its operations and its cash flows for the period from February 6, 2004 to March 31, 2004 (successor basis) in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing on page F-1 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States), which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Salt Lake City, Utah
November 8, 2004

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Medtech Holdings, Inc. and The Denorex Company

In our opinion, the accompanying combined balance sheet and the related combined statements of operations, of shareholders' equity, and of cash flows present fairly, in all material respects, the combined financial position of Medtech Holdings, Inc. and The Denorex Company (the "Company") at March 31, 2003 (predecessor basis) and the results of its operations and its cash flows for the period from April 1, 2003 to February 5, 2004 and the years ended March 31, 2003 and 2002 (predecessor basis) in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing on page F-1 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States), which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Salt Lake City, Utah
July 2, 2004

PRESTIGE INTERNATIONAL HOLDINGS, LLC

BALANCE SHEET

(in thousands, except share data)

	March 31, 2004	March 31, 2003
	(successor basis)	(predecessor basis)
ASSETS		
Current assets:		
Cash	\$ 3,393	\$ 3,530
Restricted cash	—	700
Accounts receivable, net	15,391	12,663
Accounts receivable—related parties	—	376
Other receivables	341	138
Inventories, net	9,748	5,597
Deferred income tax asset	1,647	223
Prepaid expenses and other current assets	234	410
Total current assets	30,754	23,637
Property and equipment, net	880	615
Goodwill	55,594	—
Other long-term assets, net	239,394	119,658
Total assets	\$ 326,622	\$ 143,910
LIABILITIES, MEMBERS' AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 5,281	\$ 3,322
Accounts payable—related parties	—	1,114
Accrued expenses	7,264	9,055
Current portion of long-term debt	2,000	19,607
Total current liabilities	14,545	33,098
Long-term debt	146,694	61,414
Deferred income tax liability	38,874	3,756
Interest rate swap liability	—	845
Total liabilities	200,113	99,113
Commitments and contingencies (note 11)		
Members' and shareholders' equity:		
Senior Preferred Units, 22,500 units issued and outstanding as of March 31, 2004 (liquidation preference—\$22,628 as of March 31, 2004)	17,768	—
Class A Preferred Units, no units issued and outstanding	—	—
Class B Preferred Units, 106,656 units issued and outstanding as of March 31, 2004 (liquidation preference—\$107,919 as of March 31, 2004)	96,807	—
Common Units, 57,901,655 units issued and outstanding as of March 31, 2004	5,273	—
Medtech common stock	—	71
Denorex common stock	—	1
Additional paid-in capital	4,871	56,792
Deferred compensation	—	(140)
Medtech treasury stock, 214,349 shares at cost	—	(2)
Accumulated other comprehensive loss	—	(549)
Retained earnings (accumulated deficit)	1,790	(11,376)
Total members' and shareholders' equity	126,509	44,797
Total liabilities, members' and shareholders' equity	\$ 326,622	\$ 143,910

The accompanying notes are an integral part of these financial statements.

PRESTIGE INTERNATIONAL HOLDINGS, LLC

STATEMENT OF OPERATIONS

(in thousands)

	February 6, 2004 to March 31, 2004		Years Ended March 31,	
			April 1, 2003 to February 5, 2004	2003
	(successor basis)			(predecessor basis)
Revenues:				
Net sales	\$ 18,807	\$ 68,726	\$ 76,048	\$ 45,655
Other revenues—related parties	54	333	391	546
Total revenues	18,861	69,059	76,439	46,201
Cost of sales:				
Cost of sales (period from February 6, 2004 to March 31, 2004 includes \$1,805 of charges related to the step-up of inventory)	10,023	26,254	27,475	18,699
Gross profit	8,838	42,805	48,964	27,502
Operating expenses:				
General and administrative	1,649	9,439	12,075	8,576
Advertising and promotion	1,689	12,601	14,274	5,230
Depreciation expense	41	247	301	270
Amortization of intangible assets	890	4,251	4,973	3,722
Bonus paid in connection with Medtech Acquisition	—	2,629	—	—
Loss on forgiveness of related party receivable	—	1,404	—	—
Total operating expenses	4,269	30,571	31,623	17,798
Operating income	4,569	12,234	17,341	9,704
Other income (expense):				
Interest income	10	38	59	81
Interest expense	(1,735)	(8,195)	(9,806)	(8,847)
Loss on extinguishment of debt	—	—	(685)	—
Total other income (expense)	(1,725)	(8,157)	(10,432)	(8,766)
Income from continuing operations before income taxes	2,844	4,077	6,909	938
Provision for income taxes	1,054	1,684	3,902	311
Income from continuing operations	1,790	2,393	3,007	627
Discontinued operations:				
Loss from operations of discontinued Pecos reporting unit, net of income tax benefit of \$1,848 and \$43, respectively	—	—	(3,385)	(67)
Loss on disposal of Pecos reporting unit, net of income tax benefit of \$1,233	—	—	(2,259)	—
Income (loss) before cumulative effect of change in accounting principle	1,790	2,393	(2,637)	560
Cumulative effect of change in accounting principle, net of income tax benefit of \$6,467	—	—	(11,785)	—
Net income (loss)	\$ 1,790	\$ 2,393	\$ (14,422)	\$ 560

The accompanying notes are an integral part of these financial statements.

STATEMENT OF MEMBERS' AND SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME

(in thousands, except per share data)

	Senior preferred units		Class A preferred units		Class B preferred units		Common units		Medtech common stock		Denorex common stock		Additional paid-in capital	Deferred compensation	Medtech treasury stock
	Amount	Amount	Amount	Amount	Amount	Amount	Shares	Amount	Shares	Amount					
Predecessor Basis															
Balance at March 31, 2001	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	7,144,937	\$ 71	\$ —	\$ —	\$ 43,781	\$ (308)	\$ —
Issuance of Denorex Class L and A shares	—	—	—	—	—	—	—	—	—	—	112,242	1	12,999	—	—
Amortization of deferred compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	89	—
Comprehensive income (loss)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unrealized loss on interest rate swap (net of income tax benefit of \$258)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Successor Basis															
Balance at March 31, 2002	—	—	—	—	—	—	—	—	7,144,937	71	112,242	1	56,780	(219)	—
Issuance of Denorex Class A shares	—	—	—	—	—	—	—	—	—	—	12,471	—	12	—	—
Purchase of treasury stock	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(4)
Issuance of shares from treasury	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2
Amortization of deferred compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	79	—
Comprehensive income (loss)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unrealized loss on interest rate swap (net of income tax benefit of \$38)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Successor Basis															
Balance at March 31, 2003	—	—	—	—	—	—	—	—	7,144,937	71	124,713	1	56,792	(140)	(2)
Amortization of deferred compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	67	—
Contribution of capital	—	—	—	—	—	—	—	—	—	—	—	—	2,629	—	—
Comprehensive income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unrealized gain on interest rate swap (net of income tax expense of \$148)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Successor Basis															
Balance at February 5, 2004	—	—	—	—	—	—	—	—	7,144,937	71	124,713	1	59,421	(73)	(2)
Successor Basis	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of Preferred and Common Units for cash	—	—	—	—	100,221	95,622	50,000,000	4,749	—	—	—	—	—	—	—
Issuance of Preferred and Common Units in conjunction with Medtech Acquisition	—	—	—	—	1,185	1,185	5,282,269	524	—	—	—	—	—	—	—
Adjustments related to Medtech Acquisition	—	—	—	—	—	—	—	—	(7,144,937)	(71)	(124,713)	(1)	(59,421)	73	2
Issuance of Preferred Units in conjunction with Spic and Span Acquisition	22,500	17,768	—	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of warrants in connection with Medtech Acquisition	—	—	—	—	—	—	—	—	—	—	—	—	4,871	—	—
Issuance of Preferred and Common Units upon exercise of warrants	—	—	—	—	5,250	—	2,619,386	—	—	—	—	—	—	—	—
Net income and comprehensive income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Balance at March 31, 2004	22,500	\$ 17,768	\$ —	\$ —	106,656	\$ 96,807	57,901,655	\$ 5,273	\$ —	\$ —	\$ —	\$ —	\$ 4,871	\$ —	\$ —

The accompanying notes are an integral part of these financial statements.

PRESTIGE INTERNATIONAL HOLDINGS, LLC

STATEMENT OF CASH FLOWS

(in thousands, except share data)

	February 6, 2004 to March 31, 2004		April 1, 2003 to February 5, 2004		Years Ended March 31,	
					2003	2002
	(successor basis)		(predecessor basis)			
Cash flows from operating activities:						
Net income (loss)	\$	1,790	\$	2,393	\$	(14,422)
<i>Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:</i>						
Cumulative effect of change in accounting principle, net of income tax benefit of \$6,467		—		—		11,785
Loss on extinguishment of debt		—		—		685
Loss on disposal of property and equipment		—		—		91
Depreciation		41		247		301
Amortization of goodwill		—		—		—
Amortization of intangible assets		890		4,251		4,973
Amortization of service agreement discount		—		—		75
Amortization of deferred financing costs		58		253		379
Amortization of debt discount		76		1,018		1,533
Amortization of deferred compensation		—		67		79
Increase in long-term debt due to accrued interest		—		376		251
Deferred income taxes		696		1,718		1,622
Other		71		—		—
Changes in operating assets and liabilities, net of effects of purchase of businesses:						
Accounts receivable		(4,011)		3,124		(2,600)
Accounts receivable—related parties		53		326		(364)
Other receivables		697		(450)		(98)
Inventories		1,119		(2,313)		3,931
Prepaid expenses and other current assets		(52)		259		2,216
Accounts payable		1,106		(262)		(638)
Accounts payable—related parties		(532)		(1,111)		464
Accrued expenses		(4,028)		(1,859)		2,551
Income taxes payable		320		(194)		(220)
Net cash provided by (used in) operating activities		(1,706)		7,843		12,519
						3,940
Cash flows from investing activities:						
Change in restricted cash		700		—		(700)
Purchase of property and equipment		(42)		(66)		(421)
Purchase of intangibles		—		(510)		(256)
Purchase of businesses, net of cash acquired		(167,532)		—		(788)
Net cash used in investing activities		(166,874)		(576)		(2,165)
						(4,412)
Cash flows from financing activities:						
Proceeds from borrowings		154,786		13,539		4,220
Repayment of borrowings		(80,146)		(24,682)		(18,862)
Payment of deferred financing costs		(2,841)		(115)		(76)
Proceeds from issuance of stock		—		—		12
Payment of interest rate swap liability		(197)		—		—
Proceeds from contribution of capital		—		2,629		—
Proceeds from issuance of Preferred and Common Units		100,371		—		—
Purchase of treasury stock		—		—		(4)
Proceeds from issuance of shares from treasury		—		—		2
Net cash provided by (used in) financing activities		171,973		(8,629)		(14,708)
						5,526
Net increase (decrease) in cash		3,393		(1,362)		(4,354)
Cash at beginning of period		—		3,530		7,884
Cash at end of period	\$	3,393	\$	2,168	\$	3,530
						7,884
Supplemental cash flow information:						
Interest paid	\$	2,357	\$	5,491	\$	8,553
Income taxes paid		(31)		159		174
Supplemental disclosure of non-cash investing and financing activities:						
Issuance of Prestige Holdings warrants in conjunction with Medtech Acquisition debt	\$	4,871	\$	—	\$	—
Fair value of assets acquired	\$	317,498	\$	—	\$	—
Fair value of liabilities assumed		(130,489)		—		(19,543)
Purchase price funded with non-cash capital contributions		(19,477)		—		—
Cash paid to purchase businesses	\$	167,532	\$	—	\$	—
						4,109

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

(in thousands, except share and unit data)

1. Business and Summary of Significant Accounting Policies***Nature of business***

On February 6, 2004, Prestige International Holdings, LLC ("Prestige Holdings" or the "Company"), through two wholly-owned subsidiaries, acquired all of the outstanding capital stock of Medtech Holdings, Inc. ("Medtech") and The Denorex Company ("Denorex") (collectively the "Predecessor Company") (the "Medtech Acquisition"). Prestige Holdings is controlled by affiliates of GTCR Golder Rauner, LLC ("GTCR"). On March 5, 2004, the Company, through a wholly-owned subsidiary, acquired all of the outstanding capital stock of The Spic and Span Company ("Spic and Span") (the "Spic and Span Acquisition"). On April 6, 2004, the Company, through a wholly-owned subsidiary, acquired all of the outstanding capital stock of Bonita Bay Holdings, Inc. ("Bonita Bay") (the "Bonita Bay Acquisition"). The Medtech, Spic and Span and Bonita Bay Acquisitions are further discussed in Note 2.

The Company is engaged in the marketing, sales and distribution of over-the-counter, personal care brands and household cleaning brands to mass merchandisers, drug stores, supermarkets and hospitals primarily in the United States.

Basis of presentation

The Medtech Acquisition was accounted for as a purchase transaction. As a result, the combined Medtech and Denorex assets and liabilities have been adjusted to fair value as of February 6, 2004, in accordance with SFAS No. 141, "Business Combinations" (SFAS No. 141). For financial reporting purposes, Medtech and Denorex, which were under common control and management, are considered the predecessor entities. Accordingly, the balance sheet as of March 31, 2003 and the results of operations and cash flows for the period from April 1, 2003 to February 5, 2004 and the years ended March 31, 2003 and 2002, represent the combined historical financial statements of Medtech and its subsidiaries and Denorex ("predecessor basis"). The balance sheet of the Company as of March 31, 2004 and the results of operations and cash flows for the period from February 6, 2004 to March 31, 2004 include the accounts of the Company and its wholly-owned subsidiaries and reflect those purchase accounting adjustments resulting from the Medtech Acquisition ("successor basis") and the Spic and Span Acquisition. The Bonita Bay Acquisition was also accounted for as a purchase transaction subsequent to March 31, 2004. All significant intercompany transactions and balances have been eliminated.

Use of estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Substantially all of the Company's cash is held by two banks located in Wyoming and California, respectively. The Company does not believe that, as a result of this concentration, it is subject to any unusual financial risk beyond the normal risk associated with commercial banking relationships.

Accounts receivable

The Company extends non-interest bearing trade credit to its customers in the ordinary course of business. To minimize credit risk, ongoing credit evaluations of customers' financial condition are performed and reserves are maintained; however collateral is not required. The Company maintains an allowance for doubtful accounts based on its historical collections experience as well as its evaluation of current and expected conditions and trends affecting its customers.

Inventories

Inventories are stated at the lower of cost or market, cost being determined using the first-in, first-out method. The Company provides a reserve for slow moving and obsolete inventory.

Property, plant and equipment

Property, plant and equipment are stated at cost and are depreciated using the straight-line method based on the following estimated useful lives:

Machinery	5 years
Computer equipment	3 years
Furniture and fixtures	7 years

Expenditures for maintenance and repairs are charged to expense as incurred. When an asset is sold or otherwise disposed of, the cost and associated accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in the statement of operations.

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

Goodwill

The excess of the purchase price over the fair market value of assets acquired and liabilities assumed in acquisition transactions is classified as goodwill. Through March 31, 2002, goodwill was amortized on the straight-line method over 15 years. Effective April 1, 2002, the Predecessor Company ceased amortization of goodwill as described in Note 7. In accordance with SFAS No. 142, the Company does not amortize goodwill, but performs certain fair value tests of the carrying value at least annually.

Other long-term assets

Other long-term assets are stated at cost less accumulated amortization. For amortizable intangible assets, amortization is computed on the straight-line method as follows:

Trademarks	15–30 years	(predecessor basis)
Trademarks	5–30 years	(successor basis)

The Company and Predecessor Company have incurred debt issuance costs in connection with their long-term debt. These costs are capitalized and amortized using the effective interest method over the term of the related debt.

Indefinite lived intangible assets are tested for impairment at least annually.

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

Revenue recognition

Revenues are recognized when the following revenue recognition criteria are met: (1) persuasive evidence of an arrangement exists; (2) there is a fixed or determinable price; (3) delivery has occurred; and (4) collectibility is reasonably assured. These criteria are satisfied (and revenue is recognized) upon shipment of product. Provision is made for estimated customer discounts and returns at the time of sale.

Advertising and promotion costs

Advertising and promotion costs are expensed as incurred. Slotting fees associated with products are recognized as a reduction of sales. Under slotting arrangements, the retailers allow the Company's products to be placed on the stores' shelves in exchange for slotting fees. Direct reimbursements of advertising costs are reflected as a reduction of advertising costs in the period earned.

Stock-based compensation

The Company accounts for employee stock-based compensation in accordance with the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") and complies with the disclosure provisions of Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123") and SFAS No. 148, "Accounting for Stock-Based Compensation—Transition and Disclosure, an amendment of FASB Statement No. 123." Under APB 25, compensation expense is based on the difference, if any, on the date of grant, between the fair value of the Company's common stock or units and the exercise price of the option.

Income taxes

The Company has elected to be treated as a partnership for tax purposes. The tax effects of the Company's operations are passed directly to the members. Therefore, no provision for income taxes has been recorded in the financial statements for income or loss generated by Prestige International Holdings, LLC. Medtech, Denorex and Spic and Span are taxed as corporations. The Company and Predecessor Company account for income taxes in accordance with the provisions of SFAS No. 109, "Accounting for Income Taxes" ("SFAS 109"). Under SFAS 109, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized.

Derivative instruments

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"), requires companies to recognize all of its derivative instruments as either assets or liabilities in the balance sheet at fair value. The accounting for changes in the fair value of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, a company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, a cash flow hedge or a hedge of a net investment in an international operation.

The Company and Predecessor Company have designated their derivative financial instruments as cash flow hedges (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk). For these hedges, the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income (loss) and reclassified into earnings in the same line item associated with the forecasted transaction in the same period or periods during which the hedged transaction affects earnings. Any ineffective portion of the gains or losses on the derivative instruments is recorded in results of operations immediately.

Recently issued accounting standards

In December 2003, the FASB issued FASB Interpretation No. 46R ("FIN 46R"), "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51 (revised December 2003)," FIN 46R addresses consolidation by business enterprises of variable interest entities, as defined. For entities created after December 31, 2003, the Company will be required to apply FIN 46R as of the date it first becomes involved with the entity. FIN 46R is effective for the Company for entities created before December 31, 2003, for the period ending March 31, 2004. The adoption of FIN 46R had no impact on the Company's financial position, results of operations or cash flows.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity". This statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. Under SFAS No. 150, an issuer is required to classify financial instruments issued in the form of shares that are mandatorily redeemable, financial instruments that, at inception, embody an obligation to

repurchase the issuer's equity shares and financial instruments that embody an unconditional obligation, as liabilities. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and was effective for the Company for the year ended March 31, 2004. On November 7, 2003, the FASB indefinitely deferred the classification and measurement provisions of SFAS No. 150 as they apply to certain mandatorily redeemable non-controlling interests. This deferral is expected to remain in effect while these provisions are further evaluated by the FASB. The adoption of SFAS No. 150 had no impact on the Company's financial position, results of operations or cash flows.

2. Acquisitions

On February 6, 2004, the Company acquired all of the outstanding capital stock of Medtech and Denorex for a purchase price of approximately \$244,270 (including fees and expenses of \$2,371). The initial purchase price is subject to a post-closing working capital adjustment which is not expected to have a material effect on the initial purchase price.

On March 5, 2004, the Company acquired all of the outstanding capital stock of Spic and Span for a purchase price of approximately \$30,268.

The Medtech Acquisition, including fees and expenses related to the new financing of \$7,692, and the Spic and Span Acquisition were financed through the following sources:

	Medtech	Spic and Span
Medtech revolving credit facility	\$ 195	\$ 11,650
Medtech term loan facility	100,000	—
Medtech subordinated notes	42,941	—
Capital contributions from Prestige Holdings	106,930	17,768
Total sources of funds	\$ 250,066	\$ 29,418

The total purchase prices of the Medtech Acquisition (which included cash of \$166,146 paid to the selling shareholders, 1,185 Prestige Holdings Class B Preferred Units valued at an aggregate of \$1,185, and Prestige Holdings Common Units valued at an aggregate of \$524, assumed debt and accrued interest which was retired of \$74,044 and acquisition costs of \$2,371) and the Spic and Span Acquisition (which included cash of \$4,873 paid to the selling shareholders, 22,500 Prestige Holdings Senior Preferred Units issued to the selling shareholders valued at \$17,768, and assumed debt and accrued

interest which was retired of \$7,627) were allocated to the acquired assets and liabilities as set forth in the following table:

	Medtech	Spic and Span	Total
Cash	\$ 2,168	\$ 1,063	\$ 3,231
Restricted cash	700	—	700
Accounts receivable	10,622	1,849	12,471
Inventories	9,959	908	10,867
Prepaid expenses and other current assets	151	31	182
Property and equipment	434	445	879
Goodwill	55,594	—	54,757
Intangible assets	209,330	28,171	237,501
Deferred income taxes	—	141	141
Accounts payable	(6,672)	(1,644)	(8,316)
Accrued liabilities	(6,219)	(1,341)	(7,560)
Long-term debt	(71,868)	(6,981)	(78,849)
Deferred income taxes	(36,601)	—	(35,764)
	<u>\$ 167,598</u>	<u>\$ 22,642</u>	<u>\$ 190,240</u>

The value of the Prestige Holdings Class B Preferred Units and the Prestige Holdings Common Units issued to the selling shareholders was determined based on the cash consideration received from GTCR and other investors concurrently with the acquisitions. The value of the Prestige Holdings Senior Preferred Units issued to the selling shareholders in the Spic and Span Acquisition was determined based on the estimated cash flows that will accrue to the owners of the Senior Preferred Units, the timing of receipt and a market based required rate of return for the Senior Preferred Units. A "unit" is an equity interest of a unitholder in the profits, losses and distributions of a limited liability company, or "LLC."

As a result of the Medtech Acquisition, the Company recorded indefinite lived trademarks of \$153,190 and \$56,140 of trademarks with an estimated weighted average useful life of 11 years. As a result of the Spic and Span Acquisition, the Company recorded indefinite lived trademarks of \$28,171.

On April 6, 2004, the Company acquired all of the outstanding capital stock of Bonita Bay Holdings, Inc. for a purchase price of approximately \$558,680 (including fees and expenses of \$2,084). The initial purchase price is subject to a post-closing working capital adjustment which is not expected to have a material effect on the initial purchase price. In accordance with SFAS No. 141, the Company was determined to be the accounting acquirer.

The Bonita Bay Acquisition, including fees and expenses related to the new financing of \$20,147 and funds used to pay off \$154,422 debt and accrued interest incurred to finance the Medtech Acquisition, was financed through the following sources:

Revolving Credit Facility	\$	3,512
Tranche B Term Loan Facility		355,000
Tranche C Term Loan Facility		100,000
9.25% Senior Subordinated Notes		210,000
Capital contribution from Prestige Holdings		58,585
		<hr/>
Total sources of funds	\$	727,097
		<hr/>

The total purchase price of the Bonita Bay Acquisition (which included cash of \$379,586 paid to the selling shareholders, 94 Prestige Holdings Class B Preferred Units valued at an aggregate of \$91 and 18,842 Prestige Holdings Common Units valued at an aggregate of \$1, assumed debt which was retired of \$176,918 and acquisition costs of \$2,084) was allocated to the acquired assets and liabilities as set forth in the following table:

	Bonita Bay	
	<hr/>	<hr/>
Cash	\$	5,884
Accounts receivable		13,264
Inventories		17,016
Prepaid expenses and other current assets		1,391
Property, plant and equipment		2,958
Goodwill		200,294
Intangible assets		352,460
Accounts payable and accrued liabilities		(11,859)
Long-term debt		(172,844)
Deferred income taxes		(30,344)
		<hr/>
	\$	378,220
		<hr/>

As a result of the Bonita Bay Acquisition, the Company recorded indefinite lived trademarks of \$340,700 and \$11,760 of trademarks with an estimated weighted average useful life of 7 years.

The following table reflects the unaudited results of the Company's operations on a pro forma basis as if the Medtech, Spic and Span and Bonita Bay Acquisitions had been completed on April 1, 2003. The pro forma financial information is not necessarily indicative of the operating results that

would have occurred had the acquisitions been consummated as of April 1, 2003, nor is it necessarily indicative of future operating results.

	Pro Forma Years Ended March 31,	
	2004	2003
	(unaudited)	
Net sales	\$ 272,700	\$ 250,615
Income from continuing operations, before income taxes	28,064	36,332
Net income	17,121	20,543

On February 7, 2002, the Predecessor Company acquired the Denorex assets from American Home Products Corporation. Under the terms of the purchase agreement, the Predecessor Company acquired the assets in exchange for \$4,000 in cash and \$21,000 of notes payable. The Predecessor Company also recorded acquisition costs of \$788 (which were paid during the year ended March 31, 2003) and a discount on notes payable totaling \$3,268 (Note 10). The transaction was accounted for under the purchase method of accounting. As a result of the acquisition, the Predecessor Company recorded trademarks of \$22,520, which were being amortized over 15 years.

The following table reflects the unaudited results of the Predecessor Company's operations on a pro forma basis as if the acquisition of the Denorex assets had been completed on April 1, 2001. The pro forma financial information is not necessarily indicative of the operating results that would have occurred had the acquisition been consummated as of April 1, 2001, nor is it necessarily indicative of future operating results.

	Pro Forma Year Ended March 31, 2002 (unaudited)	
Net sales	\$	59,893
Income from operations		14,454
Net income		3,684

In connection with the acquisition of the Denorex assets, the Denorex Company entered into a transition services agreement with American Home Products Corporation to have manufacturing and other services provided for the period from inception (February 7, 2002) through December 31, 2002 in exchange for \$3,000. The cost of this agreement was charged to expense over this period on a straight-line basis.

3. Discontinued Operations

Effective March 28, 2003, the Predecessor Company sold substantially all of the assets of Pecos Pharmaceutical, Inc. ("Pecos"), one of the Predecessor Company's three reporting units, to Contract Pharmacal Corporation (the "Purchaser"). The sale included all inventory and intangible assets related to the Pecos products. The sales price consisted of up to \$1,000 of cash, all of which was subject to an earn-out provision based on the achievement of certain contribution margins from future sales by the Purchaser. Subsequent to March 31, 2004, the Company received \$445 from the Purchaser in full.

satisfaction of the earn-out provision. The Company recorded this consideration as an acquired receivable in purchase accounting.

In connection with the sale, the Predecessor Company agreed to indemnify the Purchaser for up to \$3,000 of potential sales returns, less the cost of inventory transferred to the Purchaser as part of this transaction. Accordingly, the Predecessor Company recorded a liability of \$2,272 related to this indemnification. In addition, the Predecessor Company recorded a loss on the sale of inventory totaling \$1,220. These amounts have been included in the loss on disposal of the Pecos reporting unit for the year ended March 31, 2003.

In accordance with the sale agreement, the Predecessor Company was required to deposit \$700 of cash into a legally restricted escrow account. This cash was returned to the Company in March 2004 as the Company and Predecessor Company had fully complied with the terms of the sale agreement.

The results of operations of the Pecos reporting unit for the years ended March 31, 2003 and 2002 have been classified as loss from operations of the discontinued Pecos reporting unit.

Revenues of the discontinued Pecos reporting unit were \$4,587 and \$12,427 for the years ended March 31, 2003 and 2002 (predecessor basis), respectively. The pre-tax losses of the discontinued Pecos reporting unit were \$5,233 and \$110 for the years ended March 31, 2003 and 2002 (predecessor basis), respectively.

4. Accounts Receivable

Accounts receivable consist of the following:

	March 31,	
	2004	2003
	(successor basis)	(predecessor basis)
Accounts receivable	\$ 16,244	\$ 13,101
Less allowances for discounts, returns and bad debts	(853)	(438)
	<u>\$ 15,391</u>	<u>\$ 12,663</u>

5. Inventories

Inventories consist of the following:

	March 31,	
	2004	2003
	(successor basis)	(predecessor basis)
Packaging and raw materials	\$ 1,562	\$ 1,605
Finished goods	8,186	3,992
	<u>\$ 9,748</u>	<u>\$ 5,597</u>

Inventories are shown net of reserves for obsolete and slow moving inventory of \$125 and \$79 at March 31, 2004 and 2003, respectively.

6. Property and Equipment

Property and equipment consist of the following:

	March 31,	
	2004	2003
	(successor basis)	(predecessor basis)
Computer equipment	\$ 341	\$ 749
Furniture and fixtures	555	442
Leasehold improvements	19	93
	915	1,284
Less accumulated depreciation	(35)	(669)
	\$ 880	\$ 615

Depreciation of property and equipment totaled \$41 for the period from February 6, 2004 to March 31, 2004 (successor basis) and \$247, \$301 and \$270 for the period from April 1, 2003 to February 5, 2004 and the years ended March 31, 2003 and 2002 (predecessor basis), respectively.

7. Goodwill

Effective April 1, 2002, the Predecessor Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"). SFAS 142 requires that companies perform periodic evaluations of potential impairment of goodwill, with the initial assessment to be completed during the first six months of the year in which SFAS 142 is first applied. The Predecessor Company performed an evaluation of its goodwill, and determined that an impairment charge equal to the goodwill carrying amount of \$18,252 (\$11,785 net of tax benefit of \$6,467) should be recorded as of April 1, 2002 related to the Predecessor Company's Pecos reporting unit. As provided in SFAS 142, this impairment charge was recorded as the cumulative effect of a change in accounting principle. The change in carrying amount of goodwill is as follows:

Predecessor Basis	
Balance as of March 31, 2002	\$ 18,252
Transition impairment adjustment recorded as the cumulative effect of a change in accounting principle as of April 1, 2002	(18,252)
Balance as of March 31, 2003	—
Successor Basis	
Goodwill acquired in the Medtech Acquisition	55,594
Balance as of March 31, 2004	\$ 55,594

As a result of the adoption of SFAS 142, no amortization of goodwill has been recorded since April 1, 2002. For the year ended March 31, 2002, the Predecessor Company recorded amortization of goodwill of \$962, net of income tax benefit of \$518.

The following table reflects what the Predecessor Company's net income (loss) would have been for the years ended March 31, 2003 and 2002 before the change in accounting principle and exclusive of amortization expense related to goodwill:

	Years ended March 31,	
	2003	2002
	(predecessor basis)	
Net income (loss)	\$ (14,422)	\$ 560
Add back: Cumulative effect of change in accounting principle, net of income tax benefit of \$6,467, related to adoption of SFAS 142	11,785	—
Add back: Goodwill amortization, net of income tax benefit of \$518	—	962
Adjusted net income (loss)	\$ (2,637)	\$ 1,522

8. Other Long-Term Assets

Other long-term assets consist of the following at March 31, 2004:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(successor basis)		
Intangible assets:			
Indefinite lived trademarks	\$ 181,361	\$ —	\$ 181,361
Amortizable intangible assets:			
Trademarks	56,140	(890)	55,250
	237,501	(890)	236,611
Deferred financing costs, net	2,783	—	2,783
	\$ 240,284	\$ (890)	\$ 239,394

Other long-term assets consist of the following at March 31, 2003:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(predecessor basis)		
Amortizable intangible assets:			
Trademarks	\$ 123,069	\$ (8,703)	\$ 114,366
Technology use and supply agreement	351	(250)	101
	123,420	(8,953)	114,467
Option agreement	3,425	—	3,425
Deferred financing costs, net	1,766	—	1,766
	\$ 128,611	\$ (8,953)	\$ 119,658

At March 31, 2004, the Company's intangible assets had a tax basis of \$100,863. At March 31, 2003, the Predecessor Company's intangible assets had a tax basis of \$52,867.

Amortization of intangible assets (trademarks and technology use and supply agreement) totaled \$890 for the period from February 6, 2004 to March 31, 2004 (successor basis) and \$4,251, \$4,973 and \$3,722 for the period from April 1, 2003 to February 5, 2003 and the years ended March 31, 2003 and 2002 (predecessor basis), respectively.

The Company's future amortization of intangible assets is expected to be as follows (in thousands):

Year ending March 31,	
2005	\$ 5,338
2006	5,338
2007	5,338
2008	5,338
2009	5,338
Thereafter	28,560
	<hr/>
	\$ 55,250

On March 1, 2001, the Predecessor Company renegotiated an existing license and option agreement ("New Agreement") with two affiliated entities ("Licensors") and made an initial option payment of \$2,500. The New Agreement granted the Predecessor Company an exclusive license to manufacture, distribute and sell products for which the Licensors own the rights until October 15, 2008 (the "Term"). The New Agreement required annual payments to the Licensors. For the period from April 1, 2003 to February 5, 2004 and the years ended March 31, 2003 and 2002, the annual payments totaled \$1,325, \$1,300 and \$1,040, respectively, of which \$265, and \$256 and \$208, respectively, were allocated to the option agreement. In addition, the New Agreement granted the Predecessor Company an option to purchase the Licensors' rights and intellectual property for \$10,000 at any time during the Term. In conjunction with the Medtech Acquisition, the Company exercised the option.

In connection with the agreement, the Company assumed certain contractual obligations, including royalty agreements for certain of the licensed products. Royalty costs were approximately \$73 for the period from February 6, 2004 to March 31, 2004 (successor basis) and \$450, \$1,208 and \$977 for the period from April 1, 2003 to February 5, 2004 and the years ended March 31, 2003 and 2002 (predecessor basis), respectively.

9. Accrued Liabilities

Accrued liabilities consist of:

	March 31,	
	2004	2003
	(successor basis)	(predecessor basis)
Accrued marketing	\$ 1,631	\$ 2,616
Reserve for Pecos returns	1,186	4,104
Accrued payroll	1,345	454
Accrued commissions	353	135
Interest payable	1,241	564
Income taxes payable	138	—
Other	1,370	1,182
	<u>\$ 7,264</u>	<u>\$ 9,055</u>

10. Long-Term Debt

Long-term debt consists of the following:

	April 6, 2004	March 31,	
		2004	2003
		(successor basis)	(predecessor basis)
Revolving Credit Facility	\$ 3,512	\$ —	\$ —
Tranche B Term Loan Facility	355,000	—	—
Tranche C Term Loan Facility	100,000	—	—
Senior Subordinated Notes	210,000	—	—
Medtech Revolving Credit Facility	—	10,548	—
Medtech Term Loan Facility	—	100,000	—
Medtech Subordinated Notes	—	38,146	—
Revolving line of credit with bank	—	—	1,500
Note payable to bank, Term Commitment A	—	—	21,479
Note payable to bank, Term Commitment B	—	—	17,288
Senior Subordinated Notes	—	—	21,752
Notes payable, due December 31, 2004, net of unamortized discount of \$1,498	—	—	19,002
	<u>668,512</u>	<u>148,694</u>	<u>81,021</u>
Less: current portion	(3,550)	(2,000)	(19,607)
Long-term debt	<u>\$ 664,962</u>	<u>\$ 146,694</u>	<u>\$ 61,414</u>

The Bonita Bay Acquisition

In order to finance the Bonita Bay Acquisition and repay certain existing indebtedness, including debt incurred in connection with the Medtech Acquisition, and pay related fees and expenses, the Company entered into the financing agreements set forth in the following paragraphs.

On April 6, 2004, the Company entered into a new senior secured credit facility (the "Senior Credit Facility", consisting of a \$50,000 non-amortizing senior secured revolving credit facility ("Revolving Credit Facility"), a \$355,000 senior secured term loan facility, ("Tranche B Term Loan Facility") and a \$100,000 second lien term loan facility ("Tranche C Term Loan Facility"). On April 6, 2004, the Company through a wholly owned subsidiary, also issued \$210,000 of 9.25% senior subordinated notes ("Senior Subordinated Notes").

The Senior Credit Facility is collateralized by substantially all of the Company's assets. The Tranche B and C Term Loan Facilities bear interest at the Company's option of either prime (4.25% at April 6, 2004) or LIBOR (1.125% at April 6, 2004) plus a variable margin and mature on April 6, 2011 and October 6, 2011, respectively. At April 6, 2004, the applicable interest rates on the Tranche B and C Term Loan Facilities were 4.075% and 7.75% respectively. Interest payments on Tranche C are due quarterly. Principal and interest payments on Tranche B are due quarterly.

The Revolving Credit Facility is available until April 6, 2009. At April 6, 2004, the Company was eligible to borrow \$50 million on the Revolving Credit Facility, of which there was \$3,512 outstanding. The Revolving Credit Facility bears interest at the Company's option of either prime plus a variable margin or LIBOR plus a variable margin. The variable margin ranges from 0.75% to 2.50%. At April 6, 2004, the applicable interest rate on the Revolving Credit Facility was 5.5%. The Company is also required to pay a variable commitment fee on the unused portion of the Revolving Credit Facility. At April 6, 2004, the applicable rate was 0.50%.

The Senior Subordinated Notes ("Notes") mature on April 15, 2012 and bear interest at 9.25%. Interest is payable on April 15 and October 15, each year, beginning on October 15, 2004. The total principal amount is due on April 15, 2012. The Company may redeem some or all of the Notes on or prior to April 15, 2008 at a redemption price equal to 100% plus a make-whole premium and on or after April 15, 2008 at redemption prices set forth in the Note agreement. At any time prior to April 15, 2007, the Company may redeem up to 40% of the aggregate principal amount of the Notes in an amount not to exceed the amount of proceeds of one or more equity offerings, at a price equal to 109.250% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date; provided that at least 60% of the original aggregate principal amount of the Notes issued remains outstanding after the redemption. Prestige Brands International, LLC, a wholly-owned subsidiary of the Company, has entered into a registration rights agreement with the initial purchasers of the Notes which grants those purchasers exchange and registration rights with respect to the Notes. Under the registration rights agreement, Prestige Brands International, LLC agreed to file a registration statement 90 days after the issue date of the Notes enabling the holders to exchange the Notes for publicly registered exchange notes with substantially identical terms. The Notes are fully and unconditionally guaranteed by Prestige Brands International, LLC, which has no independent assets or operations, and the Company's other wholly owned subsidiaries (except the issuer, which is a wholly owned finance subsidiary of the Company). Each of these guarantees is joint and several. There are no significant restrictions on the ability of any of the guarantors to obtain funds from their subsidiaries.

The Senior Credit Facility and Senior Subordinated Notes include various restrictive covenants that require the Company to maintain certain financial ratios and limit the Company's ability to incur additional indebtedness and pay dividends.

The Medtech and Spic and Span Acquisitions

In order to finance the Medtech and Spic and Span Acquisitions, repay certain existing indebtedness, and pay related fees and expenses, the Company entered into the financing agreements set forth in the following paragraphs.

On February 6, 2004, the Company entered into a new senior secured credit facility (the "Medtech Senior Credit Facility"), consisting of a \$20 million non-amortizing senior secured revolving credit facility ("Medtech Revolving Credit Facility") and a \$100.0 million senior secured term loan facility ("Medtech Term Loan Facility"). On February 6, 2004, the Company also issued \$42.9 million of 12.0% subordinated notes ("Medtech Subordinated Notes").

The Medtech Senior Credit Facility is collateralized by substantially all of the Company's assets. The Medtech Term Loan Facility bears interest at the Company's option of either prime (4.0% at March 31, 2004) or LIBOR (1.125% at March 31, 2004) plus a variable margin and matures on February 5, 2009. At March 31, 2004, the applicable interest rate on the Medtech Term Loan Facility was 4.625%. Principal and interest payments on the facility are due quarterly. The outstanding borrowings on the facility were repaid on April 6, 2004 using proceeds from the Bonita Bay Acquisition financing discussed above.

The Medtech Revolving Credit Facility was available until February 6, 2009, with the available borrowing amount based on eligible accounts receivable and inventories. At March 31, 2004, the Company was eligible to borrow \$19,302 on the facility, of which there was \$10,548 outstanding. The facility bore interest at the Company's option of either prime plus a variable margin or LIBOR plus a variable margin. The variable margin ranged from 3.0% to 3.5%. At March 31, 2004, the applicable interest rate on the facility was 6.0%. The Company is also required to pay a variable commitment fee on the unused portion of the facility. At March 31, 2004, the applicable rate was 0.50%. The outstanding borrowings on the facility were repaid on April 6, 2004 using proceeds from the Bonita Bay Acquisition financing discussed above.

The Medtech Subordinated Notes ("Notes") matured on February 6, 2014 and bore interest at 12% payable quarterly, beginning on May 20, 2004. The total principal amount was due on February 6, 2014. In conjunction with the Notes, the Company issued warrants to purchase 5,250 Class B Preferred Units and 2,619,386 Common Units. The warrants were exercised immediately upon issuance. The relative fair value of these warrants was recorded as a discount on debt of \$4,871 and was being amortized over the life of the related debt. The outstanding Notes were repaid on April 6, 2004 using proceeds from the Bonita Bay Acquisition financing discussed above. In conjunction with the repayment of the Notes, the unamortized discount of \$4,795 was written-off and recorded as loss on extinguishment of debt.

The Medtech Senior Credit Facility and Subordinated Notes include various restrictive covenants that require the Company to maintain certain financial ratios and limit the Company's ability to incur additional indebtedness and pay dividends. The Company was in compliance with these covenants as of March 31, 2004.

Predecessor company

On March 1, 2001, the Predecessor Company entered into a credit agreement with a bank to provide \$55,000 in debt ("Term Commitments A and B") and a \$10,000 revolving line of credit ("Revolving Line", or together with Term Commitments A and B, the "Senior Debt"). Simultaneously, the Predecessor Company issued \$21,500 of subordinated notes payable (the "Senior Subordinated Notes").

The Senior Debt was collateralized by substantially all the Predecessor Company's assets. Term Commitments A and B bore interest at the Predecessor Company's option of either prime (4.25% at March 31, 2003) plus a variable margin or LIBOR (1.38% at March 31, 2003) plus a variable margin and were scheduled to mature on March 1, 2006 and March 1, 2008, respectively. At March 31, 2003, the applicable interest rates on Term Commitments A and B were 4.88% and 5.38%, respectively. The outstanding borrowings were repaid on February 6, 2004 using proceeds from the Medtech Acquisition financing discussed above.

The Revolving Line was available until March 1, 2006, with the available borrowing amount based on eligible accounts receivable and inventories. At March 31, 2003, the Predecessor Company was eligible to borrow \$6,400 on the Revolving Line, of which there was \$1,500 outstanding. The Revolving Line bore interest at the Predecessor Company's option of either prime plus a variable margin or LIBOR plus a variable margin. The variable margin ranged from 1.75% to 3.5% based on the level of outstanding debt. The Predecessor Company was also required to pay a variable commitment fee on the unused portion of the Revolving Line. At March 31, 2003, the applicable rate was 0.50%. The outstanding borrowings were repaid on February 6, 2004 using proceeds from the Medtech Acquisition financing discussed above.

The Senior Subordinated Notes were scheduled to mature on August 31, 2008, and originally bore interest at 15%. On September 11, 2002, the note agreement was amended to require interest at 17%. In accordance with the terms of the notes, the Predecessor Company has made quarterly interest payments at 15% and has accrued the remaining 2% interest, increasing the principal balance of the notes by \$627 and \$251 as of February 5, 2004 and March 31, 2003, respectively. The Predecessor Company accounted for this modification as an extinguishment and reissuance of debt in accordance with EITF 96-19, "Debtors Accounting for a Modification or Exchange of Debt Instruments." Accordingly, the Predecessor Company recorded a loss on extinguishment of debt totaling \$685 for the year ended March 31, 2003. In conjunction with the purchase of the Senior Subordinated Notes, the Predecessor Company issued 1,048,798 warrants to purchase Class A-1 Common Stock. The warrants were exercisable immediately at an exercise price of \$0.01 per share and expire on March 1, 2013. The Predecessor Company initially recorded a discount of \$442 on the Senior Subordinated Notes. The unamortized discount was expensed during the year ended March 31, 2003. The outstanding borrowings were repaid on February 6, 2004 using proceeds from the Medtech Acquisition financing discussed above.

The Senior Debt and Senior Subordinated Notes included various restrictive covenants that required the Predecessor Company to maintain certain financial ratios. The Predecessor Company was in compliance with these covenants as of March 31, 2003.

The Predecessor Company was subject to an excess cash calculation in connection with the Senior Debt. In the event the Predecessor Company had excess cash as defined in the credit agreement, the Predecessor Company was required to remit a payment to the lender within 90 days after the end of the fiscal year. The excess cash payment was applied pro rata to the last payments due on Term Commitments A and B. The calculation indicated that an excess cash payment of \$1,211 was required for the year ended March 31, 2003; accordingly, the required excess cash payment has been included in the current portion of long-term debt at March 31, 2003.

In connection with the acquisition of the Denorex assets (Note 2), on February 7, 2002, the Predecessor Company issued \$21,000 of notes payable to American Home Products Corporation. The notes were payable in three equal installments of \$7,000 on December 31, 2002, 2003 and 2004. The amounts payable were non-interest bearing, which required the Predecessor Company to determine the fair value of the notes at the date of the transaction by discounting future payments using an imputed interest rate of 9%. The resulting difference between the future payments and their present value was recorded as a discount and amortized as interest expense using the interest method over the term of the note.

On January 29, 2003, the terms of the note were modified, requiring the Predecessor Company to pay \$623 on March 31, 2003, \$616 on June 30, 2003, \$607 on September 30, 2003, \$12,598 on December 31, 2003 and \$7,000 on December 31, 2004. As a result of the modification, in accordance with EITF 96-19, "Debtor's Accounting for a Modification or Exchange of Debt Instruments," the Predecessor Company calculated a new effective interest rate of 8.7% based on the carrying amount of the original notes and the revised cash flows. The remaining discount was being amortized as interest expense using the interest method over the remaining term of the note. The outstanding borrowings on the facility were repaid on April 6, 2004 using proceeds from the Bonita Bay acquisition financing discussed above.

Estimated future principal payments associated with long-term debt at April 6, 2004 are as follows:

Year ending March 31,	
2005	\$ 3,550
2006	3,550
2007	3,550
2008	3,550
2009	3,550
Thereafter	650,762
	<u>\$ 668,512</u>

Interest rate protection agreement

On April 2, 2002, the Predecessor Company entered into an interest rate swap agreement to convert approximately 50% of its borrowings on variable-rate Term Commitments A and B to debt with a fixed LIBOR base rate of 5.77%. At March 31, 2003, the interest rate swap agreement had a notional amount of \$21,000 and an estimated fair value of \$(845). At February 5, 2004, the interest rate swap

agreement had a notional amount of \$18,094 and an estimated fair value of \$197. The interest rate swap agreement was terminated on February 6, 2004, in conjunction with the Medtech Acquisition.

11. Lease Commitments and Obligations

The Company has operating leases for office facilities in New York, Connecticut and Wyoming, which expire on September 30, 2005, June 30, 2004 and December 31, 2004, respectively. The Company has an option to extend the lease of the Connecticut offices until June 30, 2007.

During October 2002, the Predecessor Company vacated its office space in Connecticut and entered into an operating lease for office space in New York. The Predecessor Company subleased the Connecticut office to an unrelated entity. The sublease expires June 30, 2004.

In addition, an affiliated company under common management has agreed to reimburse the Company approximately \$63 per year for the use of a portion of the Company's office space in New York. This agreement expires on September 30, 2005.

The following summarizes future minimum lease payments:

Year ending March 31,	Operating Leases	Amounts Receivable Under Sublease Arrangements
2005	316	35
2006	90	—
	\$ 406	\$ 35

Rent expense totaled \$62 for the period from February 6, 2004 to March 31, 2004 (successor basis) and \$357, \$418 and \$286 for the period from April 1, 2003 to February 5, 2004 and the years ended March 31, 2003 and 2002 (predecessor basis), respectively, net of rent income from subleases totaling \$23 for the period from February 6, 2004 to March 31, 2004 (successor basis) and \$96 and \$104 for the period from April 1, 2003 to February 5, 2004 and the year ended March 31, 2003 (predecessor basis), respectively.

12. Income Taxes

The provision (benefit) for income taxes consists of the following:

	February 6, 2004 to March 31, 2004		April 1, 2003 to February 5, 2004		Year Ended March 31,	
					2003	2002
	(successor basis)		(predecessor basis)			
Current:						
Federal	\$	307	\$	(30)	\$	2,151
State		51		(4)		(62)
Deferred:						
Federal		662		1,620		1,530
State		34		98		355
						22
Provision (benefit) for income taxes from continuing operations		1,054		1,684		3,902
Provision (benefit) for income taxes from income (loss) from operations of discontinued Pecos reporting unit		—		—		(1,848)
Benefit for income taxes from loss on disposal of Pecos reporting unit		—		—		(1,233)
Benefit for income taxes from cumulative effect of changes in accounting principle		—		—		(6,467)
	\$	1,054	\$	1,684	\$	(5,646)
					\$	268

The principal components of the Company's deferred tax balances are as follows:

	March 31,	
	2004	2003
	(successor basis)	(predecessor basis)
Deferred tax assets:		
Allowance for doubtful accounts	\$	312
Inventory capitalization		83
Inventory reserve		45
Inventory step-up		(122)
Reserve for sales returns and discounts		310
Interest rate swap		—
Net operating loss carryforward		8,306
Property and equipment		—
State income tax		747
Other		270
Valuation allowance		—
		(1,419)
Deferred tax liabilities:		
Intangible assets		(47,145)
Property and equipment		(33)
Other		—
		(24)
	\$	(37,227)
		\$
		(3,533)

As a result of Denorex's history of net losses, a valuation allowance was provided for the full amount of Denorex's net deferred tax assets at March 31, 2003. In conjunction with the Medtech Acquisition the valuation allowance was reversed in purchase accounting. At March 31, 2004, Denorex had net operating loss carryforwards of approximately \$4,973, which may be used to offset future taxable income. These carryforwards, which are subject to annual limitations as to usage under Section 382, begin to expire in 2022.

At March 31, 2004, Medtech had net operating loss carryforwards of approximately \$16,364. These carryforwards, which are subject to annual limitations as to usage under Section 382, begin to expire in 2020.

At March 31, 2004, Spic and Span had net operating loss carryforwards of approximately \$1,888. These carryforwards, which are subject to annual limitations as to usage under Section 382, begin to expire in 2022.

A reconciliation of the effective tax rate for continuing operations compared to the statutory U.S. Federal tax rate (34%) is as follows:

	February 6 to March 31, 2004		April 1, 2003 to February 5, 2004		Year Ended March 31,			
					2003	2002		
	(successor basis)		(predecessor basis)					
Income tax provision at statutory rate	\$	967	\$	1,386	\$	2,349	\$	319
State income taxes (net of federal income tax benefit)		81		71		139		31
Change in effective state tax rate		—		—		190		(505)
Amortization of intangible assets		—		94		193		—
Valuation allowance		—		321		992		427
Other		6		(188)		39		39
Provision for income taxes from continuing operations	\$	1,054	\$	1,684	\$	3,902	\$	311

13. Members' and Shareholder's Equity

Member's equity

The Company has four classes of units: Senior Preferred Units, Class A Preferred Units, Class B Preferred Units and Common Units. A "unit" is an equity interest of a unitholder in the profits, losses and distributions of the Company. The Company's Unitholders have the following rights and privileges:

Voting

The holders of the Common Units are entitled to vote on all matters submitted to the Unitholders for a vote with each Common Unit entitled to one vote. The holders of Senior Preferred Units, Class A Preferred Units and Class B Preferred Units are not entitled to vote.

Distributions

The Board of Managers, at its discretion, may make distributions in the following order and priority:

First, the Unitholders holding Senior Preferred Units have the right to receive distributions sufficient to generate an 8% (if certain sales targets are met) per year rate of return (compounded annually) on their capital contributions. These Unitholders also have a preference to receive distributions of their initial capital contributions prior to distributions to the Class A Preferred, Class B Preferred or Common Unitholders. The aggregate liquidation preference of the Senior Preferred Unitholders was \$22,628 at March 31, 2004.

Second, the Unitholders holding Class A Preferred Units have the right to receive distributions sufficient to generate an 8% per year rate of return (compounded quarterly) on their capital contributions. These Unitholders also have a preference to receive distributions of their initial capital contributions prior to distributions to the Class B Preferred or Common Unitholders. The aggregate liquidation preference of the Class A Preferred Unitholders was \$0 at March 31, 2004.

Third, the Unitholders holding Class B Preferred Units have the right to receive distributions sufficient to generate an 8% per year rate of return (compounded quarterly) on their capital contributions. These Unitholders also have a preference to receive distributions of their initial capital contributions prior to distributions to the Common Unitholders. The aggregate liquidation preference of the Class B Preferred Unitholders was \$107,919 at March 31, 2004.

Fourth, the Unitholders holding Common Units have the right to receive all remaining distributions.

Notwithstanding these distribution preferences, the Board of Managers, at its discretion, may approve distributions up to \$16,867 to the Unitholders of Class A Preferred Units, Class B Preferred Units and Common Units (in order of priority) before distributions to the Senior Preferred Unitholders. In addition, the Company may make quarterly distributions to any unitholders (regardless of priority) sufficient to enable the unitholders to pay income tax liabilities related to their allocation of the Company's taxable income.

Allocations of profits and losses

Profits and losses of the Company are allocated to the Unitholders for each fiscal year based on the respective amount that each Unitholder would receive if the assets of the Company were liquidated at book value and distributed to the Unitholders in accordance with the provisions of the limited liability company agreement.

Predecessor company common stock

Medtech and Denorex had the following authorized and outstanding common stock:

	<u>Par Value</u>	<u>Authorized</u>	<u>Outstanding at March 31, 2003</u>	<u>Balance at March 31, 2003</u>
Medtech				
Class L	\$ 0.01	700,000	607,320	\$ 6
Class A-1	\$ 0.01	7,000,000	5,395,226	54
Class A-2	\$ 0.01	1,500,000	1,142,391	11
				<u>\$ 71</u>
Denorex:				
Class L	\$ 0.01	20,000	11,224	\$ —
Class A	\$ 0.01	130,000	113,489	1
				<u>\$ 1</u>

Voting

The holders of the Medtech Class L Common Stock and the Medtech Class A-1 Common Stock are entitled to vote together as a single class on all matters submitted to shareholders for a vote. Each share of Medtech Class A-1 Common Stock is entitled to one vote per share. Each holder of Medtech Class L Common Stock is entitled to the number of votes equal to the number of shares of Medtech Class A-1 Common Stock into which each share of Class L Common Stock is convertible at the time of such vote.

The holders of the Denorex Class L Common Stock and the Denorex Class A Common Stock are entitled to vote together as a single class on all matters submitted to shareholders for a vote. Each share of Denorex Class A Common Stock is entitled to one vote per share. Each holder of Denorex Class L Common Stock is entitled to the number of votes equal to the number of shares of Class A Common Stock into which each share of Denorex Class L Common Stock is convertible at the time of such vote.

Dividends and liquidation preference

The Medtech Class L Common Stock had a liquidation and distribution preference of \$100 per share plus amounts sufficient to generate an internal rate of return of 8% per year (aggregate liquidation value of \$71,707 at March 31, 2003). The holders of Medtech Class L Common Stock were entitled to receive all dividends or other distributions declared by the Board of Directors until the liquidation preference had been satisfied, prior to any dividends or distributions to shareholders of the Medtech Class A-1 or Medtech Class A-2 Common Stock.

Subsequently, the remaining distributions would be divided among the shareholders of the Medtech Class L Common Stock, the Medtech Class A-1 Common Stock, and the Medtech Class A-2 Common Stock pro rata based on the number of outstanding shares of Common Stock, provided that for distribution purposes each share of Medtech Class L Common Stock shall be deemed to have been

converted into a number of shares equal to the number of shares of Medtech Class A-1 Common Stock into which each share of Medtech Class L Common Stock is convertible at the time of such distribution.

The Denorex Class L Common Stock had a liquidation and distribution preference sufficient to generate an internal rate of return of 8% per year (aggregate liquidation value of \$14,220 at March 31, 2003). The holders of Denorex Class L Common Stock were entitled to receive all dividends or other distributions declared by the Board of Directors until the liquidation preference had been satisfied, prior to any dividends or distributions to shareholders of the Denorex Class A Common Stock.

Subsequently, the remaining distributions would be divided among the shareholders of the Denorex Class L Common Stock and the Denorex Class A Common Stock, pro rata based on the number of outstanding shares of Common Stock, provided that for distribution purposes, each share of Denorex Class L Common Stock shall be deemed to have been converted into a number of shares equal to the number of shares of Denorex Class A Common Stock into which each share of Denorex Class L Common Stock is convertible at the time of such distribution.

Conversion

Each share of Medtech Class L Common Stock and Medtech Class A-2 Common Stock is convertible into Medtech Class A-1 Common Stock by a vote of the Board of Directors upon a sale of the Common Stock. In addition, the outstanding shares of Medtech Class L Common Stock and Medtech Class A-2 Common Stock automatically convert into Medtech Class A-1 Common Stock immediately prior to an underwritten public offering in which the Predecessor Company receives aggregate proceeds of at least \$30,000.

Each share of Medtech Class L Common Stock converts into the number of shares of Medtech Class A-1 Common Stock determined by dividing the remaining unpaid liquidation and distribution preference per share by the sale price (or public offering price) per Medtech Class A-1 Common Share. Each share of Medtech Class A-2 Common Stock converts to one share of Medtech Class A-1 Common Stock.

Each share of Denorex Class L Common Stock is convertible into Denorex Class A Common Stock by a vote of the Board of Directors upon a sale of the Common Stock. In addition, the outstanding shares of Denorex Class L Common Stock automatically convert into Denorex Class A Common Stock immediately prior to an underwritten public offering.

Each share of Denorex Class L Common Stock converts into the number of shares of Denorex Class A Common Stock determined by dividing the remaining unpaid liquidation and distribution preference per share by the sale price (or public offering price) per Denorex Class A Common Share.

14. Employee Stock Awards

During the year ended March 31, 2003, the Predecessor Company sold its employees 12,471 shares of Denorex Class A Common Stock at a purchase price of \$1.00 per share. These shares vest ratably over a four-year period. The Predecessor Company's estimated fair value of the stock on the grant date

was \$1.00 per share. Accordingly, the Predecessor Company did not record compensation expense for these stock awards.

15. Related Party Transactions

The Predecessor Company entered into agreements with its majority shareholder to provide advisory and management services. For the period from April 1, 2003 to February 5, 2004 and the years ended March 31, 2003 and 2002, the Predecessor Company incurred \$1,293, \$1,600 and \$1,150, respectively, for these services. In addition, the Predecessor Company reimbursed this shareholder for travel expenses totaling \$390, \$170 and \$158 for the period from April 1, 2003 to February 5, 2004 and the years ended March 31, 2003 and 2002, respectively. This shareholder was also paid \$560 during the year ended March 31, 2003 for management and advisory services relating to the acquisition of the Denorex assets on February 7, 2002. At March 31, 2003, the Predecessor Company owed \$1,100 to this shareholder, which amounts are included in accounts payable—related parties.

In addition to the above transactions, the Predecessor Company's majority shareholder committed to fund, if necessary, up to \$14,000 to repay the outstanding note payable to American Home Products Corporation as it matures.

During the year ended March 31, 2002, the Predecessor Company entered into an agreement with an affiliated company under common management to provide certain administrative, technology and support services to the affiliate in exchange for \$57 per month. This agreement was amended in April 2002 to reduce this fee to \$33 per month. The agreement expires March 1, 2006. The Predecessor Company recognized \$333, \$391 and \$546 for these services during the period from April 1, 2003 to February 5, 2004 and the years ended March 31, 2003 and 2002, respectively. At March 31, 2003, the affiliated company owed the Predecessor Company \$376 which was included in accounts receivable—related parties.

In January 2004, the Company forgave a \$1,404 receivable from Spic and Span.

In connection with the acquisitions (Note 2), the Company entered into an agreement with an affiliate of GTCR to provide management and advisory services. Under the terms of the agreement, the Company will be required to pay \$4,000 per year for these services. In conjunction with the Medtech and Denorex Acquisitions, the Company paid an affiliate of GTCR a fee of \$5,026.

16. Fair Value of Financial Instruments

The carrying value of cash, accounts receivable and accounts payable at March 31, 2004 and 2003 approximates fair value because of the short-term maturity of these instruments. The carrying value of long-term debt at March 31, 2004 and 2003 approximates fair value based on interest rates for instruments with similar terms and maturities.

17. Concentrations of Credit Risk

The Company's sales are concentrated in the area of over-the-counter pharmaceutical products and personal care products. The Company sells its products to mass merchandisers and food and drug

accounts. During the period from February 6, 2004 to March 31, 2004, April 1, 2003 to February 5, 2004 and the years ended March 31, 2003 and 2002, approximately 66%, 74%, 70% and 68%, respectively, of total sales were derived from 4 of its brands. During the period from February 6, 2004 to March 31, 2004, April 1, 2003 to February 5, 2004 and years ended March 31, 2003 and 2002, approximately 33%, 30%, 24% and 23%, respectively, of total sales were made to one customer. At March 31, 2004, 32% of accounts receivable were owed by one customer.

18. Business Segments

Segment information has been prepared in accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information". Segments are determined based on products provided by each segment. Within each reportable segment are product lines which have similar characteristics. Accounting policies of the segments are the same as those described in Note 1.

There were no intersegment sales or transfers during the period from February 6, 2004 to March 31, 2004, the period from April 1, 2003 to February 5, 2004, or the years ended March 31, 2003 or 2002. The Company evaluates the performance of its product lines and allocates resources to them based primarily on gross profit. The table below summarizes information about reportable segments.

Period from February 6, 2004 to March 31, 2004 (successor basis)	Over-the-Counter	Personal Care	Household Cleaning	Other	Consolidated
Net sales	\$ 12,010	\$ 4,721	\$ 2,076	\$ —	\$ 18,807
Other revenues—related party	—	—	—	54	54
Total revenues	12,010	4,721	2,076	54	18,861
Cost of sales	5,981	2,836	1,206	—	10,023
Gross profit	6,029	1,885	870	54	8,838
Advertising and promotion	869	603	217	—	1,689
Contribution margin	5,160	1,282	653	54	7,149
Other operating expenses					2,580
Operating income					4,569
Other income (expense)					(1,725)
Provision for income taxes					(1,054)
Net income				\$	1,790

Period from April 1, 2003 to February 5, 2004
(predecessor basis)

	Over-the-Counter	Personal Care	Other	Consolidated
Net sales	\$ 43,577	\$ 25,149	\$ —	\$ 68,726
Other revenues—related party	—	—	333	333
Total revenues	43,577	25,149	333	69,059
Cost of sales	14,685	11,569	—	26,254
Gross profit	28,892	13,580	333	42,805
Advertising and promotion	6,467	6,134	—	12,601
Contribution margin	22,425	7,446	333	30,204
Other operating expenses				17,970
Operating income				12,234
Other income (expense)				(8,157)
Provision for income taxes				(1,684)
Discontinued operations				—
Change in accounting principle				—
Net income				\$ 2,393

Year ended March 31, 2003
(predecessor basis)

	Over-the-Counter	Personal Care	Other	Consolidated
Net sales	\$ 43,260	\$ 32,788	\$ —	\$ 76,048
Other revenues—related party	—	—	391	391
Total revenues	43,260	32,788	391	76,439
Cost of sales	12,620	14,855	—	27,475
Gross profit	30,640	17,933	391	48,964
Advertising and promotion	7,420	6,854	—	14,274
Contribution margin	23,220	11,079	391	34,690
Other operating expenses				17,349
Operating income				17,341
Other income (expense)				(10,432)
Provision for income taxes				(3,902)
Discontinued operations				(5,644)
Cumulative effect of change in accounting principle				(11,785)
Net (loss)				\$ (14,422)

Year ended March 31, 2002
(predecessor basis)

	Over-the-Counter	Personal Care	Other	Consolidated
Net sales	\$ 31,084	\$ 14,571	\$ —	\$ 45,655
Other revenues—related parties	—	—	546	546
Total revenues	31,084	14,571	546	46,201
Cost of sales	9,464	9,235	—	18,699
Gross profit	21,620	5,336	546	27,502
Advertising and promotion	4,329	901	—	5,230
Contribution margin	17,291	4,435	546	22,272
Other operating expenses				12,568
Operating income				9,704
Other income (expense)				(8,766)
Provision for income taxes				(311)
Discontinued operations				(67)
Net income				\$ 560

During the period from February 6, 2004 to March 31, 2004, the period from April 1, 2003 to February 5, 2004, and the years ended March 31, 2003 and 2002, virtually all sales were made to customers in the United States of America and Canada.

The table below sets forth sales by major customers:

	February 6 to March 5, 2004 (successor basis)	April 1, 2003 to February 5 2004 (predecessor basis)	Years Ended March 31,	
			2003	2002
Customer A	\$ 6,283	\$ 22,124	\$ 18,177	\$ 10,486

No individual geographical area accounted for more than 10% of net sales in any of the periods presented. At March 31, 2004 and 2003, all of the Company's long-term assets were located in the United States of America.

19. Subsequent Events

On October 6, 2004, the Company acquired all the outstanding stock of Vetco, Inc. for a purchase price of approximately \$50 million in cash. To finance the transaction, the Company used cash on hand of approximately \$20 million and borrowed an additional \$12 million on its Revolving Credit Facility and \$18 million on its Tranche B Term Loan Facility.

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS

(dollars in thousands)

	Balance at Beginning of Year	Charged to Expense	Deductions	Other	Balance at End of Year
Predecessor Basis					
Year ended March 31, 2002					
Deferred tax valuation allowance	—	427	—	—	427
Reserves for sales returns	265	2,793	3,819	1,023(1)	262
Allowance for doubtful accounts	625	167	735	—	57
Allowance for inventory obsolescence	358	179	353	—	184
Pecos Returns Reserve	2,074	3,771	4,957	—	888
Year ended March 31, 2003					
Deferred tax valuation allowance	427	992	—	—	1,419
Reserves for sales returns	262	4,305	4,218	—	349
Allowance for doubtful accounts	57	126	94	—	89
Allowance for inventory obsolescence	184	87	193	—	78
Pecos Returns Reserve	888	7,556	4,340	—	4,104
Period ended February 5, 2004					
Deferred tax valuation allowance	1,419	325	—	—	1,744
Reserves for sales returns	348	3,254	3,025	—	577
Allowance for doubtful accounts	89	166	114	—	141
Allowance for inventory obsolescence	78	350	340	—	88
Pecos Returns Reserve	4,104	—	2,755	—	1,349
Successor Basis					
Period ended March 31, 2004					
Deferred tax valuation allowance	1,744	—	—	(1,744)(2)	—
Reserves for sales returns	684	389	568	288 (3)	793
Allowance for doubtful accounts	141	46	140	13 (3)	60
Allowance for inventory obsolescence	88	70	60	26 (3)	124
Pecos Returns Reserve	1,349	—	163	—	1,186

- (1) During the year ended March 31, 2002, the Company increased its reserve for sales returns as a purchase accounting adjustment related to the Acquisition of Medtech Products, Inc. and The Cutex Company on March 1, 2001.
- (2) As a result of the business combination of Medtech and Denorex, the Company determined that it would probably be able to utilize the deferred tax assets for which a valuation allowance had previously been established. Accordingly, the Company did not record a valuation allowance in purchase accounting.
- (3) As a result of the acquisition of Spic and Span, the Company recorded reserves for sales returns and allowances for doubtful accounts an inventory obsolescence in purchase accounting.

The Spic and Span Company

Financial Statements

For the years ended December 31, 2003 and 2002
and for the period from January 24, 2001 through December 31, 2001

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders
of The Spic and Span Company

In our opinion, the accompanying balance sheet and the related statements of operations, of shareholders' equity and of cash flows present fairly, in all material respects, the financial position of The Spic and Span Company at December 31, 2003 and 2002, and the results of its operations and its cash flows for the years ended December 31, 2003 and 2002 and for the period from inception (January 24, 2001) through December 31, 2001 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Salt Lake City, Utah
March 18, 2004

THE SPIC AND SPAN COMPANY

BALANCE SHEET

(in thousands, except share data)

	December 31,	
	2003	2002
ASSETS		
Current assets:		
Cash	\$ 863	\$ 229
Accounts receivable, net	2,278	1,982
Income taxes receivable	—	656
Inventories	1,044	1,376
Prepaid expenses	52	281
Deferred income taxes	—	566
Total current assets	4,237	5,090
Property, plant and equipment	384	434
Goodwill, net	1,433	1,433
Other long-term assets, net	31,214	32,700
Total assets	\$ 37,268	\$ 39,657
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 696	\$ 2,779
Accounts payable—related parties	2,261	443
Accrued liabilities	1,420	1,020
Current portion of long-term debt	2,150	1,724
Total current liabilities	6,527	5,966
Long-term debt, net of current portion	7,481	10,000
Subordinated notes payable to shareholders	—	10,000
Interest payable to shareholders	—	1,548
Deferred income taxes	—	808
Total liabilities	14,008	28,322
Commitments and contingencies (Note 11)		
Shareholders' equity:		
Class L-1 Common Stock, \$0.01 par value, 20,000 shares authorized, 12,503 shares issued and outstanding (liquidation preference at December 31, 2003—\$12,544)	—	—
Class L Common Stock, \$0.01 par value, 11,000 shares issued and outstanding (liquidation preference at December 31, 2003—\$13,882)	—	—
Class A Common Stock, \$0.0001 par value, 275,000 shares authorized, 114,904 shares issued and outstanding	—	—
Additional paid-in-capital	23,530	11,028
Retained earnings (accumulated deficit)	(270)	307
Total shareholders' equity	23,260	11,335
Total liabilities and shareholders' equity	\$ 37,268	\$ 39,657

The accompanying notes are an integral part of these financial statements.

THE SPIC AND SPAN COMPANY

STATEMENTS OF OPERATIONS

(in thousands, except share data)

	Year ended December 31,		Period from inception (January 24, 2001) through December 31, 2001
	2003	2002	
Net sales	\$ 20,173	\$ 18,924	\$ 20,856
Cost of sales	11,191	9,569	8,652
Gross profit	8,982	9,355	12,204
Operating expenses:			
General and administrative	4,776	4,286	3,646
Advertising and promotion	4,506	3,810	2,286
Depreciation	109	63	26
Amortization of goodwill	—	—	45
Amortization of other long-term assets	1,152	1,177	1,078
Total operating expenses	10,543	9,336	7,081
Operating income (loss)	(1,561)	19	5,123
Other income (expense):			
Gain on sale of trademark	2,900	—	—
Other income (expense), net	185	2	(105)
Interest expense, net	(2,327)	(2,205)	(2,200)
Total other income (expense)	758	(2,203)	(2,305)
Income (loss) before income taxes	(803)	(2,184)	2,818
Benefit (provision) for income taxes	226	713	(1,040)
Net income (loss)	\$ (577)	\$ (1,471)	\$ 1,778

The accompanying notes are an integral part of these financial statements.

THE SPIC AND SPAN COMPANY
STATEMENT OF SHAREHOLDERS' EQUITY
(in thousands, except share data)

	Class L-1 common stock		Class L common stock		Class A common stock		Additional paid-in capital	Retained earnings (accumulated deficit)	Total
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at inception (January 24, 2001)	—	\$ —	—	\$ —	—	\$ —	—	\$ —	\$ —
Issuance of Class L and Class A Common Stock	—	—	11,000	—	99,000	—	11,000	—	11,000
Issuance of Class A Common Stock for purchase of business	—	—	—	—	7,647	—	7	—	7
Issuance of restricted Class A Common Stock	—	—	—	—	20,760	—	21	—	21
Net income	—	—	—	—	—	—	—	1,778	1,778
Balance at December 31, 2001	—	—	11,000	—	127,407	—	11,028	1,778	12,806
Net loss	—	—	—	—	—	—	—	(1,471)	(1,471)
Balance at December 31, 2002	—	—	11,000	—	127,407	—	11,028	307	11,335
Issuance of Class L-1 Common Stock in exchange for subordinated notes and interest payable to shareholders and Class A Common Stock	12,503	—	—	—	(12,503)	—	12,502	—	12,502
Net loss	—	—	—	—	—	—	—	(577)	(577)
Balance at December 31, 2003	12,503	\$ —	11,000	\$ —	114,904	\$ —	\$ 23,530	\$ (270)	\$ 23,260

The accompanying notes are an integral part of these financial statements.

THE SPIC AND SPAN COMPANY

STATEMENTS OF CASH FLOWS

(in thousands)

	Year ended December 31,		Period from inception (January 24, 2001) through December 31, 2001
	2003	2002	
Cash flows from operating activities:			
Net income (loss)	\$ (577)	\$ (1,471)	\$ 1,778
<i>Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:</i>			
Depreciation	109	63	26
Amortization of goodwill	—	—	45
Amortization of other long-term assets	1,152	1,177	1,078
Amortization of deferred financing costs	379	344	252
Gain on sale of trademark	(2,900)	—	—
Loss on extinguishment of debt	23	—	—
Loss on sale of property, plant and equipment	—	—	13
Deferred income taxes	(242)	(159)	401
Changes in operating assets and liabilities:			
Accounts receivable	(296)	(299)	(1,683)
Income taxes receivable	656	(584)	(72)
Inventories	332	(1,376)	—
Prepaid expenses	229	102	(383)
Accounts payable	(2,083)	2,730	49
Accounts payable—related parties	1,818	443	—
Accrued expenses	400	(744)	1,764
Interest payable to shareholders	954	800	748
Net cash provided by (used in) operating activities	(46)	1,026	4,016
Cash flows from investing activities:			
Purchases of property, plant and equipment	(59)	(369)	(167)
Purchase of business	—	—	(21,024)
Sale of trademark	2,900	—	—
Net cash provided by (used in) investing activities	2,841	(369)	(21,191)
Cash flows from financing activities:			
Bank overdraft	—	(33)	33
Deferred financing costs	(68)	(175)	(823)
Borrowings from shareholders	—	—	10,500
Payment on borrowings from shareholders	—	—	(500)
Proceeds from issuance of common stock	—	—	11,021
Borrowings under line of credit	16,300	7,186	—
Payments on line of credit	(18,024)	(5,462)	—
Payments on long-term debt	(369)	(3,000)	(2,000)
Net cash provided by (used in) financing activities	(2,161)	(1,484)	18,231
Net increase (decrease) in cash	634	(827)	1,056
Cash at beginning of period	229	1,056	—
Cash at end of period	\$ 863	\$ 229	\$ 1,056
Supplemental cash flow information:			
Interest paid	\$ 991	\$ 1,765	\$ 1,229
Income taxes paid	\$ 10	\$ 32	\$ 711
Issuance of debt for purchase of business	\$ —	\$ —	\$ 15,000
Issuance of common stock for purchase of business	\$ —	\$ —	\$ 7
Issuance of Class L-1 Common Stock in exchange for subordinated notes and interest payable to shareholders and Class A Common Stock	\$ 12,502	\$ —	\$ —

The accompanying notes are an integral part of these financial statements.

THE SPIC AND SPAN COMPANY
NOTES TO FINANCIAL STATEMENTS
(in thousands, except share data)

1. Business and Summary of Significant Accounting Policies

Nature of business

The Spic and Span Company (the "Company") was incorporated on November 30, 2000, and began operations on January 24, 2001. The Company is engaged in the marketing, sales and distribution of leading household cleaning brands sold primarily through supermarkets and mass merchandise outlets in the United States.

On March 5, 2004 the Company was acquired (Note 18) by Prestige Household Brands, Inc., a wholly-owned subsidiary of Prestige Brands International, LLC (the "Acquiring Company").

Use of estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Substantially all of the Company's cash is held by two banks, located in Wyoming and California, respectively. The Company does not believe that, as a result of this concentration, it is subject to any unusual financial risk beyond the normal risk associated with commercial banking relationships.

Accounts receivable

The Company extends non-interest bearing trade credit to its customers in the ordinary course of business. To minimize credit risk, ongoing credit evaluations of customers' financial condition are performed and reserves are maintained; however collateral is not required

Inventories

Inventories are stated at the lower of cost or market, cost being determined using the first-in, first-out method. The Company provides a reserve for slow moving and obsolete inventory.

Property, plant and equipment

Property, plant and equipment are stated at cost and are depreciated using the straight-line method based on the following estimated useful lives:

Machinery	7 years
Computer equipment	3 years
Furniture and fixtures	5 years

Expenditures for maintenance and repairs are charged to expense as incurred. When an asset is sold or otherwise disposed of, the cost and associated accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in the statement of operations.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Impairment losses are recognized if the carrying amount of the asset exceeds its fair value. No impairment losses were recorded during the years ended December 31, 2003 and 2002 or the period from inception (January 24, 2001) through December 31, 2001.

Goodwill

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets". SFAS 142 applies to all goodwill and identified intangible assets acquired in a business combination. Under this standard, goodwill will no longer be amortized, but will be tested for impairment at least annually. Accordingly, the Company ceased amortization of its goodwill January 1, 2002. The Company evaluated the remaining \$1,433 of unamortized goodwill as of January 1, 2002 and December 31, 2002 and 2003, and determined that no impairment charge should be recorded.

The following table reflects what the Company's net income (loss) would have been for the period from inception (January 24, 2001) through December 31, 2001, exclusive of amortization expense related to goodwill:

	Period from inception (January 24, 2001) through December 31, 2001
Net income	\$ 1,778
Add back: goodwill amortization	45
Adjusted net income (loss)	<u>\$ 1,823</u>

Other long-term assets

Other long-term assets are stated at cost less accumulated amortization. Amortization is computed on a straight-line basis as follows:

Trademarks	30 years
Artwork cylinders	2 years
Deferred financing costs	1-3 years

Other long-term assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Impairment losses are recognized if the carrying amount of the asset exceeds fair value. No impairment losses were recorded

during the years ended December 31, 2003 and 2002 or the period from inception (January 24, 2001) through December 31, 2001.

Revenue recognition

Revenue is recognized upon shipment of product. Provision is made for estimated customer returns, discounts and allowances at the time of sale.

Advertising and promotion costs

Advertising and promotion costs are expensed as incurred. Slotting fees associated with products are recognized as a reduction of sales. Under slotting arrangements, the retailers allow the Company's products to be placed on the stores' shelves in exchange for slotting fees. Direct reimbursements of advertising costs are reflected as a reduction of advertising costs in the period earned.

Stock-based compensation

The Company accounts for employee stock-based compensation in accordance with the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") and complies with the disclosure provisions of SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123") and SFAS No. 148, "Accounting for Stock-Based Compensation—Transition and Disclosure, an Amendment of FASB Statement No. 123." Under APB 25, compensation expense is based on the difference, if any, on the date of grant, between the fair value of the Company's common stock and the exercise price of the option. Through December 31, 2003, no stock options have been granted.

Income taxes

The Company accounts for income taxes in accordance with the provisions of SFAS No. 109, "Accounting for Income Taxes" ("SFAS 109"). Under SFAS 109, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Reclassifications

Certain amounts for the year ended December 31, 2002 and the period from inception (January 24, 2001) through December 31, 2001, have been reclassified to conform to the current year presentation. The reclassifications had no effect on total assets, total liabilities, shareholders' equity or net income (loss).

Recent accounting pronouncements

During the year ended December 31, 2002, the Company adopted Financial Accounting Standards Board Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"). FIN 45 requires that a liability

be recorded in the guarantor's balance sheet upon issuance of a guarantee. In addition, FIN 45 requires disclosure about guarantees that an entity has issued, including a reconciliation of changes in the entity's product warranty liabilities. The initial recognition and measurement provisions of FIN 45 are applicable on a prospective basis to guarantees issued or modified after December 31, 2002. The disclosure requirements of FIN 45 are effective for financial statements for periods ending after December 15, 2002. The adoption of this standard did not have a material impact on the Company's results of operations or financial position.

In January 2003, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 46, (FIN 46), "Consolidation of Variable Interest Entities." In December 2003, the FASB revised FIN 46. FIN 46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 is effective for the Company for all new variable interest entities created or acquired after December 31, 2003. For variable interest entities created or acquired prior to December 31, 2003, the provisions of FIN 46 must be applied for the first annual period beginning after December 15, 2004. The adoption of this standard is not expected to have a material impact on the Company's results of operations or financial position.

In May 2003 the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." SFAS 150 establishes standards on the classification and measurement of certain financial instruments with characteristics of both liabilities and equity. The provisions of SFAS 150 are effective for financial instruments entered into or modified after May 31, 2003 and to all other instruments that exist as of the beginning of the first interim financial reporting period beginning after June 15, 2003. The adoption of this standard is not expected to have a material impact on the Company's results of operations or financial position.

2. Liquidity

The Company incurred net losses of \$(577) and \$(1,471) for the years ended December 31, 2003 and 2002 and as discussed in Note 8 has significant debt payments due in 2004. As discussed in Note 1, the Company was acquired on March 5, 2004. In conjunction with the acquisition, the Acquiring Company paid off the Company's long term debt (Note 8). As a result of the acquisition, there will be a significant reduction in interest and general administrative expenses. As a result, the Company expects to generate positive cash flow from operations during 2004 and future years. The Company will have no required principal payments on the debt related to the acquisition until 2009.

3. Acquisition

On January 24, 2001, the Company acquired certain assets from The Procter and Gamble Company (the "Acquisition"). Under the terms of the purchase agreement, the Company acquired the assets in exchange for \$20,000 in cash, \$15,000 of notes payable and 7,647 shares of Class A common stock valued at \$7. Direct acquisition costs were \$1,024. The transaction was accounted for under the purchase method of accounting. As a result of the Acquisition, the Company recorded intangible assets of \$36,031.

The fair value of the acquired assets, as recorded at the date of Acquisition, is set forth in the following table:

Trademarks	\$	34,500
Goodwill		1,478
Other		53
	\$	36,031

Simultaneously with the Acquisition, the Company issued 11,000 shares of Class L Common Stock and 99,000 shares of Class A Common Stock in exchange for \$11,000 of cash. In addition, the Company issued \$10,000 of subordinated notes payable to its shareholders. These amounts were used to fund the Acquisition.

4. Accounts Receivable

Accounts receivable consist of the following:

	December 31,	
	2003	2002
Trade accounts receivable	\$ 2,360	\$ 2,051
Less: allowance for discounts, returns and bad debts	(82)	(69)
	\$ 2,278	\$ 1,982

5. Property, Plant and Equipment

Property, plant and equipment consist of the following:

	December 31,	
	2003	2002
Machinery	\$ 372	\$ 313
Computer equipment	150	150
Furniture and fixtures	60	60
	582	523
Less accumulated depreciation	(198)	(89)
	\$ 384	\$ 434

6. Other Long-Term Assets

Other long-term assets consist of the following at December 31, 2003:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks	\$ 34,500	\$ (3,354)	\$ 31,146
Deferred financing costs, net	68	—	68
	<u>\$ 34,568</u>	<u>\$ (3,354)</u>	<u>\$ 31,214</u>

At December 31, 2003 the Company's goodwill and intangible assets have a tax basis of \$29,004.

Other long-term assets consist of the following at December 31, 2002:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks	\$ 34,500	\$ (2,204)	\$ 32,296
Other	53	(51)	2
Deferred financing costs, net	402	—	402
	<u>\$ 34,955</u>	<u>\$ (2,255)</u>	<u>\$ 32,700</u>

Amortization of intangible assets totaled \$1,152 and \$1,177 for the years ended December 31, 2003 and 2002 and \$1,078 for the period from inception (January 24, 2001) through December 31, 2001.

The Company's future amortization of intangible assets is expected to be as follows:

Year ending December 31,	
2004	\$ 1,150
2005	1,150
2006	1,150
2007	1,150
2008	1,150
Thereafter	25,396
	<u>\$ 31,146</u>

7. Accrued Liabilities

Accrued liabilities consist of the following:

	December 31,	
	2003	2002
Accrued payroll	\$ 407	\$ 90
Accrued marketing	438	439
Accrued liquidated damages	308	—
Accrued freight	75	217
Other accrued liabilities	192	274
	<u>\$ 1,420</u>	<u>\$ 1,020</u>

8. Long-Term Debt

Long-term debt consists of the following:

	December 31,	
	2003	2002
Line of credit with bank, variable interest rate, due October 15, 2003	\$ —	\$ 1,724
Note payable, fixed interest rate at 9%, due June 15, 2006	9,631	10,000
	<u>9,631</u>	<u>11,724</u>
Less: current portion	(2,150)	(1,724)
	<u>\$ 7,481</u>	<u>\$ 10,000</u>

Estimated future principal payments associated with long-term debt at December 31, 2003 are as follows:

Year ending December 31,	
2004	\$2,150
2005	3,000
2006	4,481
	<u>\$9,631</u>

On July 1, 2002, the Company entered into a credit agreement with a bank to obtain a \$4,000 revolving line of credit ("Revolving Line"). The Revolving Line expired on December 31, 2003. The Company paid \$175 of deferred financing costs related to the Revolving line during the year ended December 31, 2002.

In connection with the Acquisition (Note 3), on January 24, 2001, the Company entered into a credit agreement ("Credit Agreement") with The Procter and Gamble Company to provide \$15,000 in debt, bearing interest at a fixed rate of 9%. The Credit Agreement is collateralized by substantially all the Company's assets. The Credit Agreement allows the Company to make voluntary prepayments of the note, which originally matured on January 24, 2004.

On December 17, 2003, the terms of the Credit Agreement were modified, to require principal payments of \$650 on January 31, 2004, \$1,500 on June 15, 2004, \$1,500 on January 31, 2005, \$1,500 on June 15, 2005, \$1,500 on January 31, 2006, and \$2,981 on June 15, 2006. However, if the Company pays \$7,631 of the principal balance and all accrued interest prior to June 30, 2004, the Credit Agreement provides that no additional payments will be required. The Company accounted for this modification of the Credit Agreement as an extinguishment and re-issuance of debt in accordance with EITF 96-19, "Debtor's Accounting for a Modification or Exchange of Debt Instruments." Accordingly, the Company recorded a loss on extinguishment of debt \$23 which is included in other expense on the statement of operations. The Company also recorded \$68 of deferred financing costs incurred as a result of the modification.

Under the terms of the Credit Agreement, the Company is required to comply with certain restrictive covenants. As of December 31, 2003, the Company was in compliance with these covenants.

In connection with the Credit Agreement, the Company issued a warrant to purchase 6,647 shares of Class A Common Stock at an exercise price of \$1.00 per share to The Procter and Gamble Company. The warrant was originally exercisable over a three-year period ending February 15, 2004. In connection with the modification of the Credit Agreement, the warrant became fully vested on December 17, 2003. The warrant expires on June 15, 2010.

In connection with the modification of the Credit Agreement, the Company issued The Procter and Gamble Company a warrant to purchase 1,500 shares of Class L Common Stock at an exercise price of \$1.00 per share. If the scheduled payments under the Credit Agreement are not made, the warrant becomes exercisable on a pro-rata basis over the term of the Credit Agreement. No value was assigned to the warrant because the Company determined that the likelihood of the warrant becoming exercisable was remote.

9. Subordinated Notes Payable to Shareholders

In connection with the Acquisition (Note 3), on January 24, 2001, the Company issued \$10,000 of subordinated notes payable to certain of the Company's shareholders. These subordinated notes payable bore interest at a fixed rate of 8% and were originally due January 24, 2004. In accordance with the terms of the subordination agreement, no payments of principal or interest could be made on these notes until the borrowings under the Credit Agreement with The Procter and Gamble Company have been paid in full. At December 31, 2002 and 2001, respectively, the Company had accrued \$1,548 and \$748 of interest on these notes.

On December 17, 2003, the Company issued 12,503 shares of Class L-1 Common Stock in exchange for the subordinated notes payable to shareholders of \$10,000 and accrued interest of \$2,502, along with 12,503 shares of Class A Common Stock.

On January 24, 2001, the Company issued a \$500 short-term note payable to the Company's principal shareholder to finance working capital. This note was repaid during the period from inception (January 24, 2001) through December 31, 2001.

10. Sale of Trademark

Effective November 18, 2003 the Company sold the rights to its Italian trademark for \$2,900. At the date of the Acquisition, there were no revenues being generated outside the United States and no value was assigned to any foreign trademarks. As a result, the Company recorded a gain on sale of trademark of \$2,900.

During the year ended December 31, 2003, the Company recorded \$213 of royalties related to the use of the Italian trademark, which are included in other income in the statement of operations.

11. Commitments and Contingencies

The Company shares office space in New York with an affiliated company and has agreed to reimburse the affiliated company for a portion of the lease costs. The operating lease expires on September 30, 2005. The Company's minimum future payments under this lease are as follows:

Year ending December 31,	
2004	\$ 63
2005	47
	<hr/>
	\$ 110

Rent expense totaled \$64 and \$72 for the years ended December 31, 2003 and 2002 and \$63 for the period from inception (January 24, 2001) through December 31, 2001.

On July 29, 2002, the Company entered into a 10 year manufacturing and supply agreement with an unrelated company. Pursuant to this agreement, the Company agreed to purchase certain minimum quantities of product over the initial three years of the agreement or to pay liquidated damages of up to \$360. The Company has recorded a liability of \$308 at December 31, 2003 which represents its estimate of the probable liquidated damages. Such estimate is based on historical and expected purchases during the initial three years of the agreement.

On June 24, 2002, the Company entered into a seven year manufacturing and supply agreement with an unrelated company. Pursuant to this agreement, the Company agreed to reimburse the manufacturer for certain equipment if the Company terminates the agreement due to a change in control of the Company prior to June 24, 2007. At December 31, 2003, the Company had a contingent liability of \$274 related to this agreement.

In connection with the Acquisition (Note 3), the Company entered into a transitional services agreement and a transitional supply agreement with The Procter and Gamble Company. Under the terms of these agreements, The Procter and Gamble Company agreed to perform certain services for the Company, including manufacturing, distribution and administrative services in exchange for a variable fee based on product shipments. All costs related to these agreements have been included in cost of sales. These agreements expired on September 30, 2002.

12. Income Taxes

The benefit (provision) for income taxes consists of the following:

	Year ended December 31,		Period from inception (January 24, 2001) through December 31, 2001
	2003	2002	
Current:			
Federal	\$ —	\$ 568	\$ (564)
State	(16)	(14)	(75)
Deferred:			
Federal	211	144	(354)
State	31	15	(47)
	<u>\$ 226</u>	<u>\$ 713</u>	<u>\$ (1,040)</u>

The principal components of the Company's deferred tax balances are as follows:

	December 31,	
	2003	2002
Deferred tax assets:		
Net operating loss carryforward	\$ 1,218	\$ 616
Allowance for discounts, returns and bad debts	32	26
Other	227	31
Valuation allowance	(56)	—
Deferred tax liabilities:		
Intangible assets	(1,372)	(865)
Property, plant and equipment	(49)	(50)
	<u>\$ —</u>	<u>\$ (242)</u>

As a result of the Company's operating losses in 2003 and 2002 a valuation allowance has been provided for the full amount of the Company's net deferred tax asset at December 31, 2003. At December 31, 2003, the Company had net operating loss carryforwards of approximately \$3,123 which may be used to offset future taxable income. These carryforwards begin to expire in 2020. Effective March 5, 2004, as a result of the acquisition of the Company, utilization of the net operating loss carryforwards may be limited to \$1,785 per year under Section 382.

A reconciliation of the Company's benefit (provision) for income taxes to the amount computed at the statutory U.S. Federal tax rate (34%) is as follows:

	Year ended December 31,		Period from inception (January 24, 2001) through December 31, 2001
	2003	2002	
Income taxes at statutory rate	\$ 273	\$ 743	\$ (958)
State income taxes (net of federal income tax benefit)	10	57	(80)
Valuation allowance	(56)	—	—
Other	(1)	(87)	(2)
	\$ 226	\$ 713	\$ (1,040)

13. Shareholders' Equity

Reverse stock split

On December 17, 2003, the Company's articles of incorporation were amended to create a new class of stock (Class L-1 Common Stock) and to affect a 1-for-100 reverse stock split. As a result, the Company has authorized 20,000 Class L-1 Common Shares, 23,000 Class L Common Shares and 275,000 Class A Common Shares (together the "Common Stock"). Prior to the reverse stock split, the Company had authorized 2,500,000 Class L Common Shares and 27,500,000 Class A Common Shares. All share data reflected in these financial statements is shown after giving retroactive effect to the 1-for-100 reverse stock split.

Voting

The holders of the Class L-1, Class L and Class A Common Stock are entitled to vote together as a single class on all matters submitted to shareholders for a vote. Each share of Class A Common Stock is entitled to one vote per share. Each holder of Class L-1 and Class L Common Stock is entitled to the number of votes equal to the number of shares of Class A Common Stock into which each share of Class L-1 or Class L Common Stock is convertible at the time of such vote.

Dividends and liquidation preference

The Class L-1 and Class L Common Stock has a liquidation and distribution preference of \$1,000 per share plus amounts sufficient to generate an internal rate of return of 8% per year (aggregate Class L-1 liquidation value of \$12,544 at December 31, 2003; aggregate Class L liquidation value of \$13,882 at December 31, 2003). The holders of Class L-1 Common Stock are entitled to receive all dividends or other distributions declared by the Board of Directors until the liquidation preference has been satisfied, prior to any dividends or distributions to shareholders of the Class L or Class A Common Stock. The holders of Class L Common Stock are entitled to receive all dividends or other distributions declared by the Board of Directors until the liquidation preference has been satisfied, prior to any dividends or distributions to shareholders of the Class A Common Stock.

Subsequently, the remaining distributions will be divided among the shareholders of the Class L-1, Class L and Class A Common Stock pro rata based on the number of outstanding shares of Common Stock, provided that for distribution purposes, each share of Class L-1 and Class L Common Stock shall be deemed to have been converted into a number of shares equal to the number of shares of Class A Common Stock into which each share of Class L-1 and Class L Common Stock is convertible at the time of such distribution.

Conversion

Each share of Class L-1 and Class L Common Stock is convertible to Class A Common Stock by a vote of the Board of Directors upon a sale of the Common Stock. In addition, the outstanding shares of Class L-1 and Class L Common Stock automatically convert to Class A Common Stock immediately prior to an underwritten public offering.

Each share of Class L-1 and Class L Common Stock converts to the number of shares of Class A Common Stock determined by dividing the remaining unpaid liquidation and distribution preference per share by the sale price (or public offering price) per Class A Common Share.

14. Employee Stock Awards

During the year ended December 31, 2001, the Company sold its employees 20,760 shares of restricted Class A Common Stock at a purchase price of \$1.00 per share. These shares vest ratably over a 4-year period. The Company's estimated fair value of the stock on the grant date was \$1.00 per share. Accordingly, the Company did not record compensation expense for these stock awards.

15. Related Party Transactions

The Company has entered into an agreement with its majority shareholder to provide advisory and management services. The Company expensed \$600 for these services for each of the years ended December 31, 2003 and 2002, and for the period from inception (January 24, 2001) through December 31, 2001. In addition, the Company reimbursed this shareholder for travel related expenses totaling \$197 and \$47 for the years ended December 31, 2003 and 2002, respectively, and \$198 for the period from inception (January 24, 2001) through December 31, 2001. This shareholder was also paid \$820 for management and advisory services relating to the Acquisition on January 24, 2001. At December 31, 2003 and 2002, the Company owed \$800 and \$218, respectively, to this shareholder, which was included in accounts payable—related parties.

During 2001, the Company also entered into an agreement with an affiliated company under common management, in which the affiliate agreed to provide certain technology and support services to the Company in exchange for \$57 per month. This agreement was amended in April 2002 to reduce this fee to \$33 per month. The Company incurred \$390 and \$463 for these services for the year ended December 31, 2003 and 2002 and \$284 for the period from inception (January 24, 2001) through December 31, 2001. The agreement expires March 1, 2006. At December 31, 2003 and 2002, the Company owed \$944 and \$198, respectively, to this affiliated company, which was included in accounts payable—related parties. In February 2004, the affiliated company forgave the accounts payable.

During 2003 and 2002, an affiliated company paid certain operating expenses totaling \$716 and \$188, respectively, on behalf of the Company. As a result, at December 31, 2003 and 2002, the Company owed \$517 and \$27 to this affiliated company, which was included in accounts payable—related parties. In February 2004, the affiliated Company forgave the accounts payable.

16. Concentrations of Credit Risk

The Company's sales are concentrated in the area of cleaning products. The Company sells its products to mass merchandisers and supermarkets located in the United States. During the year ended December 31, 2003 and 2002, approximately 65% and 66% of the Company's sales were derived from one of its products and approximately 20% and 19% of the Company's sales were made to two customers, with the largest customer accounting for 13% and 13% of sales, respectively. During the period from inception (January 24, 2001) through December 31, 2001, approximately 75% of the Company's sales were derived from one of its products and approximately 20% of the Company's sales were made to two customers, with the largest customer accounting for 15% of sales.

At December 31, 2003 the Company had four customers with receivable balances greater than 10% of total accounts receivable.

17. Business Segments

Based on the Company's method of internal reporting, the Company has one operating segment.

The table below sets forth sales to major customers:

	Year ended December 31,		Period from inception (January 24, 2001) through December 31, 2001
	2003	2002	
Customer A	\$ 2,627	\$ 2,884	\$ 3,501

18. Subsequent Event

On March 5, 2004, the Company was acquired by Prestige Household Brands, Inc., a wholly-owned subsidiary of Prestige Brands International, LLC (the "Acquiring Company"). In connection with this acquisition, the Acquiring Company paid-off the Company's long-term debt (Note 8). As a result, the Company recorded a gain on extinguishment of debt of approximately \$2,000 and the warrants to purchase 6,647 shares of Class A Common Stock and 1,500 shares of Class L Common Stock were cancelled. In addition, the Company retired 7,647 shares of its Class A Common Stock held by the Procter and Gamble Company.

Bonita Bay Holdings, Inc.

Consolidated Financial Statements

**Years ended December 31, 2003, 2002 and 2001
with Report of Independent Certified Public Accountants**

REPORT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors and Stockholders
Bonita Bay Holdings, Inc.

We have audited the accompanying consolidated balance sheets of Bonita Bay Holdings, Inc. as of December 31, 2003 and 2002, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bonita Bay Holdings, Inc. as of December 31, 2003 and December 31, 2002, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2003, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2 to the consolidated financial statements, effective January 1, 2002, the company changed its method of accounting for goodwill and other intangible assets.

/s/ Ernst & Young LLP

Tampa, Florida
February 20, 2004

BONITA BAY HOLDINGS, INC.

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2003 AND 2002

	2003	2002
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,153,906	\$ 7,463,528
Accounts receivable, net of allowance for doubtful accounts and discounts of \$365,891 and \$1,226,501, respectively	23,119,991	15,595,726
Inventories	10,625,913	12,441,162
Prepaid expenses	1,017,608	2,274,036
Deferred income taxes	—	340,902
Total current assets	41,917,418	38,115,354
Property and equipment, net	3,272,853	4,504,950
Other noncurrent assets:		
Trademarks and other purchased product rights, net	310,190,618	310,784,569
Debt issuance costs, net	7,884,590	9,410,802
Other	224,360	11,252
Total other noncurrent assets	318,299,568	320,206,623
Total assets	\$ 363,489,839	\$ 362,826,927
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 10,726,036	\$ 9,848,417
Accrued expenses	5,680,223	3,542,773
Deferred income taxes	117,471	—
Income taxes payable	1,353,207	1,363,495
Current maturities of long-term debt	25,260,000	20,910,000
Total current liabilities	43,136,937	35,664,685
Deferred income taxes	15,451,791	6,968,263
Other long-term liabilities	590,664	1,238,360
Long-term debt, net of current maturities	153,817,551	177,780,431
Common stock warrants	2,355,330	2,684,569
Stockholders' equity:		
Class A, voting common stock, no par value; 125,000,000 shares authorized, 52,746,509 and 59,014,709 shares issued and outstanding	57,643,125	70,598,392
Class B, nonvoting common stock, no par value; 50,000,000 shares authorized; 34,340,506 shares issued and outstanding	47,330,446	47,330,446
Receivable from sale of stock	(1,186,333)	(1,122,684)
Retained earnings	44,503,941	22,231,550
Accumulated other comprehensive loss	(153,613)	(547,085)
Total stockholders' equity	148,137,566	138,490,619
Total liabilities and stockholders' equity	\$ 363,489,839	\$ 362,826,927

See accompanying notes.

BONITA BAY HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2003, 2002 AND 2001

	2003	2002	2001
Sales	\$ 183,920,595	\$ 122,353,757	\$ 61,367,894
Returns, discounts and allowances	(16,850,740)	(11,787,626)	(6,399,577)
Net sales	167,069,855	110,566,131	54,968,317
Cost of sales	82,663,523	58,447,880	26,488,911
Gross profit	84,406,332	52,118,251	28,479,406
Operating expenses:			
Advertising and promotion	19,525,302	10,132,868	7,425,355
Depreciation and amortization	1,744,253	744,439	4,155,245
General and administrative	9,733,510	5,555,994	4,138,169
Total operating expenses	31,003,065	16,433,301	15,718,769
Income from operations	53,403,267	35,684,950	12,760,637
Loss on extinguishment of debt	—	—	(1,604,300)
Interest expense	(17,482,602)	(8,111,635)	(6,212,878)
Interest income	175,220	103,238	13,432
Income before income taxes	36,095,885	27,676,553	4,956,891
Provision for income taxes	13,823,494	11,106,800	1,874,126
Net income	\$ 22,272,391	\$ 16,569,753	\$ 3,082,765

See accompanying notes.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2003, 2002 AND 2001

	Common stock						Treasury stock	Receivable from sale of stock	Retained earnings	Comprehensive income	Accumulated other comprehensive loss
	Class A		Class B		Shares	Value					
	Shares	Value	Shares	Value							
Balance, December 31, 2000	45,830,780	\$ 45,830,780	1,791,220	\$ 1,791,220	\$ —	\$ —	\$ 2,579,032		\$		
Repurchase of Class A common stock	(10,000,000)	—	—	—	(14,000,000)	—	—	—			
Issuance of Class A common stock, net of stock issuance costs	15,673,929	9,148,070	—	—	14,000,000	(1,059,035)	—				
Issuance of Class B common stock, net of stock issuance costs	—	—	32,549,286	44,501,930	—	—	—				
Exercise of stock options	10,000	10,000	—	—	—	—	—				
Issuance of common stock warrants	—	1,042,704	—	1,037,296	—	—	—				
Net income	—	—	—	—	—	—	3,082,765	\$ 3,082,765			
								\$ 3,082,765			
Balance, December 31, 2001	51,514,709	56,031,554	34,340,506	47,330,446	—	(1,059,035)	5,661,797				
Issuance of Class A common stock, net of stock issuance costs	7,500,000	14,575,238	—	—	—	—	—				
Exercise of stock options	14,000	14,000	—	—	—	—	—				
Repurchase and retirement of Class A common stock	(14,000)	(22,400)	—	—	—	—	—				
Interest on receivable from sale of stock	—	—	—	—	—	(63,649)	—				
Net income	—	—	—	—	—	—	16,569,753	\$ 16,569,753			
Other comprehensive income:											
Change in fair value of interest rate swap and collar agreements, net of income taxes of \$360,873	—	—	—	—	—	—	—	(547,085)	(547)		
								\$ 16,022,668			
Balance, December 31, 2002	59,014,709	70,598,392	34,340,506	47,330,446	—	(1,122,684)	22,231,550			(547)	
Issuance of Class A common stock, net of stock issuance costs	166,300	332,600	—	—	—	—	—				
Exercise of stock options	28,167	32,467	—	—	—	—	—				
Repurchase and retirement of Class A common stock	(6,462,667)	(13,320,334)	—	—	—	—	—				
Interest on receivable from sale of stock	—	—	—	—	—	(63,649)	—				
Net income	—	—	—	—	—	—	22,272,391	\$ 22,272,391			
Other comprehensive income:											
Change in fair value of interest rate swap and collar agreements, net of income taxes of \$254,224	—	—	—	—	—	—	—	393,472	393		
								\$ 22,665,863			
Balance, December 31, 2003	52,746,509	\$ 57,643,125	34,340,506	\$ 47,330,446	\$ —	\$ (1,186,333)	\$ 44,503,941		\$	(153)	

See accompanying notes.

BONITA BAY HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2003, 2002 AND 2001

	2003	2002	2001
Operating activities			
Net income	\$ 22,272,391	\$ 16,569,753	\$ 3,082,765
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>			
Loss on extinguishment of debt	—	—	1,604,300
Accretion of debt discount to interest expense	483,916	—	475,700
Depreciation and amortization	1,744,253	744,439	4,155,245
Deferred taxes	8,687,680	5,411,113	1,386,714
Interest earned on receivable from sale of stock	(63,649)	(63,649)	—
Reallocation of purchase price	743,956	—	—
Paid in kind interest	503,964	—	—
Changes in assets and liabilities:			
Accounts receivable	(7,524,265)	(5,488,194)	(1,514,875)
Income taxes receivable	—	—	(27,000)
Inventories	1,815,249	(3,604,299)	(2,130,237)
Prepaid expenses	1,256,428	(1,155,804)	(710,036)
Debt issuance costs	2,039,300	1,003,209	1,504,738
Accounts payable	877,619	6,595,828	1,283,214
Accrued expenses	2,137,450	606,502	1,684,825
Income taxes payable	(10,288)	1,390,495	(892,308)
Net cash provided by operating activities	34,964,004	22,009,393	9,903,045
Investing activities			
Purchases of fixed assets	(369,654)	(241,916)	(120,452)
Acquisition of Clear eyes/Murine brands	(295,367)	(110,700,129)	—
Acquisition of Comet brand	(4,638)	—	(144,805,862)
Disposals of fixed assets	7,496	—	—
Changes in other noncurrent assets	(213,108)	—	—
Net cash used in investing activities	(875,271)	(110,942,045)	(144,926,314)
Financing activities			
Issuance of common stock, net of stock issuance costs	332,600	14,575,238	52,590,965
Exercise of stock options	32,467	14,000	10,000
Repurchase and retirement of common stock	(13,320,334)	(22,400)	—
Reallocation/issuance of common stock warrants	(329,239)	2,684,569	2,080,000
Payments under line of credit agreement	—	(1,000,000)	—
Payments under long-term debt	(35,600,761)	(23,475,000)	(51,705,000)
Proceeds from debt	15,000,000	108,740,431	136,500,000
Debt issuance costs	(513,088)	(5,929,626)	(5,255,780)
Net cash (used in) provided by financing activities	(34,398,355)	95,587,212	134,220,185
Net (decrease) increase in cash	(309,622)	6,654,560	(803,084)
Cash at beginning of year	7,463,528	808,968	1,612,052
Cash at end of year	\$ 7,153,906	\$ 7,463,528	\$ 808,968
Supplemental disclosures of cash flow information			
Cash paid for interest	\$ 15,751,257	\$ 7,508,000	\$ 3,635,301
Cash paid for income taxes	\$ 5,167,219	\$ 4,294,769	\$ 1,392,412

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003

1. Organization and Operations

Bonita Bay Holdings, Inc. and its wholly-owned subsidiaries (the Company) market and manufacture branded over-the-counter consumer products. The Company's products are sold through mass merchandisers, independent and chain drug stores, drug wholesalers and food stores in the United States and in various markets throughout the world. The Company acquired all of the assets related to the Prell, Chloraseptic and Comet brands from The Procter & Gamble Company ("P&G") effective November 1, 1999, March 30, 2000 and October 2, 2001, respectively. Additionally, the Company acquired all of the assets related to the Clear eyes/Murine brands from Abbott Laboratories ("Abbott") on December 30, 2002 (see Note 3). The results of operations of the acquired products have been included in the accompanying consolidated statements of income from the dates of acquisition.

2. Summary of Significant Accounting Policies*Principles of consolidation*

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances are eliminated in consolidation.

Use of estimates

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

Revenue recognition

The Company recognizes revenue from product sales upon the shipment to the customer. The Company has recorded revenue generated under the Comet and the Clear eyes/Murine domestic transitional service agreements (see Note 3) on a gross basis in accordance with the provisions of Emerging Issues Task Force 99-19, *Reporting Revenue Gross as a Principal versus Net as an Agent*, as the Company was the primary obligor under these agreements, bears the credit and economic risk and has discretion in the choice of supplier. In addition, sales of Chloraseptic to certain customers still serviced by P&G are recorded on a gross basis, as the Company is the primary obligor under these agreements, bears the credit and economic risk and has discretion in the choice of supplier.

Revenue has been recorded on a net basis for international sales of Clear eyes/Murine under the marketing transition period and prior to the satisfaction of regulatory requirements (see Note 3) for the years ended December 31, 2003 and 2002, in accordance with the provisions of Emerging Issues Task Force 99-19, *Reporting Revenue Gross as a Principal versus Net as an Agent*, as the Company was not the primary obligor under this arrangement and did not bear any credit or economic risk in the sales transactions.

It is the Company's policy across all classes of customers that all sales are final. As is common in the consumer products industry, products are returned by the customer due to a number of reasons.

Examples include products damaged in transit, discontinuance of a particular size or form of product, shipping error, etc. The Company maintains and evaluates an allowance for damages since all other types of returns are not significant. Actual returns are charged against the allowance upon the receipt of the product or deduction from remittance by the customer.

Cash and cash equivalents

The Company considers all short-term deposits and investments with original maturities of three months or less to be cash equivalents.

Accounts receivable

Accounts receivable are recorded at the amount the Company expects to collect on customer trade receivables. The Company establishes a general allowance of approximately 1% of gross trade receivables in conjunction with a specific allowance for receivables with known collection problems due to circumstances such as liquidity or bankruptcy. Collection problems are identified using an aging of receivables analysis based on invoice due dates. Items that are deemed uncollectible are written off against the allowance for doubtful accounts. The Company does not charge interest on past due receivables.

Inventories

Inventories, comprised of finished goods, are priced at the lower of cost (purchased cost for finished goods purchased from outsourced manufacturers) or market. The Company's method for determining inventory cost approximates the first-in, first-out method. In addition, the Company recognizes shipping and handling expenses as a component of cost of sales.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of depreciable assets. Leasehold improvements are capitalized and amortized over the lesser of the life of the lease or the estimated useful life of the asset.

Expenditures for repairs and maintenance are charged to expense when incurred. Expenditures for renewals and betterments, which extend the useful lives of existing equipment, are capitalized and depreciated. Upon retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the consolidated statement of income.

Trademarks and other purchased product rights

The cost of a Chloraseptic noncompete agreement was capitalized and amortized over its useful life, estimated at 3 years. In June 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) 142, *Goodwill and Other Intangible Assets* (SFAS No. 142). Prior to the adoption of SFAS No. 142, trademarks were amortized over 20 years. All intangible assets subject to amortization have been fully amortized as of December 31, 2003.

The provisions of SFAS No. 142, which were adopted by the Company on January 1, 2002, required the Company to discontinue the amortization of the cost of intangible assets with indefinite lives and to perform certain fair value-based tests of the carrying value of indefinite-lived intangible assets. Accordingly, the Company discontinued the amortization of the cost of these intangible assets. The discontinuation of this amortization favorably affected net income in fiscal 2002 by \$6,687,155, net of income tax benefit. In addition, goodwill and other indefinite-lived intangible assets are now tested for impairment on an annual basis. The Company obtained independent appraisals to determine the fair value of the intangible assets at December 31, 2002 and compared their fair values with the carrying values, noting that no impairment had occurred.

Prior to the adoption of SFAS No. 142, the Company evaluated whether events and circumstances had occurred that indicated the remaining useful life of intangible assets might warrant revision or that the remaining balance may not be recoverable. When factors indicated that intangible assets should have been evaluated for possible impairment, the Company used an estimate of the future undiscounted net cash flows of the related assets over the remaining lives of the assets in measuring whether long-lived assets were recoverable. Subsequent to the adoption of SFAS No. 142, the Company performed annual impairment tests and determined no reevaluation was warranted using fair values as determined by product brand contribution margin.

The changes in the carrying amount of the Clear eyes/Murine Brand's trademark are as follows for 2003 and 2002:

	2003	2002
Balance as of January 1	\$ 102,795,660	\$ —
Additional Clear eyes/Murine Brands closing costs	295,367	102,795,660
Clear eyes/Murine international closings	(743,956)	—
Balance as of December 31	\$ 102,347,071	\$ 102,795,660

While the full purchase price for the Clear eyes/Murine worldwide business was paid at the December 30, 2002 closing, transfer of the international assets could not occur until the appropriate infrastructure and regulatory filings were completed. Inventory purchased in connection with these international closings required adjustment to the original purchase price allocation based on the inventory net realizable value less costs of disposal and a reasonable profit thereon. Since there was no additional purchase price to allocate to the inventory, an allocation reducing trademarks resulted for the international closings occurring in 2003. The adjustment to the trademark was \$743,956.

Debt issuance costs

The Company has incurred debt issuance costs in connection with its long-term debt. These costs are capitalized and amortized using a method that approximates the effective interest method over the term of the related debt. The yearly amortization of debt issuance cost is recorded as interest expense in the consolidated statements of income. Amortization expense related to debt issuance costs was \$2,039,300, \$1,003,209 and \$1,504,738 for the years ended December 31, 2003, 2002 and 2001, respectively, and accumulated amortization was \$3,433,598 and \$1,394,297 as of December 31, 2003 and 2002, respectively.

Estimated future amortization expense for debt issuance costs is as follows:

Year ending December 31:	Amount
2004	\$ 2,072,097
2005	1,949,136
2006	1,665,258
2007	1,167,386
2008	1,019,479
Thereafter	11,234
	<u>\$ 7,884,590</u>

Advertising expenses

The cost of advertising is expensed in the fiscal year in which the related advertising takes place. Production and communication costs are expensed in the period in which the related advertising begins running. Advertising expense for 2003, 2002 and 2001 was \$11,216,236, \$4,732,800 and \$4,610,613, respectively.

Foreign currency translation

The assets and liabilities of the Company's international subsidiaries are translated at rates of exchange in effect on the reporting date. Income and expense items are translated at average exchange rates in effect for the year. The resulting translation adjustment was not material to the Company's consolidated balance sheets or income statements.

Stock option plan

At December 31, 2003, the company has one stock-based employee compensation plan, which is described more fully in Note 11. The Company accounts for this plan under the intrinsic value method, as defined under Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* (APB 25), and related Interpretations. No stock-based employee compensation cost is reflected in net income, as all options granted under the plan had an exercise price equal to the fair value of the underlying common stock on the date of grant. The following table illustrates the effect on net income if the Company had applied the fair value recognition provisions of SFAS No. 123, *Accounting for Stock-Based Compensation* (SFAS No. 123), as amended by SFAS No. 148, *Accounting for Stock-Based Compensation—Transition and Disclosure* (SFAS No. 148), to stock-based employee compensation for the year ended December 31:

	2003	2002	2001
Net income, as reported	\$ 22,272,391	\$ 16,569,753	\$ 3,082,765
Less total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(312,838)	(351,779)	(314,482)
Pro forma net income	<u>\$ 21,959,553</u>	<u>\$ 16,217,974</u>	<u>\$ 2,768,283</u>

Derivative financial instruments

SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* (SFAS No. 133), requires companies to recognize all of its derivative instruments as either assets or liabilities in the balance sheet at fair value. The accounting for changes in the fair value of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, a company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, a cash flow hedge or a hedge of a net investment in an international operation.

The Company has designated its derivative financial instruments as cash flow hedges (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk). For these hedges, the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income and reclassified into earnings in the same line item associated with the forecasted transaction in the same period or periods during which the hedged transaction affects earnings. Any ineffective portion of the gains or losses on the derivative instruments is recorded in results of operations immediately.

Fair values of financial instruments

The carrying values of the Company's cash, accounts receivable and accounts payable approximate their fair values due to the short-term nature of these financial instruments. The carrying value of long-term debt approximates its fair value due to the variable rates associated with this financial instrument. For the interest rate swap and collar agreements, the carrying amount was determined using fair value estimates from third parties.

Concentrations of credit risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of accounts receivable and cash and cash equivalents. The Company's exposure to credit risk associated with nonpayment of accounts receivable is affected by conditions or occurrences within the retail industry. As a result, the Company performs ongoing credit evaluations of its customers' financial position but generally requires no collateral from its customers. The Company's largest customer accounted for 25.2%, 19.4%, and 20.2% of sales in 2003, 2002 and 2001, respectively. No other customer exceeded 10% of the Company's sales in the respective years. Short-term cash investments are placed with high credit-quality financial institutions or in low-risk, liquid instruments. No losses have been experienced on such investments.

Income taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on differences between the financial reporting and the tax bases of assets and liabilities measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse.

Impact of recently issued pronouncements

In July 2001, the Emerging Issues Task Force ("EITF") finalized EITF Issue No. 00-25, *Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products* (EITF 00-25). Under the provisions of EITF 00-25, the Company is required to classify certain marketing and selling expenses as reductions of net sales. The results of operations and the financial position of the Company, therefore, are not affected. The Company adopted the provisions of EITF 00-25 during the year ended December 31, 2001. EITF Issue Nos. 00-14, *Accounting for Certain Sales Incentives* (EITF 00-14) and EITF 00-25 have been codified in EITF Issue No. 01-09, *Accounting for Consideration Given by a Vendor to a Customer*.

On December 31, 2002, the FASB issued SFAS No. 148. SFAS No. 148 amends SFAS No. 123 to provide alternative methods of transition to the fair value method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure provisions of SFAS No. 123 to require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. SFAS No. 148 does not amend SFAS No. 123 to require companies to account for their employee stock-based awards using the fair value method. However, the disclosure provisions are required for all companies with stock-based employee compensation, regardless of whether they utilize the fair value method of accounting described in SFAS No. 123 or the intrinsic value method described in APB 25. The Company adopted the disclosure provisions of SFAS No. 148 during the year ended December 31, 2002.

In April 2002, the FASB issued SFAS No. 145, *Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections* (SFAS No. 145). The Company adopted SFAS No. 145 on December 31, 2002. SFAS No. 145 requires the Company to include gains and losses on extinguishment of debt as income or loss from continuing operations rather than as extraordinary items as previously required under SFAS No. 4, *Reporting Gains and Losses from Extinguishment of Debt*. The Company is also required to reclassify any gain or loss on extinguishment of debt previously classified as an extraordinary item in prior periods presented. SFAS No. 145 also provides accounting standards for certain lease modifications that have economic effects similar to sale-leaseback transactions and various other technical corrections.

In April 2003, the FASB issued SFAS No. 149, *Amendment of Statement 133 on Derivative Instruments and Hedging Activities* (SFAS No. 149). SFAS No. 149 amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS No. 133. SFAS No. 149 is generally effective for derivative instruments embedded in certain contracts, entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The adoption of SFAS No. 149 did not have an impact on the Company's financial position, results of operations or cash flows.

In May 2003, the FASB issued SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity* (SFAS No. 150). The statement modifies the accounting for certain financial instruments that, under previous guidance, issuers could account for as equity. The new statement requires that those instruments be classified as liabilities in a company's statement of financial position. This statement is effective for the year-end period beginning after December 31, 2003. The adoption of SFAS No. 150 did not have an impact on the Company's financial position,

results of operations or cash flows other than classification of warrants in the accompanying balance sheet.

3. Acquisition of Brands

Clear eyes/Murine brands

On December 30, 2002, the Company completed the acquisition of the Clear eyes/Murine eye and ear-care product lines from Abbott for approximately \$110,700,000, including acquisition costs of approximately \$1,097,000. As a result, the accompanying consolidated statements of income includes the results of operations of the Clear eyes/Murine brands since the date of acquisition. This acquisition included the worldwide rights to manufacture, sell and market the Clear eyes/Murine products plus related intellectual property and certain manufacturing equipment. The purchase price of \$110,700,000 was allocated \$3,816,000 to inventory, \$4,088,000 to property and equipment and \$102,796,000 to the Clear eyes/Murine Brands trademark, which was assigned an indefinite life. This was a preliminary allocation which is adjusted as additional international country regulatory requirements are met (See Note 2) and international assets are transferred.

Under a domestic transitional services agreement, Abbott continued to receive and process customer orders, ship products to customers, and collect and process accounts receivable through March 31, 2003. Revenue has been recorded on a gross basis under the domestic transitional services agreement for the year ended December 31, 2003 and 2002. Abbott continued to manufacture the product for the Company under a manufacturing agreement that extends through December 31, 2005.

The Company will also continue to rely on Abbott to market, sell and distribute the Clear eyes/ Murine products in the remaining international countries until the Company satisfies various international regulatory requirements, new distributors are in place and any applicable marketing permits are transferred. During the marketing transition period, Abbott paid the Company a net royalty equal to 38% of international sales of Clear eyes/Murine products in these countries through December 31, 2003, with the net royalty to be reduced to 19% of international sales from January 1, 2004 through December 30, 2004. Revenue has been recorded on a net basis for international sales of the Clear eyes/Murine brands during the marketing transition period for the year ended December 31, 2003 and 2002. Abbott will pay all costs and expenses related to the manufacture, marketing and sales of the Clear eyes/Murine products in these countries. As the regulatory requirements are met and the Company assumes responsibility for the sales and marketing effort in a country, the royalty arrangement with respect to such country will terminate and the Company will record these international sales directly on a gross basis, as well as the costs and expenses associated with these sales. During the year ended December 31, 2003, the Company satisfied regulatory requirements in seven additional countries.

Comet Brand

Effective October 2, 2001, the Company completed the acquisition of the Comet brand from P&G for approximately \$144,800,000, including acquisition costs of \$2,800,000. This acquisition included the worldwide rights (except in certain Eastern European countries and Russia) to manufacture, sell and market Comet products plus related intellectual property. The entire purchase price was allocated to trademark, which was assigned an indefinite useful life. Under a transitional services agreement, P&G

continued to receive and process customer orders, ship products to customers, and collect and process accounts receivable through April 30, 2002. Revenue has been recorded on a gross basis under the transitional services agreement for the years ended December 31, 2002 and 2001. Since April 30, 2002, P&G has continued to manufacture Comet products under a standard contract manufacturing agreement.

4. Property and Equipment

Property and equipment are summarized as follows at December 31:

	Useful Life in Years	2003	2002
Computer equipment and software	3	\$ 645,549	\$ 500,557
Furniture and fixtures	5	147,428	131,898
Office equipment	5	55,112	48,862
Leasehold improvements	7	102,105	88,255
Plates, dies and molds	7	312,705	133,191
Manufacturing equipment	7	4,088,470	4,088,470
		5,351,369	4,991,233
Less accumulated depreciation		(2,078,516)	(486,283)
		\$ 3,272,853	\$ 4,504,950

Depreciation expense was \$1,594,253, \$211,106 and \$152,103 for the years ended December 31, 2003, 2002 and 2001, respectively.

5. Trademarks and Other Purchased Product Rights

Trademarks and other purchased product rights consisted of the following at December 31:

	Useful Life in Years	2003	2002
Prell trademark	Indefinite	\$ 10,693,394	\$ 10,693,394
Chloraseptic trademark	Indefinite	58,654,300	58,654,300
Chloraseptic noncompete agreement	3	1,600,000	1,600,000
Comet trademark	Indefinite	144,810,500	144,805,862
Clear eyes/Murine trademarks	Indefinite	102,347,071	102,795,660
		318,105,265	318,549,216
Less accumulated amortization		(7,914,647)	(7,764,647)
		\$ 310,190,618	\$ 310,784,569

Amortization expense related to the Chloraseptic noncompete agreement was \$150,000 and \$533,333 for the years ended December 31, 2003 and 2002. Amortization expense related to the Prell, Chloraseptic, and Comet trademarks and the Chloraseptic noncompete was \$4,003,142 for the year ended December 31, 2001.

6. Revolving Line of Credit

The Company has a \$15,000,000 revolving line of credit with a bank collateralized by virtually all of the assets of the Company. On December 30, 2002, the line of credit was amended and restated to extend the maturity date to December 30, 2007. Advances under the line of credit bear interest payable monthly at LIBOR plus an applicable rate (5.75% at December 31, 2002). As of December 31, 2003 and 2002, there were no outstanding balances under the line of credit.

7. Long-Term Debt

Long-term debt is as follows at December 31, 2003 and 2002:

	2003	2002
Tranche A term note payable to a bank group, payable in quarterly installments of principal and interest through December 30, 2007. Interest is payable at LIBOR plus an applicable margin through December 30, 2007. At December 31, 2003 and December 31, 2002 the rate was approximately 5.19% and 5.75%, respectively. The note is collateralized by substantially all of the Company's assets.	\$ 86,866,172	\$ 110,000,000
Tranche B term note payable to a bank group, payable in quarterly installments of principal and interest through December 30, 2008. Interest is payable at LIBOR plus an applicable margin through December 30, 2008. At December 31, 2003 and December 31, 2002, the rate was approximately 5.69% and 6.75%, respectively. The note is collateralized by substantially all of the Company's assets.	68,683,828	63,000,000
Senior subordinated notes payable with a fixed interest rate of 15% (of which 2% is Paid in Kind interest accrued in the notes payable balance). Interest is payable quarterly, with principal and any remaining interest due in full on December 31, 2009. The notes are recorded at the face amount of \$24,895,000 and \$28,375,000 less unamortized discount in the amount of \$1,871,414, and \$2,684,569, for the years ended December 31, 2003 and December 31, 2002, respectively. Refer to Note 9.	23,527,551	25,690,431
	179,077,551	198,690,431
Less current portion	(25,260,000)	(20,910,000)
	\$ 153,817,551	\$ 177,780,431

The Tranche A and B notes payable and the line of credit agreement contains restrictive covenants, which, among other things, require maintenance of various financial ratios. As of December 31, 2003, the Company was in compliance with all restrictive covenants.

Maturities of the Company's long-term debt as of December 31, 2003, are as follows:

Year ending December 31:	Amount
2004	\$ 25,260,000
2005	27,460,000
2006	29,660,000
2007	26,590,064
2008	46,579,936
Thereafter	23,527,551
	<hr/>
	\$ 179,077,551

8. Derivative Financial Instruments

Effective July 27, 2001, the Company entered into an interest rate swap agreement with a bank covering \$16,500,000 of the balance under the Tranche A note payable. The interest rate swap agreement requires the Company to pay a fixed rate of 4.8% in exchange for variable rate payments based on the U.S. three-month LIBOR. The interest rate swap agreement expires on July 31, 2004. During the year ended December 31, 2001, the swap was ineffective and \$330,402 was recorded as interest expense in the accompanying statement of income. During the year ended December 31, 2002, the Company redesignated the interest rate swap agreement as a cash flow hedge. Therefore, the change in fair value of this hedge is no longer recorded through earnings but through other comprehensive income in the accompanying consolidated statements of stockholders equity.

Effective March 29, 2002, the Company entered into a zero-cost collar agreement with a bank covering \$41,237,500 of the combined balance under the Tranche A and B note payable agreements, in order to minimize its exposure to fluctuations caused by volatility in interest rates. The interest rate collar agreement requires the Company to pay a variable rate based on the U.S. three-month LIBOR with a floor of 2.83% and a cap of 6.00%. The interest rate collar agreement expires on July 31, 2004.

Effective March 14, 2003, the Company entered into two zero-cost collar agreements with two different banks covering \$44,230,000 of the combined balance under the Tranche A and B note payable agreements, in order to minimize its exposure to fluctuations caused by volatility in interest rates. The interest rate collar agreements require the Company to pay a variable rate based on the US three month LIBOR with a floor of 1.33% on \$17,692,000 and 1.35% on \$26,538,000 and a cap of 6.00%. The interest rate collar agreements expire on March 31, 2006.

The fair value of all these hedges is \$590,654 and \$1,238,360 at December 31, 2003 and 2002, respectively, and is included in other long-term liabilities on the accompanying consolidated balance sheet. Because the hedges qualify as effective for financial reporting purposes, the change in fair value of the hedges of \$393,472 and \$547,085, net of income taxes of \$254,224, and \$360,873 at December 31, 2003 and 2002, respectively, is recorded as a reduction of other comprehensive income in the accompanying consolidated statements of stockholders' equity.

9. Warrants

In connection with the issuance of the senior subordinated notes payable on December 30, 2002, the Company issued warrants to the holders of the subordinated notes for 1,489,999 shares of the Company's Class A common stock. The warrants have an exercise price of \$0.01 and expire on December 30, 2012. On December 30, 2002, the amount allocated to the warrants of \$2,684,569 was recorded as a discount to the senior subordinated notes payable and a credit to common stock warrants. On February 25, 2003, in connection with a partial repayment of the senior subordinated notes, the number of warrants was reduced to 1,307,261, resulting in the value of the warrants being reduced to \$2,355,330. These warrants contain certain "put" rights that allow the holder to require the Company to purchase all or any portion of the warrants or shares of Class A common stock issued upon exercise of the warrants at a price equal to the higher of adjusted earnings before interest, taxes, depreciation and amortization expense per share or the fair market value per share of common stock on such date less the cost to exercise the warrants. The "put" repurchase period commences June 30, 2009 and terminates on December 30, 2012. The "put" repurchase period may be accelerated upon the occurrence, not prior to December 30, 2003, of giving notice by the Company of an optional prepayment of the senior subordinated notes payable. In accordance with the debt agreement, all prepayments must be done on a pro-rata basis to all note holders. The Company has certain "call" rights during the period from December 30, 2009 to December 30, 2012 to repurchase all of the warrants or shares of Class A common stock issued upon exercise of the warrants from the holders of such warrants for the repurchase price defined above. The Company accretes the value of the warrants up to the highest "put" repurchase price through June 30, 2009.

In connection with the issuance of bridge loans on October 2, 2001, the Company issued warrants to the loanholders for 900,000 shares of the Company's Class A or Class B common stock. The warrants were assigned a value of \$1,662,000 as of the date of issuance, which was recorded as an increase in common stock in the consolidated balance sheet as of December 31, 2001. The Bridge Loan contained provisions to issue additional warrants if certain repayment dates were not met. Under these provisions, the Company issued additional warrants to purchase 328,000 shares of Class A or Class B common stock. The warrants were assigned a value of \$418,000 as of the date of issuance, which was recorded as interest expense in the accompanying consolidated statement of income for the year ended December 31, 2001. The warrants had an exercise price of \$0.01 and were to expire on October 2, 2008. The total value assigned to the warrants was \$2,080,000, of which \$1,662,000 was charged to debt discount and \$418,000 was charged to interest expense. The Bridge Loan was repaid on December 17, 2001, and accordingly, the difference between the net carrying amount of the debt (including the unamortized debt discount), and the cost of extinguishment was recorded as a loss on extinguishment of debt of \$1,604,300 in the accompanying consolidated income statement for the year ended December 31, 2001. The warrants remain outstanding after extinguishment of the debt.

10. Stockholders' Equity

During November and December 2001, the Company repurchased 10,000,000 shares of Class A common stock from a stockholder that were issued in connection with the Comet acquisition. These shares were repurchased at the original issuance price of \$1.40 per share for a total purchase price of \$14,000,000. The Company subsequently resold 8,937,500 of shares to new stockholders for total proceeds of \$14,000,000.

11. Income Taxes

The provision for income taxes for the years ended December 31, 2003, 2002 and 2001, respectively, was composed of the following:

	2003	2002	2001
Current:			
Federal	\$ 4,407,875	\$ 4,447,314	\$ 416,172
State	605,550	1,248,373	71,240
Foreign	122,389	—	—
	<u>5,135,814</u>	<u>5,695,687</u>	<u>487,412</u>
Deferred:			
Federal	7,240,443	4,225,175	1,183,852
State	1,447,237	1,185,938	202,862
	<u>8,687,680</u>	<u>5,411,113</u>	<u>1,386,714</u>
Total provision	<u>\$ 13,823,494</u>	<u>\$ 11,106,800</u>	<u>\$ 1,874,126</u>

The income tax provision differs from the amount of tax determined by applying the Federal statutory rate as follows:

	2003	2002	2001
Income tax provision at statutory rate:	\$ 12,644,965	\$ 9,686,794	\$ 1,685,343
Increase (decrease) in income tax due to:			
Meals & entertainment	10,036	6,605	7,994
Officer life insurance	5,170	—	—
State income taxes net	1,282,910	1,315,533	180,789
Adjustment to deferred tax liability due to rate change	(83,366)	97,868	—
Earned income exclusion	(36,221)	—	—
	<u>\$ 13,823,494</u>	<u>\$ 11,106,800</u>	<u>\$ 1,874,126</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred tax liability on the consolidated balance sheets at December 31, 2003 and 2002 are:

	2003	2002
Deferred tax assets:		
Accounting fees	\$ 33,296	\$ 15,972
Allowance for doubtful accounts	143,612	487,534
Accrued legal fees	51,025	37,517
Accrued other	7,959	—
Cash flow hedge/interest rate swap	231,835	492,248
Total deferred tax assets	\$ 467,727	\$ 1,033,271
Deferred tax liabilities:		
Prepaid expenses	\$ (353,363)	\$ (200,121)
Fixed assets	(221,417)	(30,885)
Intangible assets	(15,462,209)	(7,429,626)
Total deferred tax liabilities	(16,036,989)	(7,660,632)
Net deferred tax liability	\$ 15,569,262	\$ 6,627,361

12. Stock Option Plan

Effective December 3, 1999, the Company adopted the Stock Option Plan (the "Plan"), under which 5 million shares of Class A common stock are authorized and reserved for use in the Plan. The Plan allows the issuance of nonqualified or incentive stock options at an exercise price determined by the Company's Board of Directors. Options covering one-half of the authorized number of shares are subject to Pool A Agreements, and options covering the remaining half are subject to Pool B Agreements. Options granted under Pool A Agreements become exercisable over three years and expire ten years from the date of grant. Options granted under Pool B Agreements become exercisable on the eighth anniversary of the date of grant and expire ten years from the date of grant. Accelerated vesting may occur under Pool B Agreements due to a change in control and based on attainment of certain return on investment levels during the year in which the change of control takes place.

Stock option activity for the years ended December 31, 2003, 2002 and 2001 was as follows:

	2003		2002		2001	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of year	3,890,500	\$ 1.12	3,184,500	\$ 1.00	2,625,000	\$ 1.00
Granted	848,000	2.00	750,000	1.60	829,500	1.00
Exercised	(28,167)	1.60	(14,000)	1.00	(10,000)	1.00
Canceled or expired	(91,833)	1.54	(30,000)	1.00	(260,000)	1.00
Outstanding, end of year	4,618,500	\$ 1.26	3,890,500	\$ 1.12	3,184,500	\$ 1.00
Options vested at year-end	3,113,333	\$ 1.05	1,805,604	\$ 1.01	802,833	\$ 1.00
Weighted Average fair value of options granted		\$.30		\$.51		\$.34

A summary of exercise prices for options outstanding under the Company's stock-based compensation plan at December 31, 2003 is presented below:

Exercise Price Range	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Shares Exercisable	Weighted Average Exercise Price of Shares Exercisable
\$1.00	3,068,500	\$ 1.00	6.17	2,789,333	\$ 1.00
\$1.40-\$1.60	722,000	\$ 1.53	7.94	324,000	\$ 1.50
\$2.00	828,000	\$ 2.00	8.76	—	—
	4,618,500			3,113,333	

The Company accounts for its stock-based compensation plan under APB 25, under which no compensation expense has been recognized. In October 1995, the FASB issued SFAS No. 123, as amended by SFAS No. 148, which allows companies to continue following the accounting guidance of APB 25, but requires disclosure of net income and earnings per share for the effects on compensation expense had the accounting guidance of SFAS No. 123 been adopted.

The Company has elected SFAS No. 123 for disclosure purposes. Under SFAS No. 123, the fair value of each option granted has been estimated as of the grant date using the Minimum Value method, with the following weighted-average assumptions for grants during the year ended December 31, 2003, 2002 and 2001: weighted average risk-free interest rates of 2.01%, 4.80%, and 5.24%; expected life of eight years; and no expected dividends.

13. Employee Stock Purchase Plan

Effective April 1, 2003, the Company established an Employee Stock Purchase Plan (the "ESPP Plan") providing for the issuance of up to 1,000,000 shares of the Company's common stock. All employees are eligible to participate in the ESPP Plan and can elect to purchase shares of common stock at fair market value. All shares must be purchased with cash and each participant must sign a subscription agreement. The provisions of the ESPP Plan includes transfer restrictions, bring-along

rights and repurchase rights. Approximately 166,000 shares were purchased in 2003 under the ESPP Plan.

14. Commitments and Contingencies

Litigation

The Company is involved in various legal actions arising in the normal course of business. While it is not possible to determine with certainty the outcome of these matters, in the opinion of management, the eventual resolution of these claims and actions outstanding will not have a material adverse effect on the Company's financial position or operating results.

Leasing activities

The Company leases real estate under operating leases. Certain real estate leases require the Company to pay maintenance, insurance, taxes and certain other expenses in addition to the stated rentals. Future minimum lease payments for noncancelable operating leases in effect at December 31, 2003, are as follows:

<i>Year ending December 31:</i>	<u>Amount</u>
2004	\$ 259,624
2005	219,850
2006	150,245
2007	37,561
	<u>\$ 667,280</u>

The base rent of the Company's office facility in Bonita Springs, Florida, will be increased by the consumer price index each year during its seven-year lease term expiring March 31, 2007.

Total rent expense under all operating leases for the year ended December 31, 2003, 2002 and 2001 was approximately \$296,108, \$167,316 and \$167,632 respectively.

Purchase option

On December 22, 2002, the Company entered into a purchase option agreement with an investor of the Company. Under the terms of the agreement, the Company had the option to repurchase 6,437,500 shares of Class A common stock of the Company owned by that investor. The purchase price as defined in the agreement was based on a 20% internal rate of return on the investor's original purchase of the shares for \$10,500,000. In consideration of the purchase option agreement, the Company paid the investor a deposit of \$1,750,000 on December 23, 2002. This amount was classified within prepaid expenses on the December 31, 2002 accompanying consolidated balance sheet. On February 13, 2003, the Company repurchased these shares at a total purchase price of \$13,270,000.

15. Retirement Plan

The Company has a retirement plan under Section 401(k) of the Internal Revenue Code (the "Retirement Plan"). The Retirement Plan allows all full-time employees to defer a portion of their compensation on a pre-tax basis through contributions to the Retirement Plan. The Company matches these contributions up to 5% of the employee's compensation. The Company's matching contribution for the years ended December 31, 2003, 2002 and 2001 was \$119,465, \$105,281 and \$29,528, respectively.

16. Related-Party Transactions

As of December 31, 2003, the Company had a receivable of \$1,000,000 plus accrued interest of \$186,333 due from a certain stockholder related to the stockholder's purchase of the Company's Class A common stock. Approximately \$230,000 of the receivable balance accrues interest at 6.08% and is payable in full on November 1, 2004, or upon the termination of employment with the Company. The remaining \$770,000 of the receivable balance accrues interest at 6.45% and is due and payable on March 30, 2004, or upon termination of employment with the Company. The amount was treated as a reduction of stockholders' equity in the accompanying consolidated statements of stockholders' equity.

As part of the Company's Amended and Restated Shareholders' Agreement, certain investors are entitled to an annual management fee for advisory services rendered. Management fees totaled \$640,000, \$475,000, and \$0 for the years ended December 31, 2003, 2002, and 2001, respectively. As of December 31, 2003 and 2002 management fees payable of \$0 and \$100,000, respectively, are included in accrued expenses on the accompanying consolidated balance sheets.

17. Subsequent Events

On January 1, 2004, the Company entered into Employment and Non-Competition Agreements with the President and CFO for a period of one year. The agreements provide for certain compensation and benefits as well as severance payments in the event of termination.

The company entered into an Agreement of Merger dated February 10, 2004 pursuant to which the holders of capital stock of the Company (including option and warrant holders) will receive cash consideration in an amount equal to \$555 million (as adjusted based on the working capital of the Company at the closing of the merger), less all of the Company's outstanding indebtedness at the closing and all transaction expenses (including investment banking, legal and accounting fees) incurred in connection with the merger, plus excess cash and proceeds from the exercise of employee stock options. As a result of the transaction, the Company will become a wholly-owned subsidiary of Prestige Acquisition Holdings, LLC. The closing of the merger is expected to occur in late March or early April of 2004.

Bonita Bay Holdings, Inc.
Unaudited Consolidated Financial Statements
for the Three Months ended March 31, 2004 and 2003

BONITA BAY HOLDINGS, INC.
CONSOLIDATED BALANCE SHEET (UNAUDITED)
MARCH 31, 2004
(In Thousands, Except Share Data)

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 7,693
Accounts receivable, net of allowance for doubtful accounts and discounts of \$480	14,591
Inventories	12,461
Prepaid expenses	3,019
	37,764
Property and equipment, net	2,981
Other noncurrent assets:	
Trademarks and other purchase product rights, net	310,191
Debt issuance costs, net	7,385
Other	822
	318,398
Total assets	\$ 359,143
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Accounts payable	\$ 10,562
Accrued expenses	4,448
Current maturities of long-term debt	25,260
	40,270
Deferred income taxes	17,756
Other long-term liabilities	133
Long-term debt, net of current maturities	147,630
	205,789
Common stock warrants	2,355
Stockholders' equity:	
Class A, voting common stock, no par value; 125,000,000 shares authorized, 52,698,175 shares issued and outstanding at March 31, 2004	57,547
Class B, nonvoting common stock, no par value; 50,000,000 shares authorized, 34,340,506 shares issued and outstanding	47,330
Receivable from sale of stock	(1,202)
Retained earnings	47,509
Accumulated other comprehensive loss	(185)
	150,999
Total liabilities, common stock warrants and stockholders' equity	\$ 359,143

The accompanying notes are an integral part of these consolidated financial statements.

BONITA BAY HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
THREE MONTHS ENDED MARCH 31, 2004 AND 2003
(In Thousands)

	2004	2003
Sales	\$ 40,053	\$ 39,785
Returns, discounts and allowances	(4,978)	(3,807)
Net sales	35,075	35,978
Cost of sales	19,101	19,528
Gross profit	15,974	16,450
Operating expenses:		
Advertising and promotion	4,690	4,061
Depreciation and amortization	406	531
General and administrative	2,012	2,516
Total operating expenses	7,108	7,108
Income from operations	8,866	9,342
Interest expense	(3,998)	(4,675)
Interest income	47	48
Other income (expense)	—	159
Income before income taxes	4,915	4,874
Provision for income taxes	1,910	1,767
Net income	\$ 3,005	\$ 3,107

The accompanying notes are an integral part of these consolidated financial statements.

BONITA BAY HOLDINGS, INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)

THREE MONTHS ENDED MARCH 31, 2004

(In Thousands, Except Share Data)

	Common stock				Receivable from sale of stock	Retained earnings	Accumulated other comprehensive loss	Total
	Class A		Class B					
	Shares	Value	Shares	Value				
Balance at December 31, 2003	52,746,509	\$ 57,643	34,340,506	\$ 47,330	\$ (1,186)	\$ 44,504	\$ (154)	\$ 148,137
Interest earned on receivable from sale of stock (unaudited)	—	—	—	—	(16)	—	—	(16)
Repurchase and retirement of common stock (unaudited)	(50,000)	(100)	—	—	—	—	—	(100)
Exercise of stock options (unaudited)	1,666	4	—	—	—	—	—	4
Comprehensive income (loss):								
Net income (unaudited)	—	—	—	—	—	3,005	—	3,005
Change in fair value of interest rate swap and collar agreements, net of income tax benefit of \$21 (unaudited)	—	—	—	—	—	—	(31)	(31)
Total comprehensive income								2,974
Balance at March 31, 2004 (unaudited)	52,698,175	\$ 57,547	34,340,506	\$ 47,330	\$ (1,202)	\$ 47,509	\$ (185)	\$ 150,999

The accompanying notes are an integral part of these consolidated financial statements.

BONITA BAY HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

THREE MONTHS ENDED MARCH 31, 2004 AND 2003

(In Thousands)

	2004	2003
Operating activities		
Net income	\$ 3,005	\$ 3,107
<i>Adjustment to reconcile net income to net cash provided by operating activities:</i>		
Depreciation and amortization	406	531
Amortization of deferred financing costs	500	509
Amortization of debt discount	127	133
Deferred taxes	2,208	2,086
Interest earned on receivable from sale of stock	(16)	(16)
Changes in assets and liabilities:		
Accounts receivable	8,529	(365)
Inventories	(1,835)	2,914
Prepaid expenses	(2,002)	872
Other assets	(598)	1
Accounts payable	(164)	(3,444)
Accrued expenses	(1,233)	3,448
Income taxes payable	(1,353)	(1,364)
Net cash provided by operating activities	7,574	8,412
Investing activities		
Purchases of fixed assets	(114)	(85)
Acquisition of Clear eyes/Murine brands	—	(104)
Net cash used in investing activities	(114)	(189)
Financing activities		
Borrowings	—	13,142
Deferred financing costs	—	(495)
Exercise of stock options	4	28
Payment of liability for interest rate swap	(510)	—
Reallocation/issuance of common stock warrants	—	(330)
Repurchase and retirement of common stock	(100)	(13,320)
Payments under long-term debt	(6,315)	(6,736)
Net cash used in financing activities	(6,921)	(7,711)
Net increase in cash	539	512
Cash and cash equivalents at beginning of period	7,154	7,463
Cash and cash equivalents at end of period	\$ 7,693	\$ 7,975
Supplemental disclosures of cash flow information		
Cash paid for interest	\$ 3,480	\$ 1,205
Cash paid for income taxes	\$ 2,342	\$ 1,583

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(In Thousands)

1. Unaudited Interim Consolidated Financial Statements

The interim financial information included herein is unaudited; however, the information reflects all adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary for the fair presentation of the consolidated financial position, results of operations and cash flows for the interim periods. The consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2003, which are included in the registration statement. The results of operations for the three months ended March 31, 2004 are not necessarily indicative of the results to be expected for the full year.

Certain amounts for 2003 have been reclassified to be consistent with the 2004 presentation.

Based upon the Company's review of new accounting standards released during the quarter ended March 31, 2004, the Company did not identify any standard requiring adoption that would have a significant impact on its consolidated financial statements for the periods reported.

Stock option plan

At March 31, 2004, the Company has one stock-based employee compensation plan. The Company accounts for this plan under the intrinsic value method, as defined under Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* (APB 25), and related Interpretations. No stock-based employee compensation cost is reflected in net income, as all options granted under the plan had an exercise price equal to the fair value of the underlying common stock on the date of grant. The following table illustrates the effect on net income if the Company had applied the fair value recognition provisions of SFAS No. 123, *Accounting for Stock-Based Compensation* (SFAS No. 123), as amended by SFAS No. 148, *Accounting for Stock-Based Compensation—Transition and Disclosure* (SFAS No. 148), to stock-based employee compensation for the three months ended March 31:

	Three Months Ended March 31,	
	2004	2003
	(unaudited)	
Net income, as reported	\$ 3,005	\$ 3,107
Less total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(52)	(54)
Pro forma net income	\$ 2,953	\$ 3,053

2. Revolving Line of Credit

The Company had a \$15,000 revolving line of credit with a bank collateralized by virtually all of the assets of the Company. On December 30, 2002, the line of credit was amended and restated to extend the maturity date to December 30, 2007. Advances under the line of credit bore interest payable monthly at LIBOR plus an applicable rate. As of March 31, 2004, there were no outstanding balances under the line of credit. The revolving line of credit was terminated on April 6, 2004, in conjunction with the acquisition of the Company (Note 8).

3. Long-Term Debt

Long-term debt is as follows at March 31, 2004:

Tranche A term note payable to a bank group, payable in quarterly installments of principal and interest through December 30, 2007. Interest is payable at LIBOR plus an applicable margin through December 30, 2007. At March 31, 2004 the rate was approximately 6.5%. The note is collateralized by substantially all of the Company's assets	81,916
Tranche B term note payable to a bank group, payable in quarterly installments of principal and interest through December 30, 2008. Interest is payable at LIBOR plus an applicable margin through December 30, 2008. At March 31, 2004, the rate was approximately 7.0%. The note is collateralized by substantially all of the Company's assets.	67,318
Senior subordinated notes payable with a fixed interest rate of 15% (of which 2% is Paid in Kind interest accrued in the notes payable balance). Interest is payable quarterly, with principle and any remaining interest due in full on December 31, 2009. The notes are recorded at the face amount of \$24,895 less unamortized discount in the amount of \$1,239, as of March 31, 2004.	23,656
	<hr/>
	172,890
Less current portion	(25,260)
	<hr/>
	147,630
	<hr/>

The outstanding borrowings under Tranche A, Tranche B and the senior subordinated notes payable were repaid on April 6, 2004 in conjunction with the acquisition of the Company (Note 8).

4. Derivative Financial Instruments

Effective July 27, 2001, the Company entered into an interest rate swap agreement with a bank covering \$16,500 of the balance under Tranche A note payable. The interest rate swap agreement requires the Company to pay a fixed rate of 4.8% in exchange for variable rate payments based on the U.S. three-month LIBOR. The interest rate swap agreement expires on July 31, 2004.

Effective March 29, 2002, the Company entered into a zero-cost collar agreement with a bank covering \$41,240 of the combined balance under Tranche A and B notes payable agreements, in order to minimize its exposure to fluctuations caused by volatility in interest rates. The interest rate collar agreement required the Company to pay a variable rate based on the U.S. three-month LIBOR with a floor of 2.83% and a cap of 6.00%. The liability for the interest rate collar agreement was paid in March 2004.

Effective March 14, 2003, the Company entered into two zero-cost collar agreement with two different banks covering \$44,230 of the combined balance under the Tranche A and B note payable agreements, in order to minimize its exposure to fluctuations caused by volatility in interest rates. The interest rate collar agreements required the Company to pay a variable rate based on three-month

LIBOR with a floor of 1.33% on \$17,700 and 1.35% on \$26,540 and a cap of 6.00%. The interest rate collar agreement expires on March 31, 2006. The liability for the interest rate collar agreement covering \$26,540 of the debt balance was paid in March 2004.

The fair value of the open hedges was \$133 at March 31, 2004 and is included in other long-term liabilities on the accompanying unaudited consolidated balance sheet. Because the hedges qualify as cash flow hedges, the change in fair value of the hedges is recorded as a component of other comprehensive income. In connection with the acquisition of the Company on April 6, 2004 (Note 8), the liability for the remaining derivative instrument was paid.

5. Related-Party Transactions

As of March 31, 2004, the Company had a receivable of \$1,000 plus accrued interest of \$202 due from a certain stockholder related to the stockholder's purchase of the Company's Class A common stock. Approximately \$230 of the receivable balance accrues interest at 6.08% and is payable in full on November 1, 2004, or upon the termination of employment with the Company. The remaining \$770 of the receivable balance accrues interest at 6.45% and is due and payable on March 30, 2004, or upon termination of employment with the Company. The amount was treated as a reduction of stockholders' equity. On April 6, 2004, in conjunction with the acquisition of the Company, the receivable balance was paid in full.

As part of the Company's Amended and Restated Shareholders' Agreement, certain investors are entitled to an annual management fee for advisor services rendered. Management fees totaled \$173 and \$160 for the three months ended March 31, 2004 and 2003, respectively. As of March 31, 2004 and 2003 management fees payable of \$173 and \$53, respectively, are included in accrued expenses on the accompanying unaudited consolidated balance sheets.

6. Commitments and Contingencies

The Company is involved in various legal actions arising in the normal course of business. While it is not possible to determine with certainty the outcome of these matters, in the opinion of management, the eventual resolution of these claims and actions outstanding will not have a material adverse effect on the Company's financial position or operating results.

7. Business Segments

Three months ended March 31, 2004

	Over-the-Counter	Personal Care	Household Cleaning	Consolidated
Net sales	\$ 16,875	\$ 1,504	\$ 16,696	\$ 35,075
Cost of sales	5,674	850	12,577	19,101
Gross profit	11,201	654	4,119	15,974
Advertising and promotion	2,114	121	2,455	4,690
Contribution margin	9,087	533	1,664	11,284
Other operating expenses				(2,418)
Operating income				8,866
Other income (expense)				(3,951)
Provision for income taxes				(1,910)
Net income				\$ 3,005

Three months ended March 31, 2003

	Over-the-Counter	Personal Care	Household Cleaning	Consolidated
Net sales	\$ 17,368	\$ 1,783	\$ 16,827	\$ 35,978
Cost of sales	7,774	1,214	10,540	19,528
Gross profit	9,594	569	6,287	16,450
Advertising and promotion	3,218	232	611	4,061
Contribution margin	6,376	337	5,676	12,389
Other operating expenses				(3,047)
Operating income				9,342
Other income (expense)				(4,468)
Provision for income taxes				(1,767)
Net income				\$ 3,107

8. Subsequent Event

On April 6, 2004, all of the outstanding capital stock of the Company was acquired by a wholly owned subsidiary of Prestige Brands International, LLC ("Prestige Brands"). In conjunction with the acquisition, Prestige Brands paid off all of the Company's long-term debt.

VETCO, INC.

Financial Statements
December 31, 2003 and 2002
September 30, 2004 and 2003 (unaudited)

F-100

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders
Vetco, Inc.

We have audited the accompanying balance sheets of Vetco, Inc. (the "Company") as of December 31, 2003 and 2002, and the related statements of operations, changes in shareholders' equity and cash flows for each of the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements enumerated above present fairly, in all material respects, the financial position of Vetco, Inc. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note H, the Company was sold to an unrelated third party pursuant to an agreement.

Eisner LLP

New York, New York
August 20, 2004

With respect to Note H
October 6, 2004

VETCO, INC.

BALANCE SHEETS

	September 30,		December 31,	
	2004	2003	2003	2002
	(unaudited)			
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 177,000	\$ 5,611,000	\$ 6,487,000	\$ 4,597,000
Short-term investments, at fair value (cost \$0, \$255,000, \$287,000 and \$228,000, respectively)		311,000	381,000	217,000
Accounts receivable, net of allowance of \$11,000, \$7,000, \$13,000 and \$224,000, respectively	1,738,000	1,868,000	2,456,000	1,257,000
Inventories, net of allowance of \$25,000, \$25,000, \$25,000 and \$50,000, respectively	849,000	771,000	667,000	490,000
Other current assets	37,000	39,000	58,000	
	<u>2,801,000</u>	<u>8,600,000</u>	<u>10,049,000</u>	<u>6,561,000</u>
Office equipment, furniture and fixtures, net	68,000	9,000	82,000	13,000
	<u>\$ 2,869,000</u>	<u>\$ 8,609,000</u>	<u>\$ 10,131,000</u>	<u>\$ 6,574,000</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	\$ 402,000	\$ 900,000	\$ 1,296,000	\$ 662,000
Commitments and contingencies (Note E)				
Shareholders' equity				
Preferred stock, \$.01 par value; 1,000,000 shares authorized; none issued				
Common stock, \$.005 par value; 10,000,000 shares authorized; 1,675,000 issued and outstanding	8,000	8,000	8,000	8,000
Additional paid-in capital	174,000	174,000	174,000	174,000
Retained earnings	3,321,000	8,507,000	9,595,000	6,777,000
Accumulated other comprehensive income (loss)		56,000	94,000	(11,000)
	<u>3,503,000</u>	<u>8,745,000</u>	<u>9,871,000</u>	<u>6,948,000</u>
Less treasury stock—815,725 shares at cost	(1,036,000)	(1,036,000)	(1,036,000)	(1,036,000)
	<u>2,467,000</u>	<u>7,709,000</u>	<u>8,835,000</u>	<u>5,912,000</u>
	<u>\$ 2,869,000</u>	<u>\$ 8,609,000</u>	<u>\$ 10,131,000</u>	<u>\$ 6,574,000</u>

See accompanying notes to financial statements

VETCO, INC.

STATEMENTS OF OPERATIONS

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,		Year Ended December 31,	
	2004	2003	2004	2003	2003	2002
	(unaudited)		(unaudited)			
Net sales	\$ 3,372,000	\$ 3,161,000	\$ 10,233,000	\$ 8,578,000	\$ 12,821,000	\$ 9,137,000
Cost of sales	1,202,000	1,190,000	3,653,000	3,287,000	4,849,000	3,123,000
Gross profit	2,170,000	1,971,000	6,580,000	5,291,000	7,972,000	6,014,000
Selling, general and administrative expenses	497,000	652,000	1,920,000	2,017,000	3,492,000	2,595,000
Operating income	1,673,000	1,319,000	4,660,000	3,274,000	4,480,000	3,419,000
Interest and dividend income	18,000	5,000	61,000	22,000	35,000	48,000
Other income	4,000		17,000	31,000	31,000	
Interest expense						(4,000)
Realized gain (loss) on sale and distribution of securities	108,000	29,000	126,000	22,000	25,000	(81,000)
Net income	\$ 1,803,000	\$ 1,353,000	\$ 4,864,000	\$ 3,349,000	\$ 4,571,000	\$ 3,382,000

See accompanying notes to financial statements

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

YEARS ENDED DECEMBER 31, 2003 AND 2002 AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2004 (unaudited)

	Common stock		Additional paid-in capital	Retained earnings	Treasury stock		Accumulated other comprehensive income (loss)	Comprehensive income (loss)	Total shareholders' equity
	Shares	Amount			Shares	Amount			
Balance—January 1, 2002	1,675,000	\$ 8,000	\$ 174,000	\$ 5,338,000	815,725	\$ (1,036,000)	\$ 53,000	\$ 4,537,000	
Distributions to shareholder				(1,943,000)				(1,943,000)	
Components of comprehensive income:									
Net income				3,382,000			\$ 3,382,000		
Change in unrealized loss on securities							(64,000)	(64,000)	
Total comprehensive income							\$ 3,318,000	3,318,000	
Balance—December 31, 2002	1,675,000	8,000	174,000	6,777,000	815,725	(1,036,000)	(11,000)	5,912,000	
Distributions to shareholder				(1,753,000)				(1,753,000)	
Components of comprehensive income:									
Net income				4,571,000			\$ 4,571,000		
Change in unrealized gain on securities							105,000	105,000	
Total comprehensive income							\$ 4,676,000	4,676,000	
Balance—December 31, 2003	1,675,000	8,000	174,000	9,595,000	815,725	(1,036,000)	94,000	8,835,000	
Distributions to shareholders				(11,138,000)				(11,138,000)	
Components of comprehensive income:									
Net income				4,864,000			\$ 4,864,000		
Change in unrealized gain on securities							(94,000)	(94,000)	
Total comprehensive income							\$ 4,770,000	4,770,000	
Balance—September 30, 2004 (unaudited)	1,675,000	\$ 8,000	\$ 174,000	\$ 3,321,000	815,725	\$ (1,036,000)	\$ 0	\$ 2,467,000	

See accompanying notes to financial statements

VETCO, INC.

STATEMENTS OF CASH FLOWS

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,		Year Ended December 31,	
	2004	2003	2004	2003	2003	2002
	(unaudited)		(unaudited)			
Cash flows from operating activities:						
Net income	\$ 1,803,000	\$ 1,353,000	\$ 4,864,000	\$ 3,349,000	\$ 4,571,000	\$ 3,382,000
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>						
Depreciation and amortization	5,000	2,000	14,000	4,000	6,000	7,000
Securities received for settlement of accounts receivable					(18,000)	
Realized (gain) loss on sale of securities	(119,000)	(29,000)	(143,000)	(22,000)	(25,000)	81,000
<i>Changes in:</i>						
Accounts receivable	(964,000)	(987,000)	718,000	(611,000)	(1,199,000)	8,000
Inventories	(35,000)	(129,000)	(182,000)	(281,000)	(177,000)	19,000
Accounts payable and accrued expenses	(26,000)	274,000	(894,000)	238,000	634,000	(352,000)
Other current assets	78,000	5,000	21,000	(39,000)	(58,000)	47,000
Accrued interest—former shareholders						(104,000)
Net cash provided by operating activities	742,000	489,000	4,398,000	2,638,000	3,734,000	3,088,000
Cash flows from investing activities:						
Proceeds from sale of securities	36,000	53,000	96,000	63,000	77,000	131,000
Purchase of securities	(14,000)	(16,000)	(45,000)	(68,000)	(93,000)	(137,000)
Purchases of equipment					(75,000)	(3,000)
Net cash provided by (used in) investing activities	22,000	37,000	51,000	(5,000)	(91,000)	(9,000)
Cash flows from financing activities:						
Shareholder(s) distributions	(6,864,000)	(440,000)	(10,759,000)	(1,619,000)	(1,753,000)	(1,943,000)
Payment to former shareholder						(204,000)
Net cash used in financing activities	(6,864,000)	(440,000)	(10,759,000)	(1,619,000)	(1,753,000)	(2,147,000)
Net (decrease) increase in cash	(6,100,000)	86,000	(6,310,000)	1,014,000	1,890,000	932,000
Cash and cash equivalents at beginning of period	6,277,000	5,525,000	6,487,000	4,597,000	4,597,000	3,665,000
Cash and cash equivalents at end of period	\$ 177,000	\$ 5,611,000	\$ 177,000	\$ 5,611,000	\$ 6,487,000	\$ 4,597,000
Supplementary disclosures:						
Cash paid for:						
Interest					\$	108,000
Taxes				\$ 22,000	\$	22,000
Distribution of securities to shareholders	\$ 379,000		\$ 379,000			

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003 and 2002

(Information Pertaining to the Three- and Nine-Month Periods Ended

September 30, 2004 and 2003 are Unaudited)

Note A—Summary of Significant Accounting Policies

[1] Nature of business:

Vetco, Inc. (the "Company") develops, markets and sells over-the-counter nonprescription consumer health care products, primarily for children. The Company markets its products in the United States through distributors, retail drug and mass-merchandise chains. The Company uses third-party contractors for the manufacture and assembly of the products.

[2] Cash and cash equivalents:

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

[3] Marketable securities:

Marketable securities that are bought and held principally for the purpose of selling them in the near-term are classified as trading securities. Trading securities are recorded at fair value, with the change in fair value during the period included in the statements of operations. Marketable debt securities that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity securities and recorded at amortized cost. Securities not classified as either held-to-maturity or trading securities are classified as available-for-sale securities. Available-for-sale securities are recorded at fair value with the change in fair value during the period excluded from the statements of operations unless it is occasioned by an other-than-temporary decline in value and recorded net of income taxes as other comprehensive income, as a separate component of shareholders' equity.

As of September 30, 2003, December 31, 2003 and 2002, all of the Company's marketable securities have been deemed available-for-sale securities and consisted principally of equity securities.

[4] Inventories:

Inventories are stated at the lower of cost (using the first-in, first-out method) or market.

[5] Office equipment, furniture and fixtures:

Office equipment, furniture and fixtures are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of five years.

[6] Income taxes:

The Company has elected to be an S corporation for federal and state income tax purposes, which means that the Company's shareholders are required to include the Company's income in their individual income tax returns. Consequently, the Company has no current federal and state income tax

liability. At December 31, 2003, the shareholder can withdraw approximately \$9,034,000 from the Company without any further tax consequence provided that the shareholder has sufficient tax basis. Through September 30, 2004, substantially all of this amount has been withdrawn.

[7] Revenue recognition:

Sales are recognized when the related products are shipped, title has passed, collections are reasonably assured and the Company has no further obligation. An allowance for discounts and returns is taken as a reduction of sales within the same period the revenue is recognized. Such allowances are based on historical experience. The Company has not experienced significant fluctuations between estimated allowances and actual activity.

Included in cost of sales are shipping and handling costs of \$131,000, \$434,000, \$182,000, \$420,000, \$525,000 and \$304,000 for the three- and nine-month periods ended September 30, 2004 and 2003 and for the years ended December 31, 2003 and 2002, respectively.

[8] Advertising expense:

Advertising costs are expensed when the advertisement is first shown. Advertising expense for the three- and nine-month periods ended September 30, 2004 and 2003 and for the years ended December 31, 2003 and 2002 amounted to \$120,000, \$757,000, \$295,000, \$864,000, \$1,321,000 and \$831,000, respectively, including co-operative advertising of \$118,000, \$594,000, \$194,000, \$611,000, \$955,000 and \$526,000, respectively. In accordance with the guidance in Emerging Issues Task Force (the "EITF") Issue No. 01-9 issued in 2001, slotting allowances payable (cash portion) of \$142,000, \$206,000, \$183,000, \$393,000, \$451,000 and \$269,000 for the three- and nine-month periods ended September 30, 2004 and 2003 and for the years ended December 31, 2003 and 2002, respectively, are recorded as a reduction of sales. In addition, included in cost of goods sold are slotting allowances in the form of product at a cost of \$0, \$0, \$0, \$0, \$0 and \$27,000 for the three- and nine-month periods ended September 30, 2004 and 2003 and for the years ended December 31, 2003 and 2002, respectively.

[9] Long-lived assets:

In accordance with accounting standards to account for the impairment of long-lived assets and for long-lived assets to be disposed of, the Company records impairment losses on long-lived assets used in operations, including intangible assets, when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. No such losses have been recorded during 2004, 2003 and 2002.

[10] Concentrations of credit risk:

Financial instruments, which potentially subject the Company to concentration of credit risk, consist of cash and cash equivalents and trade receivables. The Company maintains cash in accounts with various financial institutions in amounts, which, at times, may be in excess of the FDIC insurance

limit. The Company has not experienced any losses on such accounts and does not believe it is exposed to any significant risk with respect to cash and cash equivalents.

The Company sells its products and services to distributors and end users nationwide. The Company regularly assesses the realizability of accounts receivable and takes into consideration the value of past due accounts receivable and the collectibility of such receivables based on creditworthiness. The Company does not require collateral or other security to support customer receivables.

[11] Fair value of financial instruments:

The Company's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued expenses. At September 30, 2004 and 2003, December 31, 2003 and 2002, the fair value of these instruments approximated their carrying value.

[12] Use of estimates:

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

[13] Interim financial statements:

The accompanying financial statements as of September 30, 2004 and 2003 and for the three- and nine-month periods ended September 30, 2004 and 2003 are unaudited, but in the opinion of the Company's management reflect all adjustments (consisting only of normal and recurring adjustments) necessary for a fair presentation of financial condition and the results of operations for the interim periods. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the entire year or any other interim period.

Note B—Inventories

The components of inventory consist of the following:

	September 30,		December 31,	
	2004	2003	2003	2002
	(unaudited)			
Raw materials	\$ 748,000	\$ 629,000	\$ 601,000	\$ 405,000
Finished goods	126,000	167,000	91,000	135,000
	874,000	796,000	692,000	540,000
Less allowance	(25,000)	(25,000)	(25,000)	(50,000)
	\$ 849,000	\$ 771,000	\$ 667,000	\$ 490,000

Note C—Office Equipment, Furniture and Fixtures, Net

The components of office equipment, furniture and fixtures consist of the following:

	September 30,		December 31,	
	2004	2003	2003	2002
	(unaudited)			
Machinery and equipment	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Office equipment	53,000	53,000	53,000	53,000
Furniture and fixtures	3,000	3,000	3,000	3,000
Automobile	75,000		75,000	
	143,000	68,000	143,000	68,000
Less accumulated depreciation	75,000	59,000	61,000	55,000
	\$ 68,000	\$ 9,000	\$ 82,000	\$ 13,000

Note D—Common Stock

In May 1996 a then shareholder brought an action against the Company and its directors, seeking damages for alleged breach of employment contract and for alleged misuse of Company assets. In accordance with applicable law, the Company elected to purchase all of the shareholder's shares in the Company for the fair market value. The court determined the fair market value as approximately \$1,036,000 plus interest at 9% per annum, effective from April 26, 1996. In March 2002, final payment was made.

Note E—Commitments, Contingencies and Other Matters**[1] Government regulation:**

The Company's products and facilities are subject to regulation by a number of federal and state governmental agencies. The Food and Drug Administration ("FDA"), in particular, maintains oversight of the formulation, manufacture, distribution, packaging and labeling of all of the Company's products.

[2] Related parties—lease agreement:

The Company entered into a month-to-month lease agreement with Comtech Telecommunications Corp. ("Comtech") in August 1994 for office and storage space. The president of Comtech is a director of the Company (as is another director of Comtech) and the father of its chief executive officer ("CEO") and sole shareholder. During the three- and nine-month periods ended September 30, 2004 and 2003 and the years ended December 31, 2003 and 2002, the Company paid \$2,000, \$7,000, \$3,000, \$8,000, \$10,000 and \$10,000, respectively, for rent.

Note F—Pension Plan

The Company maintains a simplified employee pension plan—individual ("SEP") for eligible employees under Section 408(k) of the Internal Revenue Code. Contributions are made at the discretion of the Company. During the three- and nine-month periods ended September 30, 2004 and 2003 and the years ended December 31, 2003 and 2002, there were no contributions to the plan.

Note G—Major Customers

Revenue from the Company's major customers as a percentage of net sales was composed of the following:

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,		December 31,	
	2004	2003	2004	2003	2003	2002
	(unaudited)		(unaudited)			
A	22%	17%	23%	18%	17%	17%
B	10	10	8	9	10	11
C	12	16	16	18	17	9
	44%	43%	47%	45%	44%	37%

At September 30, 2004 and 2003, December 31, 2003 and 2002, accounts receivable included approximately \$772,000, \$940,000, \$1,002,000 and \$654,000, respectively, due from these customers.

Note H—Subsequent Event

On October 6, 2004, the Company was sold to an unrelated third party pursuant to an agreement. Immediately prior to the sale, the shareholders of the Company received substantial cash distributions.

Over the Counter



Household Cleaning



Personal Care



Through and including _____, 2005 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

23,333,333 Shares



Prestige Brands Holdings, Inc.

Common Stock

—————
PROSPECTUS

—————
**Merrill Lynch & Co.
Goldman, Sachs & Co.
JPMorgan
William Blair & Company
Piper Jaffray
SunTrust Robinson Humphrey**

, 2005

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by Prestige Brands Holdings, Inc. in connection with the offer and sale of the securities being registered. All amounts are estimates except the SEC registration fee and the NASD filing fee.

SEC registration fee	\$	60,468
NASD filing fee		30,500
NYSE listing fee		242,100
Transfer Agent's fees and expenses		12,000
Printing costs		400,000
Legal fees and expenses		1,600,000
Accounting fees and expenses		1,000,000
Miscellaneous		654,932
Total		4,000,000

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers

Delaware General Corporation Law. The General Corporation Law of the State of Delaware ("DGCL") authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties. The registrant's certificate of incorporation includes a provision that eliminates the personal liability of directors for monetary damages for actions taken as a director, except for liability for breach of duty of loyalty; for acts or omissions not in good faith or involving intentional misconduct or knowing violation of law; under Section 174 of the DGCL (unlawful dividends and stock repurchases); or for transactions from which the director derived improper personal benefit.

The registrant's certificate of incorporation provides that it must indemnify its directors and officers to the fullest extent authorized by the DGCL and must also pay expenses incurred in defending any such proceeding in advance of its final disposition upon delivery of an undertaking, by or on behalf of an indemnified person, to repay all amounts so advanced if it should be determined ultimately that such person is not entitled to be indemnified under this section or otherwise.

The indemnification rights set forth above shall not be exclusive of any other right which an indemnified person may have or hereafter acquire under any statute, provision of our certificate of incorporation, our bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

The registrant maintains insurance to protect itself and its directors and officers against any such expense, liability or loss, whether or not it would have the power to indemnify them against such expense, liability or loss under applicable law.

Item 15. Recent Sales of Unregistered Securities

The registrant was formed in June 2004 and has not issued any securities. Prior to the completion of the offering of the securities being registered hereby, the registrant will issue an aggregate of

26,666,667 shares of the registrant's common stock in exchange for common units of Prestige International Holdings, LLC. This issuance will be made in reliance upon Section 4(2) of the Securities Act, and will not involve any underwriters, underwriting discounts or commissions, or any public offering. The persons and entities who will receive such securities have represented that they will acquire these securities for investment only and not with a view for sale or in connection with any distribution thereof, and appropriate legends will be affixed to any share certificates issued. All recipients have adequate access through their relationship with the registrant to information about the registrant.

Item 16. Exhibits and Financial Statement Schedules

(a) *Exhibits.*

Reference is made to the attached Exhibit Index, which is incorporated by reference herein.

(b) Financial Statement Schedules

None.

Item 17. Undertakings

The undersigned registrant hereby undertakes that

1. For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

2. For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

3. To provide to the underwriters at the closing specified in the Underwriting Agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification by the registrant against such liabilities, other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding, is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Amendment No. 3 to the Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in The City of Irvington, State of New York, on January 24, 2005.

PRESTIGE BRANDS HOLDINGS, INC.

By:

/s/ PETER J. ANDERSON

Name: Peter J. Anderson
Title: Chief Financial Officer

Pursuant to the requirements of the Securities Act, this Amendment No. 3 to the Registration Statement on Form S-1 has been signed by the following persons in the capacities indicated on January 24, 2005.

Signature	Title
* Peter C. Mann	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ PETER J. ANDERSON Peter J. Anderson	Chief Financial Officer, Secretary and Treasurer (Principal Financial and Accounting Officer)
* David A. Donnini	Director
* Vincent J. Hemmer	Director
* Gary E. Costley	Director
* L. Dick Buell	Director
*By: /s/ PETER J. ANDERSON Peter J. Anderson <i>Attorney-in-Fact</i>	

EXHIBIT INDEX

- 1.1 Form of Underwriting Agreement.*
- 3.1 Form of Amended and Restated Certificate of Incorporation of Prestige Brands Holdings, Inc.
- 3.2 Form of Amended and Restated Bylaws of Prestige Brands Holdings, Inc.
- 4.1 Form of stock certificate for common stock.
- 5.1 Opinion of Kirkland & Ellis LLP.
- 10.1 Credit Agreement, dated April 6, 2004, among Prestige Brands, Inc., Prestige Brands International, LLC, the Lenders thereto, the Issuers thereto, Citicorp North America, Inc. as Administrative Agent and as Tranche C Agent, Bank of America, N.A. as Syndication Agent and Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., as Documentation Agent.**
- 10.1.1 Form of Amendment No. 1 to the Credit Agreement, dated as of April 6, 2004, among Prestige Brands, Inc., Prestige Brands International, LLC, the Lenders thereto, the Issuers thereto, Citicorp North America, Inc., as administrative agent, Bank of America, N.A., as syndication agent, and Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services, Inc., as documentation agent.*
- 10.2 Pledge and Security Agreement, dated April 6, 2004, by Prestige Brands, Inc. and each of the Grantors party thereto, in favor of Citicorp North America, Inc. as Administrative Agent and Tranche C Agent.**
- 10.3 Intercreditor Agreement, dated April 6, 2004, between Citicorp North America, Inc. as Administrative Agent and as Tranche C Agent, Prestige Brands, Inc., Prestige Brands International, LLC and each of the Subsidiary Guarantors thereto.**
- 10.4 Indenture, dated April 6, 2004, among Prestige Brands, Inc., each Guarantor thereto and U.S. Bank National Association, as Trustee.**
- 10.5 Purchase Agreement, dated April 6, 2004, among Prestige Brands, Inc., each Guarantor thereto and Citicorp North America, Inc. as Representative of the Initial Purchasers.**
- 10.6 Registration Rights Agreement, dated April 6, 2004, among Prestige Brands, Inc., each Guarantor thereto, Citigroup Global Markets Inc., Banc of America Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated.**
- 10.7 Third Amended and Restated Limited Liability Company Agreement of Prestige International Holdings, LLC, dated April 6, 2004.**
- 10.8 Unit Purchase Agreement, dated February 6, 2004, by and among Medtech/Denorex, LLC, GTCR Fund VIII, L.P., GTCR Fund VIII/B, L.P., GTCR Co-Invest II, L.P. and the TCW/Crescent Purchasers thereto.**
- 10.9 First Amendment, Acknowledgment and Supplement to Unit Purchase Agreement, dated April 6, 2004, to the Unit Purchase Agreement, dated February 6, 2004, by and among Medtech/Denorex, LLC, GTCR Fund VIII, L.P., GTCR Fund VIII/B, L.P., GTCR Co-Invest II, L.P. and the TCW/Crescent Purchasers thereto.**

- 10.10 Second Amendment, Acknowledgement and Supplement to Unit Purchase Agreement, dated April 6, 2004, to the Unit Purchase Agreement, dated February 6, 2004, by and among Medtech/Denorex, LLC, GTCR Fund VIII, L.P., GTCR Fund VIII/B, L.P., GTCR Co-Invest II, L.P. and the TCW/Crescent Purchasers thereto as amended by the First Amendment, Acknowledgement and Supplement to Unit Purchase Agreement, dated April 6, 2004.**
- 10.11 Securityholders Agreement, dated February 6, 2004, among Medtech/Denorex, LLC, GTCR Fund VIII, L.P., GTCR Fund VIII/B, L.P., GTCR Co-Invest II, L.P., GTCR Capital Partners, L.P., the TCW/Crescent Purchasers and the TCW/Crescent Lenders thereto, each Executive thereto and each of the Other Securityholders thereto.**
- 10.12 First Amendment and Acknowledgement to Securityholders Agreement, dated April 6, 2004, to the Securityholders Agreement, dated February 6, 2004, among Medtech/Denorex, LLC, GTCR Fund VIII, L.P., GTCR Fund VIII/B, L.P., GTCR Co-Invest II, L.P., GTCR Capital Partners, L.P., the TCW/Crescent Purchasers and the TCW/Crescent Lenders thereto, each Executive thereto and each of the Other Securityholders thereto.**
- 10.13 Registration Rights Agreement, dated February 6, 2004, among Medtech/Denorex, LLC, GTCR Fund VIII, L.P., GTCR Fund VIII/B, L.P., GTCR Co-Invest II, L.P., GTCR Capital Partners, L.P., the TCW/Crescent Purchasers and the TCW/Crescent Lenders thereto, each Executive thereto and each of the Other Securityholders thereto.**
- 10.14 First Amendment and Acknowledgement to Registration Rights Agreement, dated April 6, 2004, to the Registration Rights Agreement, dated February 6, 2004, among Medtech/Denorex, LLC, GTCR Fund VIII, L.P., GTCR Fund VIII/B, L.P., GTCR Co-Invest II, L.P., GTCR Capital Partners, L.P., the TCW/Crescent Purchasers and the TCW/Crescent Lenders thereto, each Executive thereto and each of the Other Securityholders thereto.**
- 10.15 Senior Preferred Investor Rights Agreement, dated March 5, 2004, among Medtech/Denorex, LLC, GTCR Fund VIII, L.P., TSG3 L.P., J. Gary Shansby, Charles H. Esserman, Michael L. Mauze, James L. O'Hara and each Subsequent Securityholder thereto.**
- 10.16 Amended and Restated Professional Services Agreement, dated April 6, 2004, by and between GTCR Golder Rauner II, L.L.C. and Prestige Brands, Inc.**
- 10.17 Amended and Restated Management Company Services Agreement, dated April 6, 2004, among Prestige Brands, Inc., Prestige Brands International, Inc., Medtech Products, Inc., The Spic and Span Company, The Comet Products Corporation and The Denorex Company.**
- 10.18 Senior Management Agreement, dated February 6, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Peter C. Mann.**
- 10.19 First Amendment and Acknowledgement to Senior Management Agreement, dated March 5, 2004, to the Senior Management Agreement, dated February 6, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Peter C. Mann.**
- 10.20 Second Amendment and Acknowledgement to Senior Management Agreement, dated April 6, 2004, to the Senior Management Agreement, dated February 6, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Peter C. Mann and amended by the First Amendment and Acknowledgement to Senior Management Agreement, dated March 5, 2004.**
- 10.21 Senior Management Agreement, dated February 6, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Peter J. Anderson.**

- 10.22 First Amendment and Acknowledgement to Senior Management Agreement, dated March 5, 2004, to the Senior Management Agreement, dated February 6, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Peter J. Anderson.**
- 10.23 Second Amendment and Acknowledgement to Senior Management Agreement, dated April 6, 2004, to the Senior Management Agreement, dated February 6, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Peter J. Anderson and amended by the First Amendment and Acknowledgement to Senior Management Agreement, dated March 5, 2004.**
- 10.24 Senior Management Agreement, dated February 6, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Gerard F. Butler.**
- 10.25 First Amendment and Acknowledgement to Senior Management Agreement, dated March 5, 2004, to the Senior Management Agreement, dated February 6, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Gerard F. Butler.**
- 10.26 Second Amendment and Acknowledgement to Senior Management Agreement, dated April 6, 2004, to the Senior Management Agreement, dated February 6, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Gerard F. Butler and amended by the First Amendment and Acknowledgement to Senior Management Agreement, dated March 5, 2004.**
- 10.27 Senior Management Agreement, dated February 6, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Michael A. Fink.**
- 10.28 First Amendment and Acknowledgement to Senior Management Agreement, dated March 5, 2004, to the Senior Management Agreement, dated February 6, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Michael A. Fink.**
- 10.29 Second Amendment and Acknowledgement to Senior Management Agreement, dated April 6, 2004, to the Senior Management Agreement, dated February 6, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Michael A. Fink and amended by the First Amendment and Acknowledgement to Senior Management Agreement, dated March 5, 2004.**
- 10.29.1 Senior Management Agreement, dated March 17, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Charles Schrank.
- 10.29.2 First Amendment and Acknowledgement to Senior Management Agreement, dated April 6, 2004, to the Senior Management Agreement, dated March 17, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Charles Schrank.
- 10.29.3 Senior Management Agreement, dated March 17, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Eric M. Millar.
- 10.29.4 First Amendment and Acknowledgement to Senior Management Agreement, dated April 6, 2004, to the Senior Management Agreement, dated March 17, 2004, by and among Medtech/Denorex, LLC, Medtech/Denorex Management, Inc. and Eric M. Millar.
- 10.29.5 Omnibus Consent and Amendment to Securityholders Agreement, Registration Rights Agreement, Senior Management Agreements and Unit Purchase Agreement, dated as of July 6, 2004.**
- 10.29.6 Form of Amended and Restated Senior Management Agreement by and among Prestige International Holdings, LLC, Prestige Brands Holdings, Inc. and Peter C. Mann.
- 10.29.7 Form of Amended and Restated Senior Management Agreement by and among Prestige International Holdings, LLC, Prestige Brands Holdings, Inc. and Peter J. Anderson.

- 10.29.8 Form of Amended and Restated Senior Management Agreement by and among Prestige International Holdings, LLC, Prestige Brands Holdings, Inc. and Gerald F. Butler.
- 10.29.9 Form of Amended and Restated Senior Management Agreement by and among Prestige International Holdings, LLC, Prestige Brands Holdings, Inc. and Michael A. Fink.
- 10.29.10 Form of Amended and Restated Senior Management Agreement by and among Prestige International Holdings, LLC, Prestige Brands Holdings, Inc. and Charles Shrank.
- 10.29.11 Form of Amended and Restated Senior Management Agreement by and among Prestige International Holdings, LLC, Prestige Brands Holdings, Inc. and Eric M. Millar.
- 10.30 Distribution Agreement, dated April 24, 2003, by and between Medtech Holdings, Inc. and OraSure Technologies, Inc.***
- 10.31 License Agreement, dated June 2, 2003, between Zengen, Inc. and Prestige Brands International, Inc.***
- 10.32 Patent and Technology License Agreement, dated October 2, 2001, between The Procter & Gamble Company and Prestige Brands International, Inc.***
- 10.33 Amendment, dated April 30, 2003, to the Patent and Technology License Agreement, dated October 2, 2001, between The Procter & Gamble Company and Prestige Brands International, Inc.***
- 10.34 Contract Manufacturing Agreement, dated February 1, 2001, among The Procter & Gamble Manufacturing Company, P&G International Operations SA, Prestige Brands International, Inc. and Prestige Brands International (Canada) Corp.***
- 10.35 Manufacturing Agreement, dated December 30, 2002, by and between Prestige Brands International, Inc. and Abbott Laboratories.***
- 10.36 Amendment No. 4 and Restatement of Contract Manufacturing Agreement, dated May 1, 2002, by and between The Procter & Gamble Company and Prestige Brands International, Inc.***
- 10.37 Letter Agreement, dated April 15, 2004, between Prestige Brands, Inc. and Carrafiello Diehl & Associates, Inc.***
- 10.38 Prestige Brands Holdings, Inc. 2005 Long-Term Equity Incentive Plan.
- 10.39 Form of Exchange Agreement by and among Prestige Brands Holdings, Inc., Prestige International Holdings, LLC and the common unitholders listed on the signature pages thereto.
- 21.1 Subsidiaries of the Registrant.**
- 23.1 Consent of PricewaterhouseCoopers LLP.
- 23.2 Consent of Ernst & Young LLP.
- 23.3 Consent of Eisner, LLP.
- 23.4 Consent of Kirkland & Ellis LLP (included in Exhibit 5.1).
- 24.1 Powers of Attorney (included on signature pages).**

* To be filed by amendment.

** Previously filed.

*** Incorporated by reference to the Registration Statement on Form S-4 of Prestige Brands, Inc. (Registration No. 333-117152). Certain confidential portions have been omitted pursuant to a confidential treatment request separately filed with the Securities and Exchange Commission.

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FORM OF AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

PRESTIGE BRANDS HOLDINGS, INC.
A DELAWARE CORPORATION

ARTICLE ONE
NAME

The name of the Corporation is Prestige Brands Holdings, Inc. (the "CORPORATION").

ARTICLE TWO
REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of Delaware is 9 East Loockerman Street, Suite #1-B, in the City of Dover, County of Kent, 19901. The name of its registered agent at such address is National Registered Agents, Inc.

ARTICLE THREE
PURPOSE

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law (the "DGCL").

ARTICLE FOUR
CAPITAL STOCK

The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is Two Hundred Fifty Five Million (255,000,000) shares, of which:

Two Hundred Fifty Million (250,000,000) shares, par value \$0.01 per share, shall be shares of common stock (the "COMMON STOCK"); and

Five Million (5,000,000) shares, par value \$0.01 per share, shall be shares of preferred stock (the "PREFERRED STOCK").

Section 1. COMMON STOCK. Except as (i) otherwise required by law or (ii) expressly provided in this Amended and Restated Certificate of Incorporation (as amended from time to time), each share of Common Stock shall have the same powers, rights and privileges and shall rank equally, share ratably and be identical in all respects as to all matters.

(a) DIVIDENDS. Subject to the rights of the holders of Preferred Stock, and to the other provisions of this Amended and Restated Certificate of Incorporation (as amended from time to time), holders of Common Stock shall be entitled to receive equally, on a per share basis, such dividends and other distributions in cash, securities or other property of the Corporation as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefore.

(b) VOTING RIGHTS. At every annual or special meeting of stockholders of the Corporation, each holder of Common Stock shall be entitled to cast one (1) vote for each share of Common Stock standing in such holder's name on the stock transfer records of the Corporation.

(c) LIQUIDATION RIGHTS. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the Corporation's debts and amounts payable upon shares of Preferred Stock entitled to a preference, if any, over holders of Common Stock upon such dissolution, liquidation or winding up, the remaining net assets of the Corporation shall be distributed among holders of shares of Common Stock equally on a per share basis. A merger or consolidation of the Corporation with or into any other corporation or other entity, or a sale or conveyance of all or any part of the assets of the Corporation (which shall not in fact result in the liquidation of the Corporation and the distribution of assets to its stockholders) shall not be deemed to be a voluntary or involuntary liquidation or dissolution or winding up of the Corporation within the meaning of this Paragraph (c).

(d) CONVERSION RIGHTS. The Common Stock shall not be convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same class of the Corporation's capital stock.

(e) PREEMPTIVE RIGHTS. No holder of Common Stock shall have any preemptive rights with respect to the Common Stock or any other securities of the Corporation, or to any obligations convertible (directly or indirectly) into securities of the Corporation whether now or hereafter authorized.

Section 2. PREFERRED STOCK. The Board of Directors is authorized, subject to limitations prescribed by law or any exchange on which the Corporation's securities may then be listed, to provide by resolution or resolutions for the issuance of shares of Preferred Stock in one or more series, to establish the number of shares to be included in each such series, and to fix the voting powers (if any), designations, powers, preferences, and relative, participating, optional or other rights, if any, of the shares of each such series, and any qualifications, limitations or restrictions thereof. Irrespective of the

provisions of Section 242(b)(2) of the DGCL, the number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote, without the separate vote of the holders of the Preferred Stock as a class.

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ARTICLE FIVE
DURATION

The Corporation is to have perpetual existence.

ARTICLE SIX
BOARD OF DIRECTORS

Section 1. NUMBER OF DIRECTORS. Subject to any rights of the holders of any class or series of Preferred Stock to elect additional directors under specified circumstances as set forth in a certificate of designation relating to any such class or series of Preferred Stock, the number of directors which shall constitute the Board of Directors initially shall be five (5) and, thereafter, shall be fixed from time to time by resolution adopted by the affirmative vote of a majority of the total number of directors then in office.

Section 2. ELECTION AND TERM OF OFFICE. The directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors; provided that, whenever the holders of any class or series of capital stock of the Corporation are entitled to elect one or more directors pursuant to the provisions of this Amended and Restated Certificate of Incorporation (including, but not limited to, any duly authorized certificate of designation), such directors shall be elected by a plurality of the votes of such class or series present in person or represented by proxy at the meeting and entitled to vote in the election of such directors. The directors shall be elected and shall hold office only in this manner, except as provided in Section 3 of this Article Six. Each director shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal. Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

Section 3. NEWLY-CREATED DIRECTORSHIPS AND VACANCIES. Subject to the rights of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or any other cause may be filled, so long as there is at least one remaining director, only by the Board of Directors, provided that a quorum is then in office and present, or by a majority of the directors then in office, if less than a quorum is then in office, or by the sole remaining director. Directors elected to fill a newly created directorship or other vacancies shall hold office until such director's successor has been duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 4. REMOVAL OF DIRECTORS. Subject to the rights of the holders of any series of Preferred Stock then outstanding, any director may be removed from office at any time for cause, at a meeting called for that purpose, but only by the affirmative vote of the holders of at least 66-2/3% of the voting power of all outstanding shares of Common Stock entitled to vote generally in the election of directors, voting together as a single class.

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Section 5. RIGHTS OF HOLDERS OF PREFERRED STOCK. Notwithstanding the provisions of this Article Six, whenever the holders of one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately or together by series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorship shall be governed by the rights of such Preferred Stock as set forth in the certificate of designations governing such series.

Section 6. BYLAWS. The Board of Directors is expressly authorized to adopt, amend or repeal the bylaws of the Corporation. Notwithstanding the foregoing and anything contained in this Amended and Restated Certificate of Incorporation to the contrary, the Bylaws of the Corporation shall not be amended or repealed by the stockholders, and no provision inconsistent therewith shall be adopted by the stockholders, without the affirmative vote of the holders of 66-2/3% of the voting power of all outstanding shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE SEVEN
LIMITATION OF LIABILITY

To the fullest extent permitted by the Delaware General Corporation Law as it now exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), no director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages arising from a breach of fiduciary duty owed to the Corporation or its stockholders. Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE EIGHT
INDEMNIFICATION

Section 1. RIGHT TO INDEMNIFICATION. Each person who was or is made a party or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "Indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while so serving, shall be indemnified and held harmless by the Corporation to the full extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to

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provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), or by other applicable law as then in effect, against all expense, liability and loss (including attorneys' fees and related disbursements, judgments, fines, excise taxes or penalties under the Employee Retirement Income Security Act of 1974, as amended from time to time ("ERISA"), penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such Indemnitee in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, officer, employee, agent, partner, member or trustee and shall inure to the benefit of his or her heirs, executors and administrators. Each person who is or was serving as a director, officer, employee or agent of a subsidiary of the Corporation shall be deemed to be serving, or have served, at the request of the Corporation. Any indemnification (but not advancement of expenses) under this Article Eight (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in the DGCL, as the same exists or hereafter may be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment). Such determination shall be made with respect to a person who is a director or officer at the time of such determination (a) by a majority vote of the directors who were not parties to such proceeding (the "Disinterested Directors"), even though less than a quorum, (b) by a committee of Disinterested Directors designated by a majority vote of Disinterested Directors, even though less than a quorum, (c) if there are no such Disinterested Directors, or if such Disinterested Directors so direct, by independent legal counsel in a written opinion, or (d) by the stockholders.

Section 2. ADVANCEMENT OF EXPENSES. Expenses (including attorneys' fees, costs and charges) incurred by an Indemnitee in defending a proceeding shall be paid by the Corporation in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined that such Indemnitee is not entitled to be indemnified by the Corporation as authorized in this Article Eight. The majority of the Disinterested Directors (or a committee thereof) may, in the manner set forth above, and upon approval of such Indemnitee, authorize the Corporation's counsel to represent such person, in any proceeding, whether or not the Corporation is a party to such proceeding.

Section 3. PROCEDURE FOR INDEMNIFICATION. Any indemnification or advance of expenses (including attorneys' fees, costs and charges) under this Article Eight shall be made promptly, and in any event within 30 days upon the written request of the Indemnitee (and, in the case of advance of expenses, receipt of a written undertaking by or on behalf of Indemnitee to repay such amount if it shall ultimately be determined that Indemnitee is not entitled to be indemnified therefor pursuant to the terms of this Article Eight). The right to indemnification or advances as granted by this Article Eight shall be enforceable by the Indemnitee in any court of competent jurisdiction, if the Corporation denies such request, in whole or in part, or if no disposition thereof is made within 30 days. Such person's costs and expenses incurred in connection with successfully establishing his/her right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of expenses (including

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attorney's fees, costs and charges) under this Article Eight where the required undertaking, if any, has been received by the Corporation) that the claimant has not met the standard of conduct set forth in the DGCL, as the same exists or hereafter may be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, its independent legal counsel and its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he/she has met the applicable standard of conduct set forth in the DGCL, as the same exists or hereafter may be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader

indemnification rights than said law permitted the Corporation to provide prior to such amendment), nor the fact that there has been an actual determination by the Corporation (including its Board of Directors, its independent legal counsel and its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 4. OTHER RIGHTS; CONTINUATION OF RIGHT TO INDEMNIFICATION. The indemnification and advancement of expenses provided by this Article Eight shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), bylaw, agreement, vote of stockholders or Disinterested Directors or otherwise, both as to action in his/her official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Corporation, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the estate, heirs, executors and administrators of such person. All rights to indemnification under this Article Eight shall be deemed to be a contract between the Corporation and each director, officer, employee or agent of the Corporation who serves or served in such capacity at any time while this Article Eight is in effect. Any repeal or modification of this Article Eight or any repeal or modification of relevant provisions of the DGCL or any other applicable laws shall not in any way diminish any rights to indemnification of such person or the obligations of the Corporation arising hereunder with respect to any proceeding arising out of, or relating to, any actions, transactions or facts occurring prior to the final adoption of such modification or repeal. For the purposes of this Article Eight, references to "the Corporation" include all constituent corporations absorbed in a consolidation or merger as well as the resulting or surviving corporation, so that any person who is or was a director, officer, employee or agent of such a constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this Article Eight, with respect to the resulting or surviving corporation, as he would if he/she had served the resulting or surviving corporation in the same capacity.

Section 5. INSURANCE. The Corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee or agent of the Corporation or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any

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expense, liability or loss asserted against him or her and incurred by him or her in any such capacity, whether or not the Corporation would have the power to indemnify such person against such expenses, liability or loss under the DGCL.

Section 6. RELIANCE. Persons who after the date of the adoption of this provision become or remain directors, officers, employees or agents of the Corporation or who, while a director, officer, employee or agent of the Corporation, become or remain a director, officer, employee or agent of a subsidiary, shall be conclusively presumed to have relied on the rights to indemnity, advance of expenses and other rights contained in this Article Eight in entering into or continuing such service. The rights to indemnification and to the advance of expenses conferred in this Article Eight shall apply to claims made against an Indemnitee arising out of acts or omissions which occurred or occur both prior and subsequent to the adoption hereof.

Section 7. SAVINGS CLAUSE. If this Article Eight or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each person entitled to indemnification under the first paragraph of this Article Eight as to all expense, liability and loss (including attorneys' fees and related disbursements, judgments, fines, ERISA excise taxes and penalties, penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such person and for which indemnification is available to such person pursuant to this Article Eight to the full extent permitted by any applicable portion of this Article Eight that shall not have been invalidated and to the full extent permitted by applicable law.

ARTICLE NINE SPECIAL MEETINGS OF STOCKHOLDERS

For so long as the Corporation's Common Stock is registered under Section 12 of the Securities Exchange Act of 1934, as amended, special meetings of stockholders of the Corporation may be called only by either the Board of Directors pursuant to a resolution adopted by the affirmative vote of the majority of the total number of directors then in office or by the chief executive officer of the Corporation.

ARTICLE TEN CERTAIN TRANSACTIONS

Section 1. CERTAIN ACKNOWLEDGMENTS. In recognition and anticipation that: (i) the directors, officers, members, managers and/or employees of GTCR Golder Rauner, LLC, GTCR Golder Rauner II, LLC or any of their respective affiliates or investment funds (collectively, "GTCR") may serve as directors and/or officers of the Corporation, (ii) GTCR may engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete

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with those in which the Corporation, directly or indirectly, may engage, (iii) non-employee directors of the Corporation may engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage and (iv) the Corporation and its subsidiaries may engage in material business transactions with GTCR and that the Corporation is expected to benefit therefrom, the provisions of this Article Ten are set forth to regulate and define the conduct of certain affairs of the Corporation as they may involve GTCR and its directors, officers, members, managers and/or employees, and the powers, rights, duties and liabilities of the Corporation and its officers, directors and stockholders in connection therewith.

Section 2. COMPETITION AND CORPORATE OPPORTUNITIES. Neither GTCR nor any non-employee director shall have any duty to refrain from engaging directly or indirectly in the same or similar business activities or lines of business as the Corporation or any of its subsidiaries. In the event that GTCR or any non-employee director acquires knowledge of a potential transaction or matter which may be a corporate opportunity for themselves and the Corporation or any of its subsidiaries, neither the Corporation nor any of its subsidiaries shall have any expectancy in such corporate opportunity, and neither GTCR nor any non-employee director shall have any duty to communicate or offer such corporate opportunity to the Corporation or any of its subsidiaries and may pursue or acquire such corporate opportunity for themselves or direct such corporate opportunity to another person.

Section 3. ALLOCATION OF CORPORATE OPPORTUNITIES. In the event that a director of the Corporation who is not also an employee of the Corporation acquires knowledge of a potential transaction or matter which may be a corporate opportunity for the Corporation or any of its subsidiaries and such non-employee director, neither the Corporation nor any of its subsidiaries shall have any expectancy in such corporate opportunity unless such corporate opportunity is expressly offered to such non-employee director in writing solely in his or her capacity as a director of the Corporation.

Section 4. AGREEMENTS AND TRANSACTIONS WITH GTCR. In the event that GTCR enters into an agreement or transaction with the Corporation or any of its subsidiaries, a director or officer of the Corporation who is also a director, officer, member, manager and/or employee of GTCR shall have fully satisfied and fulfilled the fiduciary duty of such director or officer to the Corporation and its stockholders with respect to such agreement or transaction, if:

(a) The agreement or transaction was approved, after being made aware of the material facts of the relationship between each of the Corporation or subsidiary thereof and GTCR and the material terms and facts of the agreement or transaction, by (i) an affirmative vote of a majority of the members of the Board of Directors of the Corporation who are not persons or entities with a material financial interest in the agreement or transaction ("INTERESTED PERSONS") or (ii) an affirmative vote of a majority of the members of a committee of the Board of Directors of the Corporation consisting of members who are not Interested Persons;

(b) The agreement or transaction was fair to the Corporation at the time the agreement or transaction was entered into by the Corporation; or

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(c) The agreement or transaction was approved by an affirmative vote of a majority of the shares of the Corporation's Common Stock entitled to vote, excluding GTCR and any Interested Person; provided that if no Common Stock is then outstanding a majority of the voting power of the Corporation's capital stock entitled to vote, excluding GTCR and any Interested Person.

Section 5. AMENDMENT OF THIS ARTICLE. Notwithstanding anything to the contrary elsewhere contained in this Amended and Restated Certificate of Incorporation, the affirmative vote of the holders of at least 80% of the voting power of all shares of Common Stock then outstanding, voting together as a single class, shall be required to alter, amend or repeal, or to adopt any provision inconsistent with, this Article Ten.

ARTICLE ELEVEN AMENDMENT

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights conferred upon stockholders herein are granted subject to this reservation. Notwithstanding any other provision of this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation, and not withstanding the fact that a lesser percentage or separate class vote may be specified by law, this Amended and Restated Certificate of Incorporation, the Bylaws of the Corporation or otherwise, but in addition to any affirmative vote of the holders of any particular class or series of the capital stock required by law, this Amended and Restated Certificate of Incorporation, the Bylaws of the Corporation or otherwise, the affirmative vote of the holders of at least 66-2/3% of the voting power of all outstanding shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt any provision inconsistent with, to amend or repeal any provision of, or to adopt a bylaw inconsistent with, Articles Six, Seven, Eight, Nine or Eleven of this Amended and Restated Certificate of Incorporation.

ARTICLE TWELVE SECTION 203 OF DGCL

The Corporation expressly elects not to be governed by Section 203 of the DGCL

* * * * *

FORM OF AMENDED AND RESTATED BYLAWS

OF

PRESTIGE BRANDS HOLDINGS, INC.

A DELAWARE CORPORATION

(Adopted as of June 24, 2004; Amended and Restated as of , 2005)

ARTICLE I

OFFICES

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

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

ARTICLE II

MEETINGS OF STOCKHOLDERS

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

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

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

SECTION 4. NOTICE OF MEETINGS. Whenever stockholders are required or permitted to take action at a meeting, written notice of each annual and special meeting of stockholders

stating the date, time and place of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder of record entitled to vote thereat not less than 30 nor more than 60 days before the date of the meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice. Notice shall be given personally or by mail and, if by mail, shall be sent in a postage prepaid envelope, addressed to the stockholder at his, her or its address as the same appears on the records of the Corporation. Notice by mail shall be deemed given at the time when the same shall be deposited in the United States mail, postage prepaid. Notice of any meeting shall not be required to be given to any person who attends such meeting, except when such person attends the meeting in person or by proxy for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened, or who, either before or after the meeting, shall submit a signed written waiver of notice, in person or by proxy. Neither the business to be transacted at, nor the purpose of, an annual or special meeting of stockholders need be specified in any written waiver of notice.

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

SECTION 6. QUORUM; ADJOURNMENTS. The holders of a majority of the voting power of the issued and outstanding stock of the Corporation entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of stockholders, except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented by proxy at any meeting

of stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented by proxy. At such adjourned meeting at which a quorum shall be present or represented by proxy, any business may be transacted which might have been transacted at the meeting as originally called. If the adjournment is for more than 30 days, or, if after adjournment a new record date is set, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 7. ORGANIZATION. At each meeting of stockholders, the Chairman of the Board, if one shall have been elected, or, in his absence or if one shall not have been elected, the chief executive officer shall act as chairman of the meeting. The secretary or, in his absence or

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inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting shall act as secretary of the meeting and keep the minutes thereof.

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

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

(a) on the date fixed pursuant to the provisions of Section 13 of Article II of these Bylaws as the record date for the determination of the stockholders who shall be entitled to notice of and to vote at such meeting; or

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

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

SECTION 10. INSPECTORS. The Board of Directors may, in advance of any meeting of stockholders, appoint one or more inspectors to act at such meeting or any adjournment thereof. If any of the inspectors so appointed shall fail to appear or act, the chairman of the meeting shall, or if inspectors shall not have been appointed, the chairman of the meeting may, appoint one or more inspectors. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality

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and according to the best of his ability. The inspectors shall determine the number of shares of capital stock of the Corporation outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the results, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the chairman of the meeting, the inspectors shall make a report in writing of any challenge, request or matter determined by them and shall execute a certificate of any fact found by them. No director or candidate for the office of director shall act as an inspector of an election of directors. Inspectors need not be stockholders.

SECTION 11. ADVANCE NOTICE PROVISIONS FOR ELECTION OF DIRECTORS.

(a) Only persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible to serve as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders (i) by or at the direction of the Board

of Directors (or any duly authorized committee thereof) or (ii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this Bylaw, who is entitled to vote generally in the election of directors at the meeting and who shall have complied with the notice procedures set forth below in Section 11(b).

(b) In order for a stockholder to nominate a person for election to the Board of Directors of the Corporation at a meeting of stockholders, such stockholder shall have delivered timely notice of such stockholder's intent to make such nomination in writing to the secretary of the Corporation. To be timely, a stockholder's notice to the secretary must be delivered to or mailed and received at the principal executive offices of the Corporation (i) in the case of an annual meeting, not less than 90 nor more than 120 days prior to the date of the first anniversary of the previous year's annual meeting; PROVIDED, HOWEVER, that in the event the annual meeting is scheduled to be held on a date more than 30 days prior to or delayed by more than 60 days after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the 10th day following the earlier of the day on which notice of the date of the meeting was mailed or public disclosure of the meeting was made and (ii) in the case of a special meeting at which directors are to be elected, not later than the close of business on the 10th day following the earlier of the day on which notice of the date of the meeting was mailed or public disclosure of the meeting was made. To be in proper form, a stockholder's notice shall set forth (i) as to each person whom the stockholder proposes to nominate for election as a director at such meeting (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by the person and (D) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT"); and (ii) as to the stockholder giving the notice (A) the name and record address of such stockholder, (B) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record

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by such stockholder, (C) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (D) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (E) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Regulation 14A under the Exchange Act. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected. For purposes of this section, "PUBLIC DISCLOSURE" shall mean disclosure in a Current Report on Form 8-K (or any successor form) or in a press release reported by Dow Jones News Service, Associated Press or a comparable national news service.

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

SECTION 12. ADVANCE NOTICE PROVISIONS FOR OTHER BUSINESS TO BE CONDUCTED AT AN ANNUAL MEETING. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (ii) brought before the meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (iii) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the secretary of the Corporation. To be timely, a stockholder's notice to the secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than 90 nor more than 120 days prior to the date of the first anniversary of the previous year's annual meeting; PROVIDED, HOWEVER, that in the event the annual meeting is scheduled to be held on a date more than 30 days prior to or delayed by more than 60 days after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the 10th day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever occurs first. To be in proper form, a stockholder's notice to the secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting, (ii) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (iii) the class and number of shares of the Corporation which are beneficially owned by the stockholder, (iv) any material interest of the stockholder in such business and (v) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

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

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

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

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the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; PROVIDED, HOWEVER, that the Board of Directors may fix a new record date for the adjourned meeting.

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

In the event of delivery to the Corporation of a written consent or written consents purporting to authorize or take corporate action, and/or related

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

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ARTICLE III

DIRECTORS

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

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

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

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

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

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mail to the secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

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

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

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

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

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

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

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

ARTICLE IV

OFFICERS

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

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

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

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

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

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

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

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

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

SECTION 10. THE SECRETARY AND ASSISTANT SECRETARIES. The secretary shall attend all meetings of the Board of Directors (other than executive sessions thereof) and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose or shall ensure that his or her designee attends each such meeting to act in such capacity. Under the chairman of the board's supervision, the secretary shall give, or cause to be given, all notices required to be given by these Bylaws or by law; shall have such powers and perform such duties as the Board of Directors, the chairman of the board, the chief executive officer, the president or these Bylaws may, from time to time, prescribe; and shall have custody of the corporate seal of the Corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, any of the assistant secretaries, shall in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board of Directors, the chairman of the board, the chief executive officer, the president, or secretary may, from time to time, prescribe.

SECTION 11. THE CHIEF FINANCIAL OFFICER. The chief financial officer shall have the custody of the corporate funds and securities; shall keep full and accurate all books and accounts of the Corporation as shall be necessary or desirable in accordance with applicable law or generally accepted accounting principles; shall deposit all monies and other valuable effects in the name and to the credit of the Corporation as may be ordered by the chairman of the board or the Board of Directors; shall cause the funds of the Corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the Board of Directors, at its regular meeting or when the Board of Directors so requires, an account of the Corporation; shall have such powers and perform such duties as the Board of Directors, the chairman of the board, the chief executive officer, the president or these Bylaws may, from time to time, prescribe.

SECTION 12. OTHER OFFICERS, ASSISTANT OFFICERS AND AGENTS. Officers, assistant officers and agents, if any, other than those whose duties are

provided for in these Bylaws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the Board of Directors.

SECTION 13. ABSENCE OR DISABILITY OF OFFICERS. In the case of the absence or disability of any officer of the Corporation and of any person hereby authorized to act in such officer's

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place during such officer's absence or disability, the Board of Directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person selected by it.

ARTICLE V

CERTIFICATES OF STOCK

SECTION 1. FORM. The shares of stock of the Corporation shall be represented by certificates, PROVIDED that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of stock of the Corporation shall be uncertificated shares of stock. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by a certificate and, upon request, every holder of uncertificated shares shall be entitled to have a certificate, signed by, or in the name of the Corporation by the chairman of the board, the chief executive officer or the president and the secretary or an assistant secretary of the Corporation, certifying the number of shares owned by such holder in the Corporation. If such a certificate is countersigned (i) by a transfer agent or an assistant transfer agent other than the Corporation or its employee or (ii) by a registrar, other than the Corporation or its employee, the signature of any such chairman of the board, chief executive officer, president, secretary or assistant secretary may be facsimiles. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the Corporation whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the Corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the Corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the Corporation. Shares of stock of the Corporation shall only be transferred on the books of the Corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the Corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization and other matters as the Corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In that event, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate or certificates and record the transaction on its books. The Board of Directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the Corporation. The Board of Directors may make such additional rules and regulations, not inconsistent with these Bylaws, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the Corporation.

SECTION 2. LOST CERTIFICATES. The Corporation may issue or direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that

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fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Corporation may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to give the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

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

ARTICLE VI

GENERAL PROVISIONS

SECTION 1. DIVIDENDS. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, in accordance with applicable law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of applicable law and the Certificate of Incorporation. Before payment of any

dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or any other purpose and the directors may modify or abolish any such reserve in the manner in which it was created.

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

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

SECTION 4. LOANS. Subject to compliance with applicable law (including the Sarbanes-Oxley Act of 2002, as amended), the Corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the Corporation or of its

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subsidiaries, including any officer or employee who is a director of the Corporation or its subsidiaries, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the Corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the Corporation. Nothing in this section shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the Corporation at common law or under any statute.

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

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

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

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

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

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

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ARTICLE VII

AMENDMENTS

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to make, alter, amend, change, add to or repeal these Bylaws by the affirmative vote of a majority of the total number of directors then in office. Any alteration or repeal of these Bylaws by the stockholders of the Corporation shall require the affirmative vote of a majority of the outstanding shares of the Corporation entitled to vote on such alteration or repeal.

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PHB NUMBER

[PRESTIGE BRANDS LOGO]

COMMON STOCK
PAR VALUE \$0.01

PRESTIGE BRANDS HOLDINGS, INC.
INCORPORATED UNDER THE LAWS OF
THE STATE OF DELAWARE

SHARES

[PICTURE]

SEE REVERSE FOR CERTAIN
DEFINITIONS
CUSIP 74112D 10 1

[LOGO]

THIS CERTIFICATE IS
TRANSFERABLE IN CANTON, MA,
JERSEY CITY, NJ OR NEW YORK, NY

THIS CERTIFIES THAT
IS THE RECORD HOLDER OF

FULLY PAID AND NONASSESSABLE SHARES OF THE COMMON STOCK OF

PRESTIGE BRANDS HOLDINGS, INC. (HEREINAFTER CALLED THE "CORPORATION"), TRANSFERABLE ON THE BOOKS OF THE CORPORATION BY THE HOLDER HEREOF IN PERSON OR BY DULY AUTHORIZED ATTORNEY UPON SURRENDER OF THE CERTIFICATE PROPERLY ENDORSED. THIS CERTIFICATE AND THE SHARES REPRESENTED HEREBY ARE ISSUED AND SHALL BE HELD SUBJECT TO ALL OF THE PROVISIONS OF THE CERTIFICATE OF INCORPORATION OF THE CORPORATION AND AMENDMENTS FROM TIME TO TIME MADE THERETO, TO ALL OF WHICH THE HOLDER BY ACCEPTANCE HEREOF ASSENTS.

THIS CERTIFICATE IS NOT VALID UNTIL COUNTERSIGNED BY THE TRANSFER AGENT AND REGISTERED BY THE REGISTRAR.

[SEAL] WITNESS THE FACSIMILE SIGNATURES OF THE CORPORATION'S DULY AUTHORIZED OFFICERS.

DATED:

COUNTERSIGNED AND REGISTERED:
EQUISERVE TRUST COMPANY, N.A.

TRANSFER AGENT
AND REGISTRAR.

By:

[SIGNATURE]
AUTHORIZED SIGNATURE

[SIGNATURE]
SECRETARY

[SIGNATURE]
PRESIDENT AND CHIEF EXECUTIVE OFFICER

PRESTIGE BRANDS HOLDINGS, INC.

THE CORPORATION WILL FURNISH TO ANY STOCKHOLDER, UPON REQUEST AND WITHOUT CHARGE, A FULL STATEMENT OF THE VOTING AND OTHER POWERS, DESIGNATIONS, PREFERENCES, LIMITATIONS, RESTRICTIONS AND RELATIVE, PARTICIPATING, OPTIONAL, OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OR SERIES THEREOF WHICH THE CORPORATION IS AUTHORIZED TO ISSUE AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH POWERS, PREFERENCES AND/OR RIGHTS. ANY SUCH REQUEST IS TO BE ADDRESSED TO THE CORPORATION NAMED ON THE FACE OF THIS CERTIFICATE.

THE FOLLOWING ABBREVIATIONS, WHEN USED IN THE INSCRIPTION ON THE FACE OF THIS CERTIFICATE, SHALL BE CONSTRUED AS THOUGH THEY WERE WRITTEN OUT IN FULL ACCORDING TO APPLICABLE LAWS OR REGULATIONS:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT --	-----	Custodian
TEN ENT --	as tenants by the entireties		(Cust)	
JT TEN --	as joint tenants with right of survivorship and not as tenants in common		under Uniform Gifts to Minors Act	

			(State)	
		UNIF TRF MIN ACT --	-----	Custodian (until age)
			(Cust)	
			under Uniform Transfers to Minors Act	

			(State)	

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____ hereby

sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING
NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint _____ Shares

to transfer the said stock on the books of the within named Corporation with full power of substitution in the _____ Attorney
premises.

Dated -----X
X

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE
NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY
PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE
WHATSOEVER.

Signature(s) Guaranteed

By

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR
INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN
ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN
APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO
S.E.C. RULE 17Ad-15.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN, MUTILATED OR
DESTROYED, THE CORPORATION WILL REQUIRE A BOND OF INDEMNITY AS A CONDITION
TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

KIRKLAND & ELLIS LLP
AND AFFILIATED PARTNERSHIPS

200 East Randolph Drive
Chicago, Illinois 60601

312 861-2000

Facsimile:
312 861-2200

www.kirkland.com

January 25, 2005

Prestige Brands Holdings, Inc.
90 North Broadway
Irvington, NY 10533

Ladies and Gentlemen:

We are acting as special counsel to Prestige Brands Holdings, Inc., a Delaware corporation (the "Company"), in connection with the proposed registration by the Company of shares of its Common Stock, par value \$0.01 per share (the "Common Stock"), including shares of its Common Stock to cover over-allotments, if any, pursuant to a Registration Statement on Form S-1, originally filed with the Securities and Exchange Commission (the "Commission") on July 28, 2004 under the Securities Act of 1933, as amended (the "Act") (such Registration Statement, as amended or supplemented, is hereinafter referred to as the "Registration Statement"). The shares of Common Stock to be issued and sold by the Company pursuant to the Registration Statement are referred to herein as the "Firm Shares" and the shares of Common Stock to be sold by the selling stockholders identified in the Registration Statement are referred to herein as the "Secondary Shares."

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary for the purposes of this opinion, including (i) the Amended and Restated Certificate of Incorporation of the Company (the "Restated Charter") in the form filed as Exhibit 3.1 to the Registration Statement to be filed with the Secretary of State of the State of Delaware prior to the sale of the shares of Common Stock registered pursuant to the Registration Statement (the "Shares"); (ii) the By-laws (the "By-laws") of the Company in the form filed as Exhibit 3.2 to the Registration Statement; (iii) the form of purchase agreement filed as Exhibit 1.1 to the Registration Agreement (the "Purchase Agreement"); (iv) the Exchange Agreement filed as Exhibit 10.[] to the Registration Statement (the "Exchange Agreement"); (v) resolutions of the Board of Directors and stockholders of the Company (the "Resolutions"); and (vi) the Registration Statement.

For purposes of this opinion, we have assumed the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as copies and the authenticity of the originals of all documents submitted to us as copies. We have

London Los Angeles New York San Francisco Washington, D.C.

KIRKLAND & ELLIS LLP

Prestige Brands Holdings, Inc.
January 25, 2005
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also assumed the legal capacity of all natural persons, the genuineness of the signatures of persons signing all documents in connection with which this opinion is rendered, the authority of such persons signing on behalf of the parties thereto and the due authorization, execution and delivery of all documents by the parties thereto. In rendering the opinion set forth below with respect to the Secondary Shares, we have assumed that the Company has received the entire amount of the consideration in exchange for shares of its common stock contemplated by the Exchange Agreement. We relied upon statements and representations of officers and other representatives of the Company and others as to factual matters.

Based upon and subject to the foregoing qualifications, assumptions and limitations and the further limitations set forth below, when (i) the Restated Charter is filed with the Secretary of State of the State of Delaware, (ii) the final Purchase Agreement is duly executed and delivered by the parties thereto, (iii) the transactions contemplated by the Exchange Agreement have occurred in accordance with the terms thereof and (iv) the Registration Statement becomes effective under the Act:

1. The Secondary Shares will be duly authorized and validly issued, fully paid and non-assessable; and
2. When the Firm Shares are registered by the Company's transfer agent and delivered against payment of the agreed consideration therefor, all in accordance with the Purchase Agreement and the Resolutions, the Firm Shares will be validly issued, fully paid and non-assessable.

Our opinions expressed above are subject to the qualifications that we

express no opinion as to the applicability of, compliance with, or effect of any laws except the General Corporation Law of the State of Delaware.

We hereby consent to the filing of this opinion with the Commission as Exhibit 5.1 to the Registration Statement. We also consent to the reference to our firm under the heading "Legal Matters" in the Registration Statement. In giving this consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission.

KIRKLAND & ELLIS LLP

Prestige Brands Holdings, Inc.
January 25, 2005
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This opinion is limited to the specific issues addressed herein, and no opinion may be inferred or implied beyond that expressly stated herein.

This opinion is furnished to you in connection with the filing of the Registration Statement.

Sincerely,

/s/ Kirkland & Ellis LLP

KIRKLAND & ELLIS LLP

[EXECUTION COPY]

SENIOR MANAGEMENT AGREEMENT

THIS SENIOR MANAGEMENT AGREEMENT (this "AGREEMENT") is made as of March 17, 2004 (the "EFFECTIVE DATE"), by and among Medtech/Denorex, LLC, a Delaware limited liability company (the "COMPANY"), Medtech/Denorex Management, Inc., a Delaware corporation ("EMPLOYER"), and Charles Schrank ("EXECUTIVE"). Certain provisions of this Agreement are intended for the benefit of, and will be enforceable by, the Investors.

The Company and Executive desire to enter into an agreement pursuant to which Executive will purchase from the Company, and the Company will sell to Executive, Common Units of the Company (the "COMMON UNITS"). Certain definitions are set forth in SECTION 11 of this Agreement.

Employer desires to employ Executive and Executive desires to be employed by Employer upon the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

PROVISIONS RELATING TO EXECUTIVE SECURITIES

1. PURCHASE AND SALE OF EXECUTIVE SECURITIES.

(a) Upon execution of this Agreement, Executive will purchase, and the Company will sell, 197,615 Common Units at a price of \$0.10 per unit for an aggregate purchase price of \$19,761.50. Upon the execution of this Agreement, the Company will deliver to Executive copies of the certificates representing such Executive Securities (as defined below), and Executive will deliver to the Company a cashier's or certified check or wire transfer of funds in an aggregate amount of \$19,761.50.

(b) Within 30 days after the purchase of the Common Units hereunder, Executive will make an effective election with the Internal Revenue Service under Section 83(b) of the Internal Revenue Code and the regulations promulgated thereunder in the form of EXHIBIT A attached hereto.

(c) All of the Common Units purchased hereunder are also referred to herein as the "STANDARD CARRIED COMMON UNITS" (each individually, a "STANDARD CARRIED COMMON UNIT").

(d) Until released upon the occurrence of a Sale of the Company or a Public Offering as provided below, all certificates evidencing Executive Securities shall remain held by the Company for the benefit of Executive and the other holder(s) of Executive Securities, if any. Upon the occurrence of a Sale of

the Company, the Company will return all certificates evidencing Executive Securities to the record holders thereof. Upon the consummation of a Public Offering, the Company will return to the record holders thereof certificates evidencing the Vested Common Units.

(e) In connection with the purchase and sale of the Executive Securities, Executive represents and warrants to the Company that:

(i) The Executive Securities to be purchased by Executive pursuant to this Agreement will be acquired for Executive's own account and not with a view to, or intention of, distribution thereof in violation of the Securities Act, or any applicable state securities laws, and the Executive Securities will not be disposed of in contravention of the Securities Act or any applicable state securities laws.

(ii) Executive is an executive officer of the Company and Employer, is sophisticated in financial matters and is able to evaluate the risks and benefits of the investment in the Executive Securities.

(iii) Executive is able to bear the economic risk of his investment in the Executive Securities for an indefinite period of time because the Executive Securities have not been registered under the Securities Act and, therefore, cannot be sold unless subsequently registered under the Securities Act or an exemption from such registration is available.

(iv) Executive has had an opportunity to ask questions and receive answers concerning the terms and conditions of the offering of Executive Securities and has had full access to such other information concerning the Company and its Subsidiaries as he has requested.

(v) Executive has full legal capacity to execute and deliver this Agreement and to perform his obligations hereunder. This Agreement constitutes the legal, valid and binding obligation of Executive, enforceable in accordance with its terms, and the execution, delivery and performance of this Agreement by Executive, to the best of his knowledge, does not and will not conflict with, violate or cause a breach of any agreement, contract or instrument to which Executive is a party or any judgment, order or decree to which Executive is subject. This representation is subject to SECTION 1(e)(vi) below.

3. REPURCHASE OPTIONS.

(a) SEPARATION REPURCHASE OPTION.

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(i) Subject to the terms and conditions set forth in this SECTION 3(a) and SECTION 5 below, the Company and the Equity Investors will have the right to repurchase (the "SEPARATION REPURCHASE OPTION") from Executive and his transferees (other than the Company and the Equity Investors) all or any portion of (A) the Unvested Common Units, in the event Executive ceases to be employed by the Company, Employer and their respective Subsidiaries for any reason, and (B) the Vested Common Units, in the event of Executive's (I) death, (II) Disability, (III) resignation other than for Good Reason from Executive's employment with the Company, Employer or any of their respective Subsidiaries, (IV) employment termination with Cause by the Company, Employer or any of their respective Subsidiaries or (V) employment termination when there is Substantial Underperformance (each a "SEPARATION REPURCHASE EVENT"). The Separation Repurchase Option with respect to Vested Common Units under SECTIONS 3(a)(i)(B)(I) and 3(a)(i)(B)(II) shall be valid only if Executive fails to exercise his put rights, if any, under SECTION 4 below within the Put Election Period provided in such SECTION 4(a). The Company may assign its repurchase rights set forth in this SECTION 3(a) to any Person.

(ii) For any Separation Repurchase Option, (A) the purchase price for each Unvested Common Unit will be the lesser of (I) Executive's Original Cost for such unit and (II) the Fair Market Value of such unit as of the date of the Separation Repurchase Event and (B) the purchase price for each Vested Common Unit will be the Fair Market Value of such unit as of the date of the Separation Repurchase Event; PROVIDED THAT, if Executive's employment is terminated with Cause, the purchase price for each Vested Common Unit will be the lesser of (I) Executive's Original Cost for such unit and (II) the Fair Market Value of such unit as of the effective date of Executive's termination with Cause.

(iii) The Company (with the approval of the Board) may elect to purchase all or any portion of the Unvested Common Units and/or the Vested Common Units by delivering written notice (the "SEPARATION REPURCHASE NOTICE") to the holder or holders of such securities within ninety (90) days after the Separation Repurchase Event. The Separation Repurchase Notice will set forth the number of Unvested Common Units and Vested Common Units to be acquired from each holder, the aggregate consideration to be paid for such units and the time and place for the closing of the transaction. The number of Executive Securities to be repurchased by the Company shall first be satisfied to the extent possible from the Executive Securities held by Executive at the time of delivery of the Separation Repurchase Notice. If the number of Executive Securities then held by Executive is less than the total number of Executive Securities that the Company has elected to purchase, the Company shall purchase the remaining Executive Securities elected to be purchased from the Permitted Transferee(s) of Executive Securities under this Agreement, PRO RATA according to the number of Executive Securities held by such Permitted Transferee(s) at the time of delivery of such Separation Repurchase Notice (determined as nearly as practicable to the nearest unit). The number of Unvested Common Units and Vested Common Units to be repurchased hereunder will be allocated among

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Executive and the Permitted Transferee(s) of Executive Securities (if any) PRO RATA according to the number of Executive Securities to be purchased from such Person.

(iv) If for any reason the Company does not elect to purchase all of the Executive Securities pursuant to the Separation Repurchase Option, the Equity Investors shall be entitled to exercise the Separation Repurchase Option for all or any portion of the Executive Securities the Company has not elected to purchase (the "AVAILABLE SEPARATION SECURITIES"). As soon as practicable after the Company has determined that there will be Available Separation Securities, but in any event within four months after the Separation Repurchase Event, the Company shall give written notice (the "SEPARATION OPTION NOTICE") to the Equity Investors setting forth the number of Available Separation Securities and the purchase price for the Available Separation Securities. The Equity Investors may elect to purchase any or all of the Available Securities by giving written notice to the Company within 30 days after the Separation Option Notice has been given by the Company. If the Equity Investors elect to purchase an aggregate number greater than the number of Available Separation Securities, the Available Separation Securities shall be allocated among the Equity Investors based upon the number of Common Units owned by each Equity Investor. As soon as practicable, and in any event within ten days after the expiration of the 30-day period set forth above, the Company shall notify each holder of Executive Securities under this Agreement as to the number of units being purchased from such holder by the Equity Investors (the "SUPPLEMENTAL SEPARATION REPURCHASE NOTICE"). At the time the Company delivers the Supplemental Repurchase Notice to such holder(s) of Executive Securities, the Company shall also deliver written notice to each Equity Investor setting forth the number of units such Equity Investor is entitled to purchase, the aggregate purchase price and the time and place of the closing of the transaction.

(v) The closing of the purchase of the Executive Securities pursuant to the Separation Repurchase Option shall take place on the date designated by the Company in the Separation Repurchase Notice or

Supplemental Separation Repurchase Notice, which date shall not be more than 30 days nor less than five days after the delivery of the later of either such notice to be delivered. The Company will pay for the Executive Securities to be purchased by it pursuant to the Separation Repurchase Option by first offsetting amounts outstanding under any bona fide debts owed by Executive to the Company and will pay the remainder of the purchase price by, at its option, (A) a check or wire transfer of funds, (B) if the purchase is being made by a corporate successor to the Company, the issuance of a subordinated promissory note of such successor bearing interest at a rate equal to the prime rate (as published in THE WALL STREET JOURNAL from time to time) and having such maturity as the Company shall determine in good faith, not to exceed three years, (C) issuing in exchange for such securities a number of the Company's Class A Preferred Units (having the rights and preferences set forth in the LLC Agreement) equal to (I) the aggregate portion of the repurchase price for such Executive Securities determined in accordance with this SECTION

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3(a) paid by the issuance of Class A Preferred Units DIVIDED BY (II) 1,000, and for purposes of the LLC Agreement each such Class A Preferred Unit shall as of its issuance be deemed to have Capital Contributions (as defined in the LLC Agreement) made with respect to such Class A Preferred Unit equal to \$1,000, or (D) any combination of clauses (A), (B) and (C) as the Board may elect in its discretion. Each Equity Investor will pay for the Executive Securities purchased by it by a check or wire transfer of immediately available funds. The Company and the Equity Investors will be entitled to receive customary representations and warranties from the sellers regarding such sale and to require that all sellers' signatures be guaranteed.

By way of example only for the purpose of clarifying the mechanics of SECTION 3(a)(v)(C), if the Company intends to repurchase 10,000 Common Units by issuance of Class A Preferred Units and the aggregate repurchase price for such Common Units determined in accordance with this SECTION 3(a) is \$400,500, then the Company would issue to Executive 400.5 Class A Preferred Units, and for purposes of the LLC Agreement each whole Class A Preferred Unit issued to Executive would as of its issuance be deemed to have Capital Contributions made for such Class A Preferred Unit of \$1,000, and the Capital Contributions made for the one-half Class A Preferred Unit would be \$500.

(vi) Notwithstanding anything to the contrary contained in this Agreement, if the Fair Market Value of Executive Securities is finally determined to be an amount at least 10% greater than the per unit repurchase price for such unit of Executive Securities in the Separation Repurchase Notice or in the Supplemental Separation Repurchase Notice, each of the Company and the Equity Investors shall have the right to revoke its exercise of the Separation Repurchase Option for all or any portion of the Executive Securities elected to be repurchased by it by delivering notice of such revocation in writing to the holders of Executive Securities during the thirty-day period beginning on the date that the Company and/or the Equity Investors are given written notice that the Fair Market Value of a unit of Executive Securities was finally determined to be an amount at least 10% greater than the per unit repurchase price for Executive Securities set forth in the Separation Repurchase Notice or in the Supplemental Separation Repurchase Notice.

(b) DILUTION REPURCHASE OPTION.

(i) Capitalized terms used in this SECTION 3(b) or elsewhere in this Agreement but not otherwise defined herein shall have the following meanings:

(A) "FOLLOW-ON PURCHASER EQUITY INVESTMENT" means an investment as equity financing in the Company by one or more Purchasers after the Effective Date pursuant to the Purchase Agreement; PROVIDED THAT, in no event shall any investment as equity financing by one or more Purchasers in connection with the

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consummation of the Prestige Transaction constitute a Follow-on Purchaser Equity Investment for purposes of this Agreement.

(B) "FOLLOW-ON PURCHASER EQUITY INVESTMENT AMOUNT" means, with respect to any Follow-on Purchaser Equity Investment, the aggregate dollar amount of such Follow-on Purchaser Equity Investment.

(C) "FULLY-DILUTED EQUITY" means, at any time of determination, the then outstanding Equity Securities plus (without duplication) all shares or units (or other denominations) of Equity Securities issuable, whether at such time or upon the passage of time or the occurrence of future events, upon the exercise, conversion or exchange of all the then outstanding Equity Equivalents.

(D) "MAXIMUM NUMBER OF REPURCHASABLE STANDARD CARRIED COMMON UNITS" means with respect to any Follow-on Purchaser Equity Investment, the product of the Maximum Percentage of Repurchasable Standard Carried Common Units MULTIPLIED by the number of Standard Carried Common Units owned by Executive immediately prior to the Follow-on Purchaser Equity Investment.

(E) "MAXIMUM PERCENTAGE OF REPURCHASEABLE STANDARD CARRIED COMMON UNITS" means, with respect to any Follow-on Purchaser Equity Investment, the sum, expressed as a percentage and rounded to the nearest one-hundredth of a percent, of the Purchaser Equity Fund Dilution Percentage PLUS the Purchaser Mezzanine Fund Dilution Percentage.

(F) "POST-MONEY EQUITY VALUE" means, with respect to any Follow-on Purchaser Equity Investment, the sum of the Pre-Money Equity Value PLUS the Follow-on Purchaser Equity Investment Amount.

(G) "PRE-MONEY EQUITY VALUE" means, with respect to any Follow-on Purchaser Equity Investment, the Fair Market Value of the Fully-Diluted Equity of the Company immediately prior to the Follow-on Purchaser Equity Investment.

(H) "PURCHASER EQUITY FUND DILUTION PERCENTAGE" means, with respect to any Follow-on Purchaser Equity Investment, the quotient, expressed as a percentage and rounded to the nearest one-hundredth of a percent, equal to the Follow-on Purchaser Equity Investment Amount divided by the Post-Money Equity Value.

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(I) "PURCHASER MEZZANINE FUND DILUTION FACTOR" means 5.53%.

(J) "PURCHASER MEZZANINE FUND DILUTION PERCENTAGE" means, with respect to any Follow-on Purchaser Equity Investment, the product, expressed as a percentage and rounded to the nearest one-hundredth of a percent, of the Purchaser Equity Fund Dilution Percentage MULTIPLIED BY the Purchaser Mezzanine Fund Dilution Factor.

(ii) Subject to the terms and conditions set forth in this SECTION 3(b), in the event of any Follow-on Purchaser Equity Investment, the Investors will have the right to repurchase (the "DILUTION REPURCHASE OPTION") from Executive and his transferees (including for this purpose the Company and, with respect to any Standard Carried Common Units acquired other than pursuant to the Dilution Repurchase Option, the Investors) all or any portion of Executive's Maximum Number of Repurchasable Standard Carried Common Units as of such Follow-on Purchaser Equity Investment.

(iii) For any Dilution Repurchase Option, the purchase price for each Standard Carried Common Unit will be Executive's Original Cost for such unit PLUS interest on such amount at a rate of 8% per annum from the date hereof until the date of exercise of such Dilution Repurchase Option.

(iv) As soon as practicable after the Company has determined the Maximum Number of Repurchasable Standard Carried Common Units, the Company shall give written notice (the "DILUTION REPURCHASE OPTION NOTICE") to the Investors setting forth the Maximum Number of Repurchasable Standard Carried Common Units and the purchase price therefor. The Investors may elect to purchase any or all of the Maximum Number of Repurchasable Standard Carried Common Units by giving written notice to the Company within 30 days after the Dilution Repurchase Option Notice has been given by the Company. If the Investors elect to purchase an aggregate number greater than the Maximum Number of Repurchasable Standard Carried Common Units, the Maximum Number of Repurchasable Standard Carried Common Units shall be allocated among the Investors based upon the number of Common Units owned by each Investor. As soon as practicable, and in any event within 10 days after the expiration of the 30-day period set forth above, the Company shall notify each holder of the Standard Carried Common Units as to the number of units being purchased from such holder by the Investors, the aggregate consideration to be paid for such units and the time and place for the closing of the transaction (the "DILUTION REPURCHASE NOTICE"). At such time, the Company shall also deliver written notice to each Investor setting forth the number of units such Investor is entitled to purchase, the aggregate purchase price and the time and place of the closing of the transaction.

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(v) The number of Standard Carried Common Units to be repurchased by the Investors shall first be satisfied to the extent possible from the Standard Carried Common Units held by Executive at the time of delivery of the Dilution Repurchase Notice. If the number of Standard Carried Common Units then held by Executive is less than the total number of Standard Carried Common Units that the Investors have elected to purchase, the Investors shall purchase the remaining Standard Carried Common Units elected to be purchased from the Permitted Transferee(s) of Executive Securities under this Agreement, PRO RATA according to the number of Executive Securities held by such Permitted Transferee(s) at the time of delivery of such Dilution Repurchase Notice (determined as nearly as practicable to the nearest unit). The number of Standard Carried Common Units, vested and unvested, to be repurchased hereunder shall be allocated among Executive and the Permitted Transferee(s) of Executive Securities (if any), PRO RATA according to the number of Standard Carried Common Units to be purchased from such Person.

(vi) The closing of the purchase of the Standard Carried Common Units pursuant to the Dilution Repurchase Option shall take place on

the date designated in the Dilution Repurchase Notice, which date shall not be more than 30 days nor less than five days after the delivery of such notice. Each Investor will pay for the Executive Securities to be purchased by it pursuant to the Dilution Repurchase Option by a check or wire transfer of immediately available funds. The Investors will be entitled to receive customary representations and warranties from the sellers regarding such sale and to require that all sellers' signatures be guaranteed.

4. PUT RIGHTS.

(a) SEPARATION PUT RIGHT. In the event Executive ceases to be employed by the Company, Employer and their respective Subsidiaries as a result of Executive's (A) death, (B) Disability, (C) employment termination by the Company, Employer or any of their respective Subsidiaries without Cause when there is not Substantial Underperformance or (D) resignation from his employment for Good Reason when there is not Substantial Underperformance (each a "SEPARATION PUT EVENT"), Executive may elect (the "SEPARATION PUT ELECTION"), subject to and in accordance with the terms of this SECTION 4 and SECTION 5 below, to require the Company to purchase from Executive and the other holders of Executive Securities under this Agreement all (but not less than all) of the Vested Common Units held by Executive or such holders by delivering written notice (the "SEPARATION PUT EXERCISE NOTICE") to the Company before the expiration of the Put Election Period, specifying in such Separation Put Exercise Notice the number and type of Vested Common Units required to be purchased by the Company.

(b) REPURCHASE PRICE. For any Separation Put Election, the purchase price for each Vested Common Unit will be the Fair Market Value of such unit as of the Put Event Date.

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(c) CLOSING PROCEDURES. The closing of the purchase of the Vested Common Units pursuant to the Separation Put Election shall take place on a date to be designated by the Company in the Company Separation Purchase Price Notice, which date shall not be more than 30 days nor less than five days after the Separation Put Exercise Notice is received by the Company. The Company shall specify in writing to Executive the aggregate consideration to be paid for such units and the time and place for the closing of the transaction within five days after receipt of the Separation Put Exercise Notice (the "COMPANY SEPARATION PURCHASE PRICE NOTICE"). The Company will pay for the Vested Common Units to be purchased by it pursuant to the Separation Put Election by first offsetting amounts outstanding under any bona fide debts owed by Executive to the Company and will pay the remainder of the purchase price by a check or wire transfer of immediately available funds. The Company will be entitled to receive customary representations and warranties from the sellers regarding such sale and to require that all sellers' signatures be guaranteed.

(d) TERMINATION OF PUT RIGHTS. Notwithstanding anything herein to the contrary, the purchase obligations of the Company pursuant to this SECTION 4 shall terminate if, prior to the consummation of such purchase obligations, a Public Offering or a Sale of the Company occurs (such termination effective as of the consummation of the Public Offering or Sale of the Company, as the case may be).

5. LIMITATIONS ON CERTAIN REPURCHASES. Notwithstanding anything to the contrary contained in this Agreement, all repurchases of Executive Securities by the Company pursuant to the Separation Repurchase Option or the Separation Put Election shall be subject to the ability of the Company to pay the purchase price from its readily available cash resources (without imposing any obligation on the Company to raise financing to fund the repurchases) and also subject to applicable restrictions contained in the Delaware Limited Liability Company Act, the Delaware General Corporation Law or such other governing corporate or limited liability company law, applicable federal and state securities laws, and in the Company's and its Subsidiaries' debt and equity financing agreements. If any such restrictions prohibit (A) the repurchase of Executive Securities hereunder which the Company is otherwise entitled or required to make or (B) dividends or other transfers of funds from one or more Subsidiaries to the Company to enable such repurchases, then the Company may (in the case of the Separation Repurchase Option), or shall (in the case of the Separation Put Election), make such repurchases as soon as it is permitted to make repurchases or receive funds from Subsidiaries under such restrictions. Furthermore, in the event of a disagreement in accordance with the terms herein relating to the determination of the Fair Market Value of any Executive Securities, the time periods described herein with respect to purchases of Executive Securities under SECTIONS 3 and 4 herein shall be tolled until any such determination has been made in accordance with the terms provided herein.

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6. RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) TRANSFER OF EXECUTIVE SECURITIES. The holders of Executive Securities shall not Transfer any interest in any units of Executive Securities, except pursuant to (i) the provisions of SECTIONS 3 or 4 hereof, (ii) the provisions of Section 1 of the Securityholders Agreement (a "PARTICIPATING SALE"), (iii) an Approved Sale (as defined in Section 4 of the Securityholders Agreement) or (iv) the provisions of SECTION 6(b) below.

(b) CERTAIN PERMITTED TRANSFERS. The restrictions in this SECTION 6 will not apply with respect to any Transfer of (i) Executive Securities made pursuant to applicable laws of descent and distribution or to such Person's legal guardian in the case of any mental incapacity or among such

Person's Family Group or (ii) Common Units at such time as the Investors sell Common Units in a Public Sale, but in the case of this clause (ii) only an amount of units (the "TRANSFER AMOUNT") equal to the lesser of (A) the number of Vested Common Units owned by Executive and (B) the result of the number of Common Units owned by Executive multiplied by a fraction (the "TRANSFER FRACTION"), the numerator of which is the number of Common Units sold by the Investors in such Public Sale and the denominator of which is the total number of Common Units held by the Investors prior to the Public Sale; PROVIDED that, if at the time of a Public Sale of units by the Investors, Executive chooses not to Transfer the Transfer Amount, Executive shall retain the right to Transfer an amount of Common Units at a future date equal to the lesser of (x) the number of Vested Common Units owned by Executive at such future date and (y) the result of the number of Common Units owned by Executive at such future date multiplied by the Transfer Fraction; PROVIDED further that the restrictions contained in this SECTION 6 will continue to be applicable to the Executive Securities after any Transfer of the type referred to in clause (i) above and the transferees of such Executive Securities must agree in writing to be bound by the provisions of this Agreement, the LLC Agreement, the Securityholders Agreement and the Registration Agreement. Any transferee of Executive Securities pursuant to a Transfer in accordance with the provisions of clause (i) of this SECTION 6(b) is herein referred to as a "PERMITTED TRANSFEREE." Upon the Transfer of Executive Securities pursuant to this SECTION 6(b), the transferring holder of Executive Securities will deliver a written notice (a "TRANSFER NOTICE") to the Company. In the case of a Transfer pursuant to clause (i) hereof, the Transfer Notice will disclose in reasonable detail the identity of the Permitted Transferee(s).

(c) TERMINATION OF RESTRICTIONS. The restrictions set forth in this SECTION 6 will continue with respect to each unit of Executive Securities until the earlier of (i) the date on which such unit of Executive Securities has been transferred in a Public Sale permitted by this SECTION 6, or (ii) the consummation of a Sale of the Company.

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7. ADDITIONAL RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) LEGEND. The certificates representing the Executive Securities will bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED AS OF MARCH 17, 2004, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER, CERTAIN REPURCHASE OPTIONS AND CERTAIN OTHER AGREEMENTS SET FORTH IN A SENIOR MANAGEMENT AGREEMENT BETWEEN THE ISSUER AND AN EXECUTIVE OF THE COMPANY AND OTHER PARTIES, DATED AS OF MARCH 17, 2004. A COPY OF SUCH AGREEMENT MAY BE OBTAINED BY THE HOLDER HEREOF AT THE ISSUER'S PRINCIPAL PLACE OF BUSINESS WITHOUT CHARGE."

(b) OPINION OF COUNSEL. No holder of Executive Securities may Transfer any Executive Securities (except pursuant to SECTION 3, SECTION 4 or SECTION 6(b) of this Agreement, Section 4 of the Securityholders Agreement or an effective registration statement under the Securities Act) without first delivering to the Company a written notice describing in reasonable detail the proposed Transfer, together with an opinion of counsel (reasonably acceptable in form and substance to the Company) that neither registration nor qualification under the Securities Act and applicable state securities laws is required in connection with such transfer. In addition, if the holder of the Executive Securities delivers to the Company an opinion of counsel that no subsequent Transfer of such Executive Securities shall require registration under the Securities Act, the Company shall promptly upon such contemplated Transfer deliver new certificates for such Executive Securities that do not bear the Securities Act portion of the legend set forth in SECTION 7(a). If the Company is not required to deliver new certificates for such Executive Securities not bearing such legend, the holder thereof shall not Transfer the same until the prospective transferee has confirmed to the Company in writing its agreement to be bound by the conditions contained in this SECTION 7.

PROVISIONS RELATING TO EMPLOYMENT

8. EMPLOYMENT. Employer agrees to employ Executive and Executive accepts such employment for the period beginning as of the date hereof and ending upon his separation pursuant to SECTION 8(c) hereof (the "EMPLOYMENT PERIOD").

(a) POSITION AND DUTIES.

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

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

(b) SALARY, BONUS AND BENEFITS. During the Employment Period, Employer will pay Executive a base salary of \$188,000 per annum (the "ANNUAL BASE SALARY"). The existing Medtech/Denorex bonus program will continue through the fiscal year ending March 31, 2004. Beginning with fiscal year 2005, the Board shall develop a new bonus program which may incorporate subjective and objective criteria for bonus achievement different from the criteria contained in the existing Medtech/Denorex bonus program; PROVIDED, HOWEVER, THAT the maximum bonus payment potentials to Executive will not be decreased from those provided in the existing Medtech/Denorex bonus program. In addition, during the Employment Period, Executive will be entitled to such other benefits approved by the Board and made available to the senior management of the Company, Employer and their Subsidiaries, which shall include vacation time (in an amount consistent with past practice) and medical, dental, life and disability insurance. Following the completion of the fiscal year ending March 31, 2005, the Board, on a basis consistent with past practice, shall review the Annual Base Salary of Executive and may increase the Annual Base Salary by such amount as the Board, in its sole discretion, shall deem appropriate. The term "Annual Base Salary" as used in this Agreement shall refer to the Annual Base Salary as it may be so increased.

(c) SEPARATION. The Employment Period will continue until (i) Executive's death, Disability or resignation from employment with the Company, Employer and their respective Subsidiaries or (ii) the Company, Employer and their respective Subsidiaries decide to terminate Executive's employment with or without Cause. If (A) Executive's employment is terminated without Cause pursuant to clause (ii) above or (B) Executive resigns from employment with the Company, Employer or any of their respective Subsidiaries for Good Reason, then during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination (the "SEVERANCE PERIOD"), Employer shall pay to Executive, in equal installments on the Employer's regular salary payment dates, an aggregate amount equal to (I) his Annual Base Salary, PLUS (II) an amount equal to the annual bonus, if any, paid or payable to Executive by Employer for the last fiscal year ended prior to the date of termination. In addition, if Executive is entitled on the date of termination to coverage under the medical and prescription portions of the Welfare Plans, such

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coverage shall continue for Executive and Executive's covered dependents for a period ending on the first anniversary of the date of termination at the active employee cost payable by Executive with respect to those costs paid by Executive prior to the date of termination; PROVIDED, that this coverage will count towards the depletion of any continued health care coverage rights that Executive and Executive's dependents may have pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"); PROVIDED further, that Executive's or Executive's covered dependents' rights to continued health care coverage pursuant to this SECTION 8(c) shall terminate at the time Executive or Executive's covered dependents become covered, as described in COBRA, under another group health plan, and shall also terminate as of the date Employer ceases to provide coverage to its senior executives generally under any such Welfare Plan. Notwithstanding the foregoing, (I) Executive shall not be entitled to receive any payments or benefits pursuant to this SECTION 8(c) unless Executive has executed and delivered to Employer a general release in form and substance satisfactory to Employer and (II) Executive shall be entitled to receive such payments and benefits only so long as Executive has not breached the provisions of SECTIONS 9 or 10 hereof. The release described in the foregoing sentence shall not require Executive to release any claims for any vested employee benefits, workers compensation benefits covered by insurance or self-insurance, claims to indemnification to which Executive may be entitled under the Company's or its Subsidiaries' certificate(s) of incorporation, by-laws or under any of the Company's or its Subsidiaries' directors or officers insurance policy(ies) or applicable law, or equity claims to contribution from the Company or its Subsidiaries or any other Person to which Executive is entitled as a matter of law in respect of any claim made against Executive for an alleged act or omission in Executive's official capacity and within the scope of Executive's duties as an officer, director or employee of the Company or its Subsidiaries. Not later than eighteen (18) months following the termination of Executive's employment, the Company and its Subsidiaries for which the Executive has acted in the capacity of a senior manager, shall sign and deliver to Executive a release of claims that the Company or its Subsidiaries has against Executive; PROVIDED THAT, such release shall not release any claims that the Company or its Subsidiaries commenced prior to the date of the release(s), any claims relating to matters actively concealed by Executive, any claims to contribution from Executive to which the Company or its Subsidiaries are entitled as a matter of law or any claims arising out of mistaken indemnification by the Company or any of its Subsidiaries. Except as otherwise provided in this SECTION 8(c) or in the Employer's employee benefit plans or as otherwise required by applicable law, Executive shall not be entitled to any other salary, compensation or benefits after termination of Executive's employment with Employer.

9. CONFIDENTIAL INFORMATION.

(a) OBLIGATION TO MAINTAIN CONFIDENTIALITY. Executive acknowledges that the information, observations and data (including trade secrets) obtained by him during the course of his performance under this Agreement concerning the

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

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

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Period) to establish and confirm the Company's, Employer's or such Subsidiary's or Affiliate's ownership (including, without limitation, assignments, consents, powers of attorney, and other instruments).

(c) THIRD PARTY INFORMATION. Executive understands that the Company, Employer and their respective Subsidiaries and Affiliates will receive from third parties confidential or proprietary information ("THIRD PARTY INFORMATION") subject to a duty on the Company's, Employer's and their respective Subsidiaries' and Affiliates' part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the Employment Period and thereafter, and without in any way limiting the provisions of SECTION 9(a) above, Executive will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than personnel and consultants of the Company, Employer or their respective Subsidiaries and Affiliates who need to know such information in connection with their work for the Company, Employer or any of their respective Subsidiaries and Affiliates) or use, except in connection with his work for the Company, Employer or any of their respective Subsidiaries and Affiliates, Third Party Information unless expressly authorized by a member of the Board (other than himself if Executive is on the Board) in writing.

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

10. NONCOMPETITION AND NONSOLICITATION. Executive acknowledges that in the course of his employment with Employer he will become familiar with the Company's, Employer's and their respective Subsidiaries' trade secrets and with other confidential information concerning the Company, Employer and such Subsidiaries and that his services will be of special, unique and extraordinary value to the Company, Employer and such Subsidiaries. Therefore, Executive agrees that:

(a) NONCOMPETITION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, he shall not anywhere in

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the United States, directly or indirectly, own, manage, control, participate in, consult with, render services for, or in any manner engage in any business (i) competing with a brand of the Company, Employer, Medtech, Denorex, Spic and Span, any business acquired by such Persons, or any Subsidiaries of such Persons, representing 10% or more of the consolidated revenues or EBITDA of the Company and its Subsidiaries for the trailing 12 months ending on the last day of the last completed calendar month immediately preceding the date of termination of the Employment Period or (ii) in which the Company, Employer Medtech, Denorex, Spic and Span, any business acquired by such Persons, or any Subsidiaries of such Persons has conducted discussions or has requested and received information relating to the acquisition of such business by such Person (x) within one year prior to the Separation and (y) during the Severance Period, if any. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation that is publicly traded, so long as Executive has no active participation in the business of such corporation.

(b) NONSOLICITATION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, Executive shall not directly or indirectly through another entity (i) induce or attempt to induce any employee of the Company, Employer or any of their respective Subsidiaries to leave the employ of the Company, Employer or any such Subsidiary, or in any way interfere with the relationship between the Company, Employer and any of their respective Subsidiaries and any employee thereof, (ii) hire any person who was an employee of the Company, Employer or any of their respective Subsidiaries within 180 days after such person ceased to be an employee of the Company, Employer or any of their respective Subsidiaries (PROVIDED, HOWEVER, THAT such restriction shall not apply for a particular employee if the Company has provided its written consent to such hire, which consent, in the case of any person who was not a key employee of the Company, Employer or any of their respective Subsidiaries, shall not be unreasonably withheld), (iii) induce or attempt to induce any customer, supplier, licensee or other business relation of the Company, Employer or any of their respective Subsidiaries to cease doing business with the Company, Employer or any such Subsidiary or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company, Employer or any Subsidiary or (iv) directly or indirectly acquire or attempt to acquire an interest in any business relating to the business of the Company, Employer or any of their respective Subsidiaries and with which the Company, Employer and any of their respective Subsidiaries has conducted discussions or has requested and received information relating to the acquisition of such business by the Company, Employer or any of their respective Subsidiaries in the two year period immediately preceding a Separation.

(c) ENFORCEMENT. If, at the time of enforcement of SECTION 9 or this SECTION 10, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum duration,

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

(d) ADDITIONAL ACKNOWLEDGMENTS. Executive acknowledges that the provisions of this SECTION 10 are in consideration of: (i) employment with the Employer, (ii) the issuance of the Executive Securities by the Company and (iii) additional good and valuable consideration as set forth in this Agreement. In addition, Executive agrees and acknowledges that the restrictions contained in SECTION 9 and this SECTION 10 do not preclude Executive from earning a livelihood, nor do they unreasonably impose limitations on Executive's ability to earn a living. In addition, Executive acknowledges (i) that the business of the Company, Employer and their respective Subsidiaries will be conducted throughout the United States, (ii) notwithstanding the state of incorporation or principal office of the

Company, Employer or any of their respective Subsidiaries, or any of their respective executives or employees (including the Executive), it is expected that the Company and Employer will have business activities and have valuable business relationships within its industry throughout the United States and (iii) as part of his responsibilities, Executive will be traveling throughout the United States in furtherance of Employer's business and its relationships. Executive agrees and acknowledges that the potential harm to the Company and Employer of the non-enforcement of SECTION 9 and this SECTION 10 outweighs any potential harm to Executive of its enforcement by injunction or otherwise. Executive acknowledges that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Executive by this Agreement, and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company, Employer and their Subsidiaries now existing or to be developed in the future. Executive expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

GENERAL PROVISIONS

11. DEFINITIONS.

"AFFILIATE" means, (i) with respect to any Person, any Person that controls, is controlled by or is under common control with such Person or an Affiliate of such Person, and (ii) with respect to any Investor, any general or limited partner of such

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Investor, any employee or owner of any such partner, or any other Person controlling, controlled by or under common control with such Investor.

"BOARD" means the Company's board of managers (or its equivalent).

"CAUSE" means (i) the intentional or knowing commission of a felony or a crime involving moral turpitude or the commission of any other act or omission involving dishonesty or fraud with respect to the Company, Employer or any of their respective Subsidiaries or any of their customers or suppliers, (ii) substantial and repeated failure to perform duties of the office held by Executive as reasonably directed by the Chief Executive Officer of Employer and/or the Board, (iii) gross negligence or willful misconduct with respect to the Company, Employer or any of their respective Subsidiaries, (iv) conduct tending to bring the Company, Employer or any of their respective Subsidiaries into substantial public disgrace or disrepute or (v) any breach by Executive of SECTIONS 9 or 10 of this Agreement. Notwithstanding the foregoing, if it is alleged or determined that actions taken by Executive caused the Company, Employer or any of their respective Subsidiaries to engage in illegal activities or operations, the taking of such actions by Executive shall not constitute "Cause" hereunder if Executive had a reasonable and good faith belief that such actions were not in violation of any law, rule, regulation or court order, were in the best interests of the Company, Employer and their respective Subsidiaries and were taken in the ordinary course of business.

"CLASS A PREFERRED UNITS" means the Class A Preferred Units, as defined in the LLC Agreement.

"CLASS B PREFERRED UNITS" means the Class B Preferred Units, as defined in the LLC Agreement.

"CREDIT AGREEMENT" means that certain Credit Agreement dated as February 6, 2004, by and among Medtech Acquisition, Inc., Denorex Acquisition, Inc., Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., the financial institutions parties thereto and the other parties named therein, as the same may be amended, supplemented or otherwise modified from time to time, at any renewal, extension, refunding, restructuring, replacement or refinancing thereof (whether with the original agent or lenders or another agent or agents or other lenders and whether provided under the original Credit Agreement or any other credit agreement).

"DEBT" has the meaning set forth in the Credit Agreement.

"DENOREX" means The Denorex Company, a Delaware corporation.

"DISABILITY" means the disability of Executive caused by any physical or mental injury, illness or incapacity as a result of which Executive is unable to effectively perform the essential functions of Executive's duties as determined by the Board in good faith.

"EBITDA" has the meaning set forth in the Credit Agreement.

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"EQUITY EQUIVALENTS" means, at any time, without duplication with any other Equity Securities or Equity Equivalents, any rights, warrants, options, convertible securities or Debt, exchangeable securities or Debt, or other rights, exercisable for or convertible or exchangeable into, directly or indirectly, Equity Securities and securities convertible or exchangeable into Equity Securities, whether at the time of issuance or upon the passage of time or the occurrence of a future event.

"EQUITY INVESTOR" means any of GTCR Fund VIII, GTCR Fund VIII/B, GTCR Co-Invest or the TCW/Crescent Purchasers (collectively, the "EQUITY INVESTORS").

"EQUITY SECURITIES" means all shares or units of Common Units, Class A

Preferred Units, Class B Preferred Units and other Units (as defined in the LLC Agreement) or other equity interests in the Company (including other classes or series thereof having different rights) as may be authorized for issuance by the Company from time to time. Equity Securities will also include equity of the Company (or a corporate successor to the Company or a Subsidiary of the Company) issued with respect to Equity Securities (i) by way of a unit split, unit dividend, conversion, or other recapitalization, (ii) by way of reorganization or recapitalization of the Company in connection with the incorporation of a corporate successor in accordance with Section 15.7 of the LLC Agreement, or (iii) by way of a distribution of securities of a Subsidiary of the Company to the members of the Company following or with respect to a Subsidiary Public Offering.

"EXECUTIVE SECURITIES" means all Common Units acquired by Executive hereunder. Executive Securities will continue to be Executive Securities in the hands of any holder other than Executive (except for the Company, the Investors and transferees in a Public Sale, which transferees, other than as provided in SECTION 3(b)(ii) above, shall not be subject to the provisions of this Agreement with respect to such securities), and except as otherwise provided herein, each such other holder of Executive Securities will succeed to all rights and obligations attributable to Executive as a holder of Executive Securities hereunder. Executive Securities (or, individually, any particular type of equity security included therein) will also include equity securities of the Company (or a corporate successor to the Company or a Subsidiary of the Company) issued with respect to Executive Securities (or, individually, any particular type of equity security included therein) (i) by way of a unit split, unit dividend, conversion, or other recapitalization, (ii) by way of reorganization or recapitalization of the Company in connection with the incorporation of a corporate successor in accordance with Section 15.7 of the LLC Agreement or (iii) by way of a distribution of securities of a Subsidiary of the Company to the members of the Company following or with respect to a Subsidiary Public Offering. For the avoidance of doubt, all Unvested Common Units shall remain Unvested Common Units after a Transfer thereof, unless such Transfer is to the Company, an Investor or a transferee in a Public Sale.

"FAIR MARKET VALUE" of each unit of Executive Securities or other Equity Securities, as the case may be (as applicable, the "APPLICABLE SECURITIES"), means the average of the closing prices of the sales of such Applicable Securities on all securities exchanges on which such Applicable Securities may at the time be listed, or, if there have been no sales on any such exchange on any day, the average of the highest bid and lowest

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asked prices on all such exchanges at the end of such day, or, if on any day such Applicable Securities are not so listed, the average of the representative bid and asked prices quoted in the NASDAQ System as of 4:00 P.M., New York time, or, if on any day such Applicable Securities are not quoted in the NASDAQ System, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau Incorporated, or any similar successor organization, in each such case averaged over a period of 21 days consisting of the day as of which the Fair Market Value is being determined and the 20 consecutive business days prior to such day. If at any time such Applicable Securities are not listed on any securities exchange or quoted in the NASDAQ System or the over-the-counter market, the Fair Market Value will be the fair value of such Applicable Securities as determined in good faith by the Board. If Executive reasonably disagrees with such determination, Executive shall deliver to the Board a written notice of objection (an "OBJECTION") within thirty (30) days after delivery of the Separation Repurchase Notice (or if no Separation Repurchase Notice is delivered, then within thirty (30) days after delivery of the Supplemental Separation Repurchase Notice), the Dilution Repurchase Notice or the Company Separation Purchase Price Notice, as applicable. Upon receipt of Executive's Objection, the Board and Executive will negotiate in good faith to agree on such Fair Market Value. If such agreement is not reached within 20 days after the delivery of the Objection, Fair Market Value shall be determined by an appraiser jointly selected by the Board and Executive, which appraiser shall submit to the Board and Executive a report within 30 days of its engagement setting forth such determination. If the parties are unable to agree on an appraiser within 25 days after delivery of the Objection, within seven days, each party shall submit the names of four nationally recognized firms that are engaged in the business of valuing non-public securities, and each party shall be entitled to strike two names from the other party's list of firms, and the appraiser shall be selected by lot from the remaining four investment banking firms. The expenses of such appraiser shall be borne equally by Executive and the Company. The determination of such appraiser as to Fair Market Value shall be final and binding upon all parties.

"FAMILY GROUP" means a Person's spouse and descendants (whether natural or adopted), and any trust, family limited partnership, limited liability company or other entity wholly owned, directly or indirectly, by such Person or such Person's spouse and/or descendants that is and remains solely for the benefit of such Person and/or such Person's spouse and/or descendants and any retirement plan for such Person.

"GOOD REASON" means (i) any material diminution in Executive's position, title, authority, powers, functions, duties or responsibilities with Employer, (ii) the permanent relocation or transfer of Employer's principal office outside a 30 mile radius from Irvington, New York or (iii) any failure of Employer to comply with the Annual Base Salary and bonus provisions of SECTION 8(b) hereof; PROVIDED, HOWEVER, that either or both of clauses (i) or (ii) above shall be disregarded for purposes of this definition if Peter Mann, as the Chief Executive Officer of the Employer, consents to the circumstances described in such clause(s).

"GTCR CAPITAL PARTNERS" means GTCR Capital Partners, L.P., a Delaware

"GTCR CO-INVEST" means GTCR Co-Invest II, L.P., a Delaware limited partnership.

"GTCR FUND VIII" means GTCR Fund VIII, L.P., a Delaware limited partnership.

"GTCR FUND VIII/B" means GTCR Fund VIII/B, L.P., a Delaware limited partnership.

"INVESTOR" means any Equity Investor, GTCR Capital Partners or the TCW/Crescent Lenders (collectively, the "INVESTORS").

"LLC AGREEMENT" means the Second Amended and Restated Limited Liability Company Agreement of the Company, dated as of March 5, 2004, as amended from time to time pursuant to its terms.

"MEDTECH" means Medtech Holdings, Inc., a Delaware corporation.

"ORIGINAL COST" means, with respect to each Common Unit purchased hereunder, \$0.10 (as proportionately adjusted for all subsequent unit splits, unit dividends and other recapitalizations).

"PERSON" means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, investment fund, any other business entity and a governmental entity or any department, agency or political subdivision thereof.

"PRESTIGE TRANSACTION" means the transactions contemplated by that certain Agreement of Merger, dated as of February 10, 2004, by and among Prestige Acquisition Holdings, LLC, Prestige MergerSub, Inc, and Bonita Bay Holdings, Inc.

"PRO FORMA EBITDA" means, for each month during the applicable period, an amount equal to (i) with respect to fiscal years 2004 through 2008, the monthly EBITDA projections set forth on EXHIBIT B attached hereto, and (ii) with respect to each fiscal year following fiscal year 2008, the monthly EBITDA projections prepared by or on behalf of management of the Company and approved by the Board or a committee thereof, as such EBITDA projections under clauses (i) and (ii) above may subsequently be adjusted, with the approval of the Board, to reflect subsequent acquisitions or dispositions of businesses or other events, circumstances or occurrences that affect such projections. If EBITDA projections are determined on an annual (and not a monthly) basis for any fiscal year, then monthly EBITDA projections for each month during such fiscal year shall equal the quotient of the annual EBITDA projection for such fiscal year divided by 12.

"PUBLIC OFFERING" means the sale in an underwritten public offering registered under the Securities Act of equity securities of the Company or a corporate successor to the Company.

"PUBLIC SALE" means (i) any sale pursuant to a registered public offering under the Securities Act or (ii) any sale to the public pursuant to Rule 144 promulgated under the Securities Act effected through a broker, dealer or market maker (other than pursuant to Rule 144(k) prior to a Public Offering).

"PURCHASE AGREEMENT" means the Unit Purchase Agreement dated as of February 6, 2004, among the Company, GTCR Fund VIII, GTCR Fund VIII/B, GTCR Co-Invest and the TCW/Crescent Purchasers, as amended from time to time pursuant to its terms.

"PURCHASER" has the meaning set forth in the Purchase Agreement.

"PUT ELECTION PERIOD" means the period of time commencing on the date on which the Separation Put Event occurs and expiring at 5:00 p.m., Chicago, Illinois time, on the 20th business day thereafter for all Separation Put Events other than death and Disability. If the Separation Put Event is triggered by the Executive's death or Disability, the Put Election Period will be extended to 45 business days.

"PUT EVENT DATE" means the date on which a Separation Put Event occurs.

"REGISTRATION AGREEMENT" means the Registration Rights Agreement, dated as of February 6, 2004, by and among the Company and certain of its securityholders, as amended from time to time pursuant to its terms.

"SALE OF THE COMPANY" means any transaction or series of transactions pursuant to which any Person or group of related Persons other than the Investors or their Affiliates in the aggregate acquire(s) (i) equity securities of the Company possessing the voting power (other than voting rights accruing only in the event of a default, breach or event of noncompliance) to elect a majority of the Board (whether by merger, consolidation, reorganization, combination, sale or transfer of the Company's equity, securityholder or voting agreement, proxy, power of attorney or otherwise) or (ii) all or substantially all of the Company's assets determined on a consolidated basis; PROVIDED that a Public Offering shall not constitute a Sale of the Company.

"SECURITIES ACT" means the Securities Act of 1933, as amended from time to time.

"SECURITYHOLDERS AGREEMENT" means the Securityholders Agreement, dated as of February 6, 2004, among the Company and certain of its securityholders, as

amended from time to time pursuant to its terms.

"SEPARATION" means the cessation of employment of Executive with the Company, Employer and their respective Subsidiaries for any reason.

"SPIC AND SPAN" means The Spic and Span Company, a Delaware corporation.

"SUBSIDIARY" means, with respect to any Person, any corporation, limited liability company, partnership, association, or business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees

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thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association, or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association, or other business entity. For purposes hereof, references to a "SUBSIDIARY" of any Person shall be given effect only at such times that such Person has one or more Subsidiaries, and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Company.

"SUBSIDIARY PUBLIC OFFERING" means the sale in an underwritten public offering registered under the Securities Act of equity securities of Employer or another Subsidiary of the Company.

"SUBSTANTIAL UNDERPERFORMANCE" means the occurrence or existence of either or both of the following: (i) at any time during the 12-month period ending on and including the date of termination of the Employment Period (A) a default, whether or not cured, caused by the failure to make any Material Payment of any Debt (unless a clerical error caused such failure and such failure was cured immediately upon discovery), (B) any other material event of default (after giving effect to any applicable grace period) relating to any Material Debt the effect of which default is to cause, or to permit the holder or holders of such Material Debt (or a trustee or agent on behalf of such holder or holders) to cause, any such Material Debt to become due prior to its stated maturity (without regard to any subordination provisions relating thereto) or (C) any Material Debt shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof or (ii) as of the date of the termination of the Employment Period, EBITDA for the 12-month period ending on the last day of the last completed calendar month immediately preceding the date of the termination of the Employment Period equals an amount less than 85% of aggregate Pro Forma EBITDA for the same 12-month period. For purposes of this definition, "Debt" shall mean, as of any date of determination, any Debt of the Company, Employer or any of their respective Subsidiaries; "Material Payment" shall mean any payment equal to or greater than \$100,000; and "Material Debt" shall mean any Debt having an outstanding principal balance in excess of \$3 million.

"TCW/CRESCENT LENDERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

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"TCW/CRESCENT PURCHASERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

"TRANSFER" means to sell, transfer, assign, pledge or otherwise dispose of (whether with or without consideration and whether voluntarily or involuntarily or by operation of law).

"WELFARE PLANS" mean the welfare benefit plans, practices, policies and programs provided by Employer to the extent applicable generally to other senior executives of the Company.

12. NOTICES. Any notice provided for in this Agreement must be in writing and must be either personally delivered, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated:

IF TO EMPLOYER:

Medtech/Denorex Management, Inc.
90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO THE COMPANY:

Medtech/Denorex, LLC
90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

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GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO EXECUTIVE:

86 Robin Hood Way
Wayne, New Jersey 07470

WITH A COPY TO:

Ford Marrin Esposito Witmeyer & Gleser LLP
Wall Street Plaza
New York, New York 10005-1875
Attention: James M. Adrian

IF TO THE INVESTORS:

See the attached INVESTOR NOTICE SCHEDULE.

or such other address or to the attention of such other Person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement will be deemed to have been given when so delivered or sent or, if mailed, five days after deposit in the U.S. mail.

13. GENERAL PROVISIONS.

(a) TRANSFERS IN VIOLATION OF AGREEMENT. Any Transfer or attempted Transfer of any Executive Securities in violation of any provision of this Agreement shall be void, and the Company shall not record such Transfer on its books or treat any purported transferee of such Executive Securities as the owner of such equity for any purpose.

(b) SEVERABILITY. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

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(c) COMPLETE AGREEMENT. This Agreement, those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way (including any offer of employment previously entered into between Spic and Span and Executive).

(d) JOINDER TO EQUITY DOCUMENTS. Simultaneous to the execution of this Agreement, Executive shall sign a counterpart signature page to each of the LLC Agreement, Securityholders Agreement and Registration Agreement, thereby agreeing to be bound by the restrictions and entitled to the rights set forth therein. Executive represents to the Company that he has had an opportunity to ask questions concerning the terms and conditions of each agreement referenced in the preceding sentence.

(e) NO STRICT CONSTRUCTION. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(f) COUNTERPARTS. This Agreement may be executed and delivered in separate counterparts (including by means of facsimile), each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(g) SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by Executive, the Company, the Investors and their respective successors and assigns (including subsequent holders of Executive Securities); PROVIDED THAT the rights and obligations of Executive under this Agreement shall not be assignable except in connection with a permitted transfer of Executive Securities hereunder.

(h) CHOICE OF LAW. The law of the State of Delaware will govern all questions concerning the relative rights of the Company, Employer and its securityholders. All other questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto will be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(i) MUTUAL WAIVER OF JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES

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BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES HERETO, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THE RELATIONSHIP ESTABLISHED AMONG THE PARTIES HEREUNDER.

(j) EXECUTIVE'S COOPERATION. During the Employment Period and thereafter, Executive shall cooperate with the Company, Employer and their respective Subsidiaries and Affiliates in any disputes with third parties, internal investigation or administrative, regulatory or judicial proceeding as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other permitted activities and commitments). In the event the Company requires Executive's cooperation in accordance with this paragraph after the Employment Period, the Company shall reimburse Executive for reasonable travel expenses (including lodging and meals, upon submission of receipts) and compensate Executive for his time at a rate that is mutually agreeable to Executive and the Company.

(k) REMEDIES. Each of the parties to this Agreement (and the Investors as third-party beneficiaries) will be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including attorney's fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

(l) AMENDMENT AND WAIVER. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company, Employer, Executive and the Majority Holders (as defined in the Purchase Agreement).

(m) INSURANCE. The Company, at its discretion, may apply for and procure in its own name and for its own benefit life and/or disability insurance on

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Executive in any amount or amounts considered available. Executive agrees to cooperate in any medical or other examination, supply any information, and to execute and deliver any applications or other instruments in writing as may be reasonably necessary to obtain and constitute such insurance. Executive hereby represents that he has no reason to believe that his life is not insurable at rates now prevailing for healthy men of his age.

(n) BUSINESS DAYS. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(o) INDEMNIFICATION AND REIMBURSEMENT OF PAYMENTS ON BEHALF OF EXECUTIVE. The Company and its Subsidiaries shall be entitled to deduct or withhold from any amounts owing from the Company or any of its Subsidiaries to Executive any federal, state, local or foreign withholding taxes, excise taxes, or employment taxes ("TAXES") imposed with respect to Executive's compensation or other payments from the Company or any of its Subsidiaries or Executive's ownership interest in the Company, including, without limitation, wages, bonuses, dividends, the receipt or exercise of equity options and/or the receipt or vesting of restricted equity. In the event the Company or any of its Subsidiaries does not make such deductions or withholdings, Executive shall indemnify the Company and its Subsidiaries for any amounts paid with respect to any such Taxes, together with any interest, penalties and related expenses thereto.

(p) REASONABLE EXPENSES. Employer agrees to pay the reasonable fees and expenses of Executive's counsel arising in connection with the negotiation and execution of this Agreement and the consummation of the transactions contemplated by this Agreement.

(q) TERMINATION. This Agreement (except for the provisions of SECTIONS 8(a) and (b)) shall survive a Separation and shall remain in full force and effect after such Separation.

(r) ADJUSTMENTS OF NUMBERS. All numbers set forth herein that refer to unit prices or amounts will be appropriately adjusted to reflect unit splits, unit dividends, combinations of units and other recapitalizations affecting the subject class of equity.

(s) DEEMED TRANSFER OF EXECUTIVE SECURITIES. If the Company (and/or the Investors and/or any other Person acquiring securities) shall make available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Executive Securities to be repurchased in accordance with the provisions of this Agreement, then from and after such time, the Person from whom such units are to be repurchased shall no longer have any rights as a holder of such units (other than the right to receive payment of such consideration in

accordance with this Agreement), and such units shall be deemed purchased in accordance with the applicable provisions hereof and the Company (and/or the Investors and/or any other Person acquiring securities) shall be deemed the owner and holder of such units, whether or not the certificates therefor have been delivered as required by this Agreement.

(t) RIGHTS GRANTED TO GTCR FUND VIII AND ITS AFFILIATES. Any rights granted to GTCR Fund VIII, GTCR Fund VIII/B, GTCR Co-Invest and their Affiliates hereunder may also be exercised (in whole or in part) by their designees.

(u) SUBSIDIARY PUBLIC OFFERING. If, after consummation of a Subsidiary Public Offering, the Company distributes securities of such Subsidiary to members of the Company, then such securities will be treated in the same manner as (but excluding any "preferred" features of the units with respect to which they were distributed) the units with respect to which they were distributed for purposes of SECTIONS 1(e), 2, 3, 4, 5, 6 and 7 hereof and, in connection therewith, such Subsidiary may be treated as the Company for purposes of the Company's rights with respect to such securities.

* * * * *

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

MEDTECH/DENOREX, LLC

By: /s/ Aaron S. Cohen

Name: Aaron S. Cohen

Title: Secretary

MEDTECH/DENOREX MANAGEMENT, INC.

By: /s/ Peter J. Anderson

Name: Peter J. Anderson

Title: Chief Financial Officer

/s/ Charles Schrank

Charles Schrank

Agreed and Accepted:

GTCR FUND VIII, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: /s/ David A. Donnini

Name: David A. Donnini
Its: Principal

GTCR FUND VIII/B, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: /s/ David A. Donnini

Name: David A. Donnini
Its: Principal

[MEDTECH/DENOREX: SIGNATURE PAGE TO SENIOR MANAGEMENT AGREEMENT (CHARLES
SCHRANK)]

GTCR CO-INVEST II, L.P.

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: /s/ David A. Donnini

Name: David A. Donnini
Its: Principal

GTCR CAPITAL PARTNERS, L.P.

By: GTCR Mezzanine Partners, L.P.
Its: General Partner

By: GTCR Partners VI, L.P.
Its: General Partner

By: GTCR Golder Rauner, L.L.C.
Its: General Partner

By: /s/ David A. Donnini

Name: David A. Donnini
Its: Principal

TCW/CRESCENT MEZZANINE PARTNERS III, L.P.
TCW/CRESCENT MEZZANINE TRUST III
TCW/CRESCENT MEZZANINE PARTNERS III
NETHERLANDS, L.P.

By: TCW/Crescent Mezzanine
Management III, L.L.C.,
its Investment Manager

By: TCW Asset Management Company,
its Sub-Advisor

By: /s/ Timothy P. Costello

Name: Timothy P. Costello
Its: Managing Director

[MEDTECH/DENOREX: SIGNATURE PAGE TO SENIOR MANAGEMENT AGREEMENT (CHARLES
SCHRANK)]

EXHIBIT A

_____, 2004

PROTECTIVE ELECTION TO INCLUDE MEMBERSHIP
INTEREST IN GROSS INCOME PURSUANT TO
SECTION 83(b) OF THE INTERNAL REVENUE CODE

On March [__], 2004, the undersigned acquired a limited liability company membership interest (the "MEMBERSHIP INTEREST") in Medtech/Denorex, LLC, a Delaware limited liability company (the "COMPANY"), for \$[_____]. Pursuant to the Operating Agreement of the Company, the undersigned is entitled to an interest in Company capital exactly equal to the amount paid therefor and an interest in Company profits.

Based on current Treasury Regulation Section 1.721-1(b), Proposed Treasury

Regulation Section 1.721-1(b)(1), and Revenue Procedures 93-27 and 2001-43, the undersigned does not believe that issuance of the Membership Interest to the undersigned is subject to the provisions of Section 83 of the Internal Revenue Code (the "CODE"). In the event that the sale is so treated, however, the undersigned desires to make an election to have the receipt of the Membership Interest taxed under the provisions of Code Section 83(b) at the time the undersigned acquired the Membership Interest.

Therefore, pursuant to Code Section 83(b) and Treasury Regulation Section 1.83-2 promulgated thereunder, the undersigned hereby makes an election, with respect to the Membership Interest, to report as taxable income for the calendar year 2004 the excess (if any) of the value of the Membership Interest on [____], 2004 over the purchase price thereof.

The following information is supplied in accordance with Treasury Regulation Section 1.83-2(e):

1. The name, address and social security number of the undersigned:

[NAME]
[ADDRESS]
[SSN]

2. A description of the property with respect to which the election is being made: A membership interest in the Company entitling the undersigned to an interest in the Company's capital exactly equal to the amount paid therefor and ____% of the Company's profits.

3. The date on which the Membership Interest was transferred: [____], 2004. The taxable year for which such election is made: 2004.

4. The restrictions to which the property is subject: If the undersigned ceases to be employed by the Company or any of its subsidiaries, the unvested portion of the units will be subject to repurchase by the Company at the lower of cost or market value.

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5. The fair market value on [____], 2004 of the property with respect to which the election is being made, determined without regard to any lapse restrictions and in accordance with Revenue Procedure 93-27: \$[AMOUNT PAID OR TO BE PAID].

6. The amount paid or to be paid for such property: \$[AMOUNT PAID OR TO BE PAID]

* * * * *

A copy of this election is being furnished to the Company pursuant to Treasury Regulation Section 1.83-2(e)(7). A copy of this election will be submitted with the 2003 federal income tax return of the undersigned pursuant to Treasury Regulation Section 1.83-2(c).

Dated: [____], 2004

[NAME]

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EXHIBIT B

EBITDA

Fiscal
Year
Annual
EBITDA
2004 \$
35,376,500
2005 \$
41,153,750
2006 \$
45,483,750
2007 \$
49,997,250
2008 \$
54,602,250

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INVESTOR NOTICE SCHEDULE

IF TO GTCR FUND VIII, L.P., GTCR FUND VIII/B, L.P. OR GTCR CO-INVEST II, L.P.:
c/o GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

WITH A COPY TO:

Kirkland & Ellis LLP
200 East Randolph Drive

Chicago, IL 60601
Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO GTCR CAPITAL PARTNERS:

GTCR Capital Partners, L.P.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: Barry Dunn

WITH A COPY TO:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO THE TCW/CRESCENT LENDERS AND/OR TCW/CRESCENT PURCHASERS:

TCW/Crescent Mezzanine Partners III, L.P.
TCW/Crescent Mezzanine Trust III
TCW/Crescent Mezzanine Partners III Netherlands, L.P.
c/o TCW/Crescent Mezzanine, L.L.C.
200 Crescent Court, Suite 1600
Dallas, Texas 75201
Attention: Timothy P. Costello
Telecopier No.: (214) 740-7382

WITH A COPY TO:

Gardere Wynne Sewell LLP
3000 Thanksgiving Tower
1601 Elm Street
Dallas, Texas 75201
Attention: Gary B. Clark
Telecopier No.: (214) 999-4667

[EXECUTION COPY]

FIRST AMENDMENT AND ACKNOWLEDGMENT
TO SENIOR MANAGEMENT AGREEMENT

This First Amendment and Acknowledgment to Senior Management Agreement (this "AMENDMENT"), dated as of April 6, 2004, is made to the Senior Management Agreement (the "AGREEMENT"), dated as of March 5, 2004, by and among Medtech/Denorex, LLC, a Delaware limited liability company and now known as Prestige International Holdings, LLC (the "COMPANY"), Medtech/Denorex Management, Inc., a Delaware corporation and now known as Prestige Brands, Inc. ("EMPLOYER"), and Charles Schrank ("EXECUTIVE"). Each capitalized term used herein but not otherwise defined shall have the meaning ascribed to such term in the Agreement.

WHEREAS, concurrently herewith, the Company is indirectly acquiring all of the outstanding shares of capital stock of Bonita Bay Holdings, Inc., a Virginia corporation and ultimate parent of Prestige Brands International, Inc. (the "ACQUISITION"); and

WHEREAS, in connection with the Acquisition, and in order to better reflect the intent of the undersigned, the undersigned desire to amend certain terms of the Agreement, make certain acknowledgments with respect to the Agreement and reaffirm the other term and make provisions of the Agreement.

NOW, THEREFORE, effective immediately prior to the consummation of the Acquisition (except as otherwise provided in Section 11 below), the undersigned, intending to be legally bound, hereby agree as follows:

1. Each reference, if any, in the Agreement to any of the entities identified below shall be deemed a reference to such entity's new name, as indicated:
 - (a) Medtech/Denorex, LLC n/k/a Prestige International Holdings, LLC;
 - (b) SNS Household Holdings, Inc. n/k/a Prestige Household Holdings, Inc.;
 - (c) SNS Household Brands, Inc. n/k/a Prestige Household Brands, Inc.;
 - (d) Medtech Acquisition Holdings, Inc. n/k/a Prestige Products Holdings, Inc.;
 - (e) Medtech Acquisition, Inc. n/k/a Prestige Brands, Inc.;
 - (f) Medtech/Denorex Management, Inc. n/k/a Prestige Brands, Inc., as successor by merger;
 - (g) Denorex Acquisition Holdings, Inc. n/k/a Prestige Personal Care Holdings, Inc.; and
 - (h) Denorex Acquisition, Inc. n/k/a Prestige Personal Care, Inc.
2. The definitions for each of the following defined terms in the Agreement shall be deleted in their entirety and amended and restated as follows:
 - (a) "CREDIT AGREEMENT" means the Credit Agreement, dated as of April 6, 2004, among Employer, Prestige Brands International, LLC, a Delaware limited liability company, the lenders and issuers party thereto, Citicorp North America, Inc., as administrative agent and Tranche C Agent (as defined therein), Bank of America, N.A., as syndication agent for the lenders and issuers, Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., as documentation agent for the lenders and issuers, and the other parties named therein, as the same may be amended, supplemented or otherwise modified from time to time, at any renewal, extension, refunding, restructuring, replacement or refinancing thereof (whether with the original agent or lenders or another agent or agents or other lenders and whether provided under the original Credit Agreement or any other credit agreement).
 - (b) "DEBT" means "Indebtedness" as such term is defined in the Credit Agreement.
 - (c) "EBITDA" means "Adjusted EBITDA" as such term is defined in the Credit Agreement.
 - (d) "LLC AGREEMENT" means the Third Amended and Restated Limited Liability Company Agreement of the Company, dated as of April 6, 2004, as amended from time to time pursuant to its terms.
 - (e) "MAXIMUM NUMBER OF REPURCHASABLE STANDARD CARRIED COMMON UNITS" means, with respect to any Follow-on Purchaser Equity Investment, the product of the Purchaser Equity Fund Dilution Percentage MULTIPLIED BY the number of Standard Carried Common Units owned by Executive immediately prior to the Follow-on Purchaser Equity Investment.
3. The following defined terms in the Agreement shall be deleted in their entirety:
 - (a) Maximum Percentage of Repurchaseable Standard Carried Common Units;
 - (b) Purchaser Mezzanine Fund Dilution Factor;

(c) Purchaser Mezzanine Fund Dilution Percentage;

(d) Equity Investors; and

(e) Investors

4. The following defined terms (and related definitions) shall be added to the Agreement:

(a) "COMET" means The Comet Products Corporation, a Delaware corporation.

(b) "PRESTIGE" means Prestige Brands International, Inc. a Virginia corporation.

5. Each reference to "Investor" or "Equity Investor" in the Agreement shall instead be deemed a reference to "Purchaser"; PROVIDED, HOWEVER, that each reference to "Investor"

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in Sections 3(b)(v) and (vi) of the Agreement shall instead be deemed a reference to "Participating Purchaser".

6. Section 3(b)(ii) of the Agreement shall be deleted in its entirety and amended and restated as follows:

(ii) Subject to the terms and conditions set forth in this SECTION 3(b), in the event of any Follow-on Purchaser Equity Investment, the Purchasers who participated in such Follow-on Purchaser Equity Investment (the "PARTICIPATING PURCHASERS") will have the right to repurchase (the "DILUTION REPURCHASE OPTION") from Executive and his transferees (including for this purpose the Company and, with respect to any Standard Carried Common Units acquired other than pursuant to the Dilution Repurchase Option, the Purchasers) all or any portion of Executive's Maximum Number of Repurchasable Standard Carried Common Units as of such Follow-on Purchaser Equity Investment.

7. Section 3(b)(iv) of the Agreement shall be deleted in its entirety and amended and restated as follows:

(iv) As soon as practicable after the Company has determined the Maximum Number of Repurchasable Standard Carried Common Units in respect of any Follow-on Purchaser Equity Investment, the Company shall give written notice (the "DILUTION REPURCHASE OPTION NOTICE") to the Participating Purchasers setting forth the Maximum Number of Repurchasable Standard Carried Common Units and the purchase price therefor. The Participating Purchasers may elect to purchase any or all of the Maximum Number of Repurchasable Standard Carried Common Units by giving written notice to the Company within 30 days after the Dilution Repurchase Option Notice has been given by the Company. If the Participating Purchasers elect to purchase an aggregate number greater than the Maximum Number of Repurchasable Standard Carried Common Units, the Maximum Number of Repurchasable Standard Carried Common Units shall be allocated among the Participating Purchasers on a pro rata basis consistent with each such Participating Purchaser's portion of such Follow-on Purchaser Equity Investment Amount. As soon as practicable, and in any event within 10 days after the expiration of the 30-day period set forth above, the Company shall notify each holder of the Standard Carried Common Units as to the number of units being purchased from such holder by the Participating Purchasers, the aggregate consideration to be paid for such units and the time and place for the closing of the transaction (the "DILUTION REPURCHASE NOTICE"). At such time, the Company shall also deliver written notice to each Participating Purchaser setting forth the number of units such Participating Purchaser is entitled to purchase, the aggregate purchase price and the time and place of the closing of the transaction.

8. In Section 10(a) of the Agreement, the phrase "the Company, Employer, Medtech, Denorex, Spic and Span" shall be deleted in its entirety and amended and replaced, in each case in which it appears, with the phrase "the Company, Employer, Medtech, Denorex, Spic and Span, Comet, Prestige".

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9. EXHIBIT B to the Agreement shall be replaced and superseded in its entirety by the form of EXHIBIT B attached hereto.

10. The parties hereto agree that the defined term "Substantial Underperformance" and the references thereto in the Agreement shall be disregarded until July 1, 2004, at which time such defined term and the references thereto shall be reinstated in the Agreement with full force and effect.

11. Immediately following the consummation of the Acquisition and the transactions related thereto, the definitions for each of the following defined terms in the Agreement shall be deleted in their entirety and amended and restated as follows:

(a) "EQUITY EQUIVALENTS" means, at any time, without duplication with any other Equity Securities or Equity Equivalents, any rights, warrants, options, convertible debt or equity securities, exchangeable debt or equity securities, or other rights exercisable for or convertible or exchangeable into, directly or indirectly, Equity Securities or securities convertible or exchangeable into Equity Securities, whether at the time of issuance or upon the passage of time or the occurrence

of a future event; PROVIDED THAT, (i) any of the foregoing shall only be considered an Equity Equivalent to the extent (and only to the extent) that it is convertible or exchangeable into an Equity Security at a price below the then Fair Market Value of such Equity Security and (ii) in no event shall the Senior Preferred Units (as defined in the LLC Agreement) be deemed Equity Equivalents hereunder

(b) "EQUITY SECURITIES" means all Class A Preferred Units, Class B Preferred Units, Common Units and other Units (as defined in the LLC Agreement) or other equity interests in the Company (including other classes or series thereof having different rights) that are purchased simultaneously with Common Units as a strip of securities as may be authorized for issuance by the Company from time to time. Equity Securities will also include equity of the Company (or a corporate successor to the Company or a Subsidiary of the Company) issued with respect to Equity Securities (i) by way of a unit split, unit dividend, conversion, or other recapitalization, (ii) by way of reorganization or recapitalization of the Company in connection with the incorporation of a corporate successor in accordance with Section 15.7 of the LLC Agreement, or (iii) by way of a distribution of securities of a Subsidiary of the Company to the members of the Company following or with respect to a Subsidiary Public Offering.

12. Except for the changes noted above, the Agreement shall remain in full force and effect and any dispute under this Amendment shall be resolved in accordance with the terms of the Agreement, including, but not limited to, Section 13(h) thereof (Choice of Law).

13. This Amendment may be executed in any number of counterparts (including by means of facsimiled signature pages), which shall together constitute one and the same instrument.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment and Acknowledgment to Senior Management Agreement on the date first written above.

PRESTIGE INTERNATIONAL HOLDINGS, LLC

By: /s/ Peter J. Anderson

Name: Peter J. Anderson

Title: Chief Financial Officer

PRESTIGE BRANDS, INC.

By: /s/ Peter J. Anderson

Name: Peter J. Anderson

Title: Vice President

CHARLES SCHRANK

Accepted and agreed to:

GTCR FUND VIII, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: /s/ David A. Donnini

Name: David A. Donnini
Its: Principal

GTCR FUND VIII/B, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: /s/ David A. Donnini

Name: David A. Donnini
Its: Principal

GTCR CO-INVEST II, L.P.

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: /s/ David A. Donnini

Name: David A. Donnini
Its: Principal

GTCR CAPITAL PARTNERS, L.P.

By: GTCR Mezzanine Partners, L.P.
Its: General Partner

By: GTCR Partners VI, L.P.
Its: General Partner

By: GTCR Golder Rauner, L.L.C.
Its: General Partner

By: /s/ David A. Donnini

Name: David A. Donnini
Its: Principal

TCW/CRESCENT MEZZANINE PARTNERS III, L.P.
TCW/CRESCENT MEZZANINE TRUST III
TCW/CRESCENT MEZZANINE PARTNERS III
NETHERLANDS, L.P.

By: TCW/Crescent Mezzanine
Management III, L.L.C.,
its Investment Manager

By: TCW Asset Management Company,
its Sub-Advisor

By: /s/ Timothy P. Costello

Name: Timothy P. Costello
Its: Managing Director

[PRESTIGE INTERNATIONAL HOLDINGS, LLC: SIGNATURE PAGE TO FIRST AMENDMENT AND
ACKNOWLEDGMENT TO SENIOR MANAGEMENT AGREEMENT]

EXHIBIT B

EBITDA

FISCAL
YEAR
ANNUAL
EBITDA
- - - - -
- - - - -
- - - - -
- - - - -
- - - - -
2004 \$
102
million
2005 \$
102
million
2006 \$
102
million
2007 \$
102
million
2008 \$
102
million

[EXECUTION COPY]

SENIOR MANAGEMENT AGREEMENT

THIS SENIOR MANAGEMENT AGREEMENT (this "AGREEMENT") is made as of March 17, 2004 (the "EFFECTIVE DATE"), by and among Medtech/Denorex, LLC, a Delaware limited liability company (the "COMPANY"), Medtech/Denorex Management, Inc., a Delaware corporation ("EMPLOYER"), and Eric M. Millar ("EXECUTIVE"). Certain provisions of this Agreement are intended for the benefit of, and will be enforceable by, the Investors.

The Company and Executive desire to enter into an agreement pursuant to which Executive will purchase from the Company, and the Company will sell to Executive, Common Units of the Company (the "COMMON UNITS"). Certain definitions are set forth in SECTION 11 of this Agreement.

Employer desires to employ Executive and Executive desires to be employed by Employer upon the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

PROVISIONS RELATING TO EXECUTIVE SECURITIES

1. PURCHASE AND SALE OF EXECUTIVE SECURITIES.

(a) Upon execution of this Agreement, Executive will purchase, and the Company will sell, 197,615 Common Units at a price of \$0.10 per unit for an aggregate purchase price of \$19,761.50. Upon the execution of this Agreement, the Company will deliver to Executive copies of the certificates representing such Executive Securities (as defined below), and Executive will deliver to the Company a cashier's or certified check or wire transfer of funds in an aggregate amount of \$19,761.50.

(b) Within 30 days after the purchase of the Common Units hereunder, Executive will make an effective election with the Internal Revenue Service under Section 83(b) of the Internal Revenue Code and the regulations promulgated thereunder in the form of EXHIBIT A attached hereto.

(c) All of the Common Units purchased hereunder are also referred to herein as the "STANDARD CARRIED COMMON UNITS" (each individually, a "STANDARD CARRIED COMMON UNIT").

(d) Until released upon the occurrence of a Sale of the Company or a Public Offering as provided below, all certificates evidencing Executive Securities shall remain held by the Company for the benefit of Executive and the other holder(s) of Executive Securities, if any. Upon the occurrence of a Sale of

the Company, the Company will return all certificates evidencing Executive Securities to the record holders thereof. Upon the consummation of a Public Offering, the Company will return to the record holders thereof certificates evidencing the Vested Common Units.

(e) In connection with the purchase and sale of the Executive Securities, Executive represents and warrants to the Company that:

(i) The Executive Securities to be purchased by Executive pursuant to this Agreement will be acquired for Executive's own account and not with a view to, or intention of, distribution thereof in violation of the Securities Act, or any applicable state securities laws, and the Executive Securities will not be disposed of in contravention of the Securities Act or any applicable state securities laws.

(ii) Executive is an executive officer of the Company and Employer, is sophisticated in financial matters and is able to evaluate the risks and benefits of the investment in the Executive Securities.

(iii) Executive is able to bear the economic risk of his investment in the Executive Securities for an indefinite period of time because the Executive Securities have not been registered under the Securities Act and, therefore, cannot be sold unless subsequently registered under the Securities Act or an exemption from such registration is available.

(iv) Executive has had an opportunity to ask questions and receive answers concerning the terms and conditions of the offering of Executive Securities and has had full access to such other information concerning the Company and its Subsidiaries as he has requested.

(v) Executive has full legal capacity to execute and deliver this Agreement and to perform his obligations hereunder. This Agreement constitutes the legal, valid and binding obligation of Executive, enforceable in accordance with its terms, and the execution, delivery and performance of this Agreement by Executive, to the best of his knowledge, does not and will not conflict with, violate or cause a breach of any agreement, contract or instrument to which Executive is a party or any judgment, order or decree to which Executive is subject. This representation is subject to SECTION 1(e)(vi) below.

(vi) Except as set forth on SCHEDULE 1(e)(vi) attached hereto, Executive is neither party to, nor bound by, any other employment agreement, consulting agreement, noncompete agreement, non-solicitation agreement or confidentiality agreement.

(vii) Executive is a resident of the State of New York.

(f) As an inducement to the Company to sell the Executive Securities to Executive, and as a condition thereto, Executive acknowledges and agrees that

neither the issuance of the Executive Securities to Executive nor any provision contained herein shall entitle Executive to remain in the employment of the Company, Employer or any of their respective Subsidiaries or affect the right of the Company or Employer to terminate Executive's employment at any time for any reason, subject to the remaining terms of this Agreement and any other agreement between Executive and any such parties.

2. VESTING OF COMMON UNITS.

(a) The Common Units (including the Standard Carried Common Units which shall vest on a basis proportionate to the total number of Common Units) shall be subject to vesting in the manner specified in this SECTION 2.

(b) Except as otherwise provided in this SECTION 2, the Common Units shall become vested in accordance with the following schedule, if and only if as of each such date provided below, Executive has been continuously employed by the Company, Employer or any of their respective Subsidiaries from the Effective Date through and including such date:

CUMULATIVE PERCENTAGE OF DATE COMMON UNITS VESTED --- ----- ----- ----- ----- ----- ----- ----- -----
First Anniversary of Effective Date 20.00%
Second Anniversary of Effective Date 40.00%
Third Anniversary of Effective Date 60.00%
Fourth Anniversary of Effective Date 80.00%
Fifth Anniversary of Effective Date 100.00%

(c) If Executive ceases to be employed by the Company, Employer and their respective Subsidiaries on any date other than an anniversary date specified in the schedule above, the cumulative percentage of Common Units to become vested shall be determined on a PRO RATA basis according to the number of days elapsed since the Effective Date, or the most recent anniversary date, as the case may be.

(d) Upon the occurrence of a Sale of the Company, all Common Units which have not yet become vested shall become vested at the time of the consummation of the Sale of the Company, if, as of such time, Executive has been continuously employed by the Company, Employer or any of their respective Subsidiaries from the Effective Date through and including such date.

(e) Common Units that have become vested are referred to herein as "VESTED COMMON UNITS." Common Units that have not vested are referred to herein as "UNVESTED COMMON UNITS."

3. REPURCHASE OPTIONS.

(a) SEPARATION REPURCHASE OPTION.

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(i) Subject to the terms and conditions set forth in this SECTION 3(a) and SECTION 5 below, the Company and the Equity Investors will have the right to repurchase (the "SEPARATION REPURCHASE OPTION") from Executive and his transferees (other than the Company and the Equity Investors) all or any portion of (A) the Unvested Common Units, in the event Executive ceases to be employed by the Company, Employer and their respective Subsidiaries for any reason, and (B) the Vested Common Units, in the event of Executive's (I) death, (II) Disability, (III) resignation other than for Good Reason from Executive's employment with the Company, Employer or any of their respective Subsidiaries, (IV) employment termination with Cause by the Company, Employer or any of their respective Subsidiaries or (V) employment termination when there is Substantial Underperformance (each a "SEPARATION REPURCHASE EVENT"). The Separation Repurchase Option with respect to Vested Common Units under SECTIONS 3(a)(i)(B)(I) and 3(a)(i)(B)(II) shall be valid only if Executive fails to exercise his put rights, if any, under SECTION 4 below within the Put Election Period provided in such SECTION 4(a). The Company may assign its repurchase rights set forth in this SECTION 3(a) to any Person.

(ii) For any Separation Repurchase Option, (A) the purchase price for each Unvested Common Unit will be the lesser of (I) Executive's Original Cost for such unit and (II) the Fair Market Value of such unit as of the date of the Separation Repurchase Event and (B) the purchase price for each Vested Common Unit will be the Fair Market Value of such unit as of the date of the Separation Repurchase Event; PROVIDED THAT, if Executive's employment is terminated with Cause, the purchase price for each Vested Common Unit will be the lesser of (I) Executive's Original Cost for such unit and (II) the Fair Market Value of such unit as of the effective date of Executive's termination with Cause; PROVIDED FURTHER THAT, the preceding proviso shall not apply in the event Executive's employment is terminated pursuant to clause (vi) of the definition of Cause provided herein.

(iii) The Company (with the approval of the Board) may elect to purchase all or any portion of the Unvested Common Units and/or the Vested Common Units by delivering written notice (the "SEPARATION REPURCHASE NOTICE") to the holder or holders of such securities within ninety (90) days after the Separation Repurchase Event. The Separation Repurchase Notice will set forth the number of Unvested Common Units and Vested Common Units to be acquired from each holder, the aggregate consideration to be paid for such units and the time and place for the closing of the transaction. The number of Executive Securities to be repurchased by the Company shall first be satisfied to the extent possible from the Executive Securities held by Executive at the time of delivery of the Separation Repurchase Notice. If the number of Executive Securities then held by Executive is less than the total number of Executive Securities that the Company has elected to purchase, the Company shall purchase the remaining Executive Securities elected to be purchased from the Permitted Transferee(s) of Executive Securities under this Agreement, PRO RATA according to the number of Executive Securities held by such Permitted Transferee(s) at the

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time of delivery of such Separation Repurchase Notice (determined as nearly as practicable to the nearest unit). The number of Unvested Common Units and Vested Common Units to be repurchased hereunder will be allocated among Executive and the Permitted Transferee(s) of Executive Securities (if any) PRO RATA according to the number of Executive Securities to be purchased from such Person.

(iv) If for any reason the Company does not elect to purchase all of the Executive Securities pursuant to the Separation Repurchase Option, the Equity Investors shall be entitled to exercise the Separation Repurchase Option for all or any portion of the Executive Securities the Company has not elected to purchase (the "AVAILABLE SEPARATION SECURITIES"). As soon as practicable after the Company has determined that there will be Available Separation Securities, but in any event within four months after the Separation Repurchase Event, the Company shall give written notice (the "SEPARATION OPTION NOTICE") to the Equity Investors setting forth the number of Available Separation Securities and the purchase price for the Available Separation Securities. The Equity Investors may elect to purchase any or all of the Available Securities by giving written notice to the Company within 30 days after the Separation Option Notice has been given by the Company. If the Equity Investors elect to purchase an aggregate number greater than the number of Available Separation Securities, the Available Separation Securities shall be allocated among the Equity Investors based upon the number of Common Units owned by each Equity Investor. As soon as practicable, and in any event within ten days after the expiration of the 30-day period set forth above, the Company shall notify each holder of Executive Securities under this Agreement as to the number of units being purchased from such holder by the Equity Investors (the "SUPPLEMENTAL SEPARATION REPURCHASE NOTICE"). At the time the Company delivers the Supplemental Repurchase Notice to such holder(s) of Executive Securities, the Company shall also deliver written notice to each Equity Investor setting forth the number of units such Equity Investor is entitled to purchase, the aggregate purchase price and the time and place of the closing of the transaction.

(v) The closing of the purchase of the Executive Securities pursuant to the Separation Repurchase Option shall take place on the date designated by the Company in the Separation Repurchase Notice or Supplemental Separation Repurchase Notice, which date shall not be more than 30 days nor less than five days after the delivery of the later of either such notice to be delivered. The Company will pay for the Executive Securities to be purchased by it pursuant to the Separation Repurchase Option by first offsetting amounts outstanding under any bona fide debts owed by Executive to the Company and will pay the remainder of the purchase price by, at its option, (A) a check or wire transfer of funds, (B) if the purchase is being made by a corporate successor to the Company, the issuance of a subordinated promissory note of such successor bearing interest at a rate equal to the prime rate (as published in THE WALL STREET JOURNAL from time to time) and having such maturity as the Company shall determine in good faith, not to exceed three years, (C) issuing in exchange for such securities a number of

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the Company's Class A Preferred Units (having the rights and preferences set forth in the LLC Agreement) equal to (I) the aggregate portion of the repurchase price for such Executive Securities determined in accordance with this SECTION 3(a) paid by the issuance of Class A Preferred Units DIVIDED BY (II) 1,000, and for purposes of the LLC Agreement each such Class A Preferred Unit shall as of its issuance be deemed to have Capital Contributions (as defined in the LLC Agreement) made with respect to such Class A Preferred Unit equal to \$1,000, or (D) any combination of clauses (A), (B) and (C) as the Board may elect in its discretion. Each Equity Investor will pay for the Executive Securities purchased by it by a check or wire transfer of immediately available funds. The Company and the Equity Investors will be entitled to receive customary representations and warranties from the sellers regarding such sale and to require that all sellers' signatures be guaranteed.

By way of example only for the purpose of clarifying the mechanics of SECTION 3(a)(v)(C), if the Company intends to repurchase 10,000 Common Units by issuance of Class A Preferred Units and the aggregate repurchase price for such Common Units determined in accordance with this SECTION 3(a) is \$400,500, then the Company would issue to Executive 400.5 Class A Preferred Units, and for purposes of the LLC Agreement each whole Class A Preferred Unit issued to Executive would as of its issuance be deemed to have Capital Contributions made for such Class A Preferred Unit of \$1,000, and the Capital Contributions made for the one-half Class A Preferred Unit would be \$500.

(vi) Notwithstanding anything to the contrary contained in this Agreement, if the Fair Market Value of Executive Securities is finally determined to be an amount at least 10% greater than the per unit repurchase price for such unit of Executive Securities in the Separation Repurchase Notice or in the Supplemental Separation Repurchase Notice, each of the Company and the Equity Investors shall have the right to revoke its exercise of the Separation Repurchase Option for all or any portion of the Executive Securities elected to be repurchased by it by delivering notice of such revocation in writing to the holders of Executive Securities during the thirty-day period beginning on the date that the Company and/or the Equity Investors are given written notice that the Fair Market Value of a unit of Executive Securities was finally determined to be an amount at least 10% greater than the per unit repurchase price for Executive Securities set forth in the Separation Repurchase Notice or in the Supplemental Separation Repurchase Notice.

(b) DILUTION REPURCHASE OPTION.

(i) Capitalized terms used in this SECTION 3(b) or elsewhere in this Agreement but not otherwise defined herein shall have the following meanings:

(A) "FOLLOW-ON PURCHASER EQUITY INVESTMENT" means an investment as equity financing in the Company by one or more

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Purchasers after the Effective Date pursuant to the Purchase Agreement; PROVIDED THAT, in no event shall any investment as equity financing by one or more Purchasers in connection with the consummation of the Prestige Transaction constitute a Follow-on Purchaser Equity Investment for purposes of this Agreement.

(B) "FOLLOW-ON PURCHASER EQUITY INVESTMENT AMOUNT" means, with respect to any Follow-on Purchaser Equity Investment, the aggregate dollar amount of such Follow-on Purchaser Equity Investment.

(C) "FULLY-DILUTED EQUITY" means, at any time of determination, the then outstanding Equity Securities plus (without duplication) all shares or units (or other denominations) of Equity Securities issuable, whether at such time or upon the passage of time or the occurrence of future events, upon the exercise, conversion or exchange of all the then outstanding Equity Equivalents.

(D) "MAXIMUM NUMBER OF REPURCHASABLE STANDARD CARRIED COMMON UNITS" means with respect to any Follow-on

Purchaser Equity Investment, the product of the Maximum Percentage of Repurchaseable Standard Carried Common Units MULTIPLIED BY the number of Standard Carried Common Units owned by Executive immediately prior to the Follow-on Purchaser Equity Investment.

(E) "MAXIMUM PERCENTAGE OF REPURCHASEABLE STANDARD CARRIED COMMON UNITS" means, with respect to any Follow-on Purchaser Equity Investment, the sum, expressed as a percentage and rounded to the nearest one-hundredth of a percent, of the Purchaser Equity Fund Dilution Percentage PLUS the Purchaser Mezzanine Fund Dilution Percentage.

(F) "POST-MONEY EQUITY VALUE" means, with respect to any Follow-on Purchaser Equity Investment, the sum of the Pre-Money Equity Value PLUS the Follow-on Purchaser Equity Investment Amount.

(G) "PRE-MONEY EQUITY VALUE" means, with respect to any Follow-on Purchaser Equity Investment, the Fair Market Value of the Fully-Diluted Equity of the Company immediately prior to the Follow-on Purchaser Equity Investment.

(H) "PURCHASER EQUITY FUND DILUTION PERCENTAGE" means, with respect to any Follow-on Purchaser Equity Investment, the quotient, expressed as a percentage and rounded to

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the nearest one-hundredth of a percent, equal to the Follow-on Purchaser Equity Investment Amount divided by the Post-Money Equity Value.

(I) "PURCHASER MEZZANINE FUND DILUTION FACTOR" means 5.53%.

(J) "PURCHASER MEZZANINE FUND DILUTION PERCENTAGE" means, with respect to any Follow-on Purchaser Equity Investment, the product, expressed as a percentage and rounded to the nearest one-hundredth of a percent, of the Purchaser Equity Fund Dilution Percentage MULTIPLIED BY the Purchaser Mezzanine Fund Dilution Factor.

(ii) Subject to the terms and conditions set forth in this SECTION 3(b), in the event of any Follow-on Purchaser Equity Investment, the Investors will have the right to repurchase (the "DILUTION REPURCHASE OPTION") from Executive and his transferees (including for this purpose the Company and, with respect to any Standard Carried Common Units acquired other than pursuant to the Dilution Repurchase Option, the Investors) all or any portion of Executive's Maximum Number of Repurchasable Standard Carried Common Units as of such Follow-on Purchaser Equity Investment.

(iii) For any Dilution Repurchase Option, the purchase price for each Standard Carried Common Unit will be Executive's Original Cost for such unit PLUS interest on such amount at a rate of 8% per annum from the date hereof until the date of exercise of such Dilution Repurchase Option.

(iv) As soon as practicable after the Company has determined the Maximum Number of Repurchasable Standard Carried Common Units, the Company shall give written notice (the "DILUTION REPURCHASE OPTION NOTICE") to the Investors setting forth the Maximum Number of Repurchasable Standard Carried Common Units and the purchase price therefor. The Investors may elect to purchase any or all of the Maximum Number of Repurchasable Standard Carried Common Units by giving written notice to the Company within 30 days after the Dilution Repurchase Option Notice has been given by the Company. If the Investors elect to purchase an aggregate number greater than the Maximum Number of Repurchasable Standard Carried Common Units, the Maximum Number of Repurchasable Standard Carried Common Units shall be allocated among the Investors based upon the number of Common Units owned by each Investor. As soon as practicable, and in any event within 10 days after the expiration of the 30-day period set forth above, the Company shall notify each holder of the Standard Carried Common Units as to the number of units being purchased from such holder by the Investors, the aggregate consideration to be paid for such units and the time and place for the closing of the transaction (the "DILUTION REPURCHASE NOTICE"). At such time, the Company shall also deliver written notice to each Investor setting forth the number of units such Investor is

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entitled to purchase, the aggregate purchase price and the time and place of the closing of the transaction.

(v) The number of Standard Carried Common Units to be repurchased by the Investors shall first be satisfied to the extent possible from the Standard Carried Common Units held by Executive at the time of delivery of the Dilution Repurchase Notice. If the number of Standard Carried Common Units then held by Executive is less than the total number of Standard Carried Common Units that the Investors have elected to purchase, the Investors shall purchase the remaining Standard Carried Common Units elected to be purchased from the Permitted Transferee(s) of Executive Securities under this Agreement, PRO RATA according to the number of Executive Securities held by such Permitted Transferee(s) at the time of delivery of such Dilution Repurchase Notice (determined as nearly as

practicable to the nearest unit). The number of Standard Carried Common Units, vested and unvested, to be repurchased hereunder shall be allocated among Executive and the Permitted Transferee(s) of Executive Securities (if any), PRO RATA according to the number of Standard Carried Common Units to be purchased from such Person.

(vi) The closing of the purchase of the Standard Carried Common Units pursuant to the Dilution Repurchase Option shall take place on the date designated in the Dilution Repurchase Notice, which date shall not be more than 30 days nor less than five days after the delivery of such notice. Each Investor will pay for the Executive Securities to be purchased by it pursuant to the Dilution Repurchase Option by a check or wire transfer of immediately available funds. The Investors will be entitled to receive customary representations and warranties from the sellers regarding such sale and to require that all sellers' signatures be guaranteed.

4. PUT RIGHTS.

(a) SEPARATION PUT RIGHT. In the event Executive ceases to be employed by the Company, Employer and their respective Subsidiaries as a result of Executive's (A) death, (B) Disability, (C) employment termination by the Company, Employer or any of their respective Subsidiaries without Cause when there is not Substantial Underperformance or (D) resignation from his employment for Good Reason when there is not Substantial Underperformance (each a "SEPARATION PUT EVENT"), Executive may elect (the "SEPARATION PUT ELECTION"), subject to and in accordance with the terms of this SECTION 4 and SECTION 5 below, to require the Company to purchase from Executive and the other holders of Executive Securities under this Agreement all (but not less than all) of the Vested Common Units held by Executive or such holders by delivering written notice (the "SEPARATION PUT EXERCISE NOTICE") to the Company before the expiration of the Put Election Period, specifying in such Separation Put Exercise Notice the number and type of Vested Common Units required to be purchased by the Company.

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(b) REPURCHASE PRICE. For any Separation Put Election, the purchase price for each Vested Common Unit will be the Fair Market Value of such unit as of the Put Event Date.

(c) CLOSING PROCEDURES. The closing of the purchase of the Vested Common Units pursuant to the Separation Put Election shall take place on a date to be designated by the Company in the Company Separation Purchase Price Notice, which date shall not be more than 30 days nor less than five days after the Separation Put Exercise Notice is received by the Company. The Company shall specify in writing to Executive the aggregate consideration to be paid for such units and the time and place for the closing of the transaction within five days after receipt of the Separation Put Exercise Notice (the "COMPANY SEPARATION PURCHASE PRICE NOTICE"). The Company will pay for the Vested Common Units to be purchased by it pursuant to the Separation Put Election by first offsetting amounts outstanding under any bona fide debts owed by Executive to the Company and will pay the remainder of the purchase price by a check or wire transfer of immediately available funds. The Company will be entitled to receive customary representations and warranties from the sellers regarding such sale and to require that all sellers' signatures be guaranteed.

(d) TERMINATION OF PUT RIGHTS. Notwithstanding anything herein to the contrary, the purchase obligations of the Company pursuant to this SECTION 4 shall terminate if, prior to the consummation of such purchase obligations, a Public Offering or a Sale of the Company occurs (such termination effective as of the consummation of the Public Offering or Sale of the Company, as the case may be).

5. LIMITATIONS ON CERTAIN REPURCHASES. Notwithstanding anything to the contrary contained in this Agreement, all repurchases of Executive Securities by the Company pursuant to the Separation Repurchase Option or the Separation Put Election shall be subject to the ability of the Company to pay the purchase price from its readily available cash resources (without imposing any obligation on the Company to raise financing to fund the repurchases) and also subject to applicable restrictions contained in the Delaware Limited Liability Company Act, the Delaware General Corporation Law or such other governing corporate or limited liability company law, applicable federal and state securities laws, and in the Company's and its Subsidiaries' debt and equity financing agreements. If any such restrictions prohibit (A) the repurchase of Executive Securities hereunder which the Company is otherwise entitled or required to make or (B) dividends or other transfers of funds from one or more Subsidiaries to the Company to enable such repurchases, then the Company may (in the case of the Separation Repurchase Option), or shall (in the case of the Separation Put Election), make such repurchases as soon as it is permitted to make repurchases or receive funds from Subsidiaries under such restrictions. Furthermore, in the event of a disagreement in accordance with the terms herein relating to the determination of the Fair Market Value of any Executive Securities, the time periods described herein with respect to purchases of Executive Securities under SECTIONS 3 and 4 herein shall be tolled until any such determination has been made in accordance with the terms provided herein.

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6. RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) TRANSFER OF EXECUTIVE SECURITIES. The holders of Executive Securities shall not Transfer any interest in any units of Executive Securities, except pursuant to (i) the provisions of SECTIONS 3 or 4 hereof, (ii) the provisions of Section 1 of the Securityholders

Agreement (a "PARTICIPATING SALE"), (iii) an Approved Sale (as defined in Section 4 of the Securityholders Agreement) or (iv) the provisions of SECTION 6(b) below.

(b) CERTAIN PERMITTED TRANSFERS. The restrictions in this SECTION 6 will not apply with respect to any Transfer of (i) Executive Securities made pursuant to applicable laws of descent and distribution or to such Person's legal guardian in the case of any mental incapacity or among such Person's Family Group or (ii) Common Units at such time as the Investors sell Common Units in a Public Sale, but in the case of this clause (ii) only an amount of units (the "TRANSFER AMOUNT") equal to the lesser of (A) the number of Vested Common Units owned by Executive and (B) the result of the number of Common Units owned by Executive multiplied by a fraction (the "TRANSFER FRACTION"), the numerator of which is the number of Common Units sold by the Investors in such Public Sale and the denominator of which is the total number of Common Units held by the Investors prior to the Public Sale; PROVIDED that, if at the time of a Public Sale of units by the Investors, Executive chooses not to Transfer the Transfer Amount, Executive shall retain the right to Transfer an amount of Common Units at a future date equal to the lesser of (x) the number of Vested Common Units owned by Executive at such future date and (y) the result of the number of Common Units owned by Executive at such future date multiplied by the Transfer Fraction; PROVIDED further that the restrictions contained in this SECTION 6 will continue to be applicable to the Executive Securities after any Transfer of the type referred to in clause (i) above and the transferees of such Executive Securities must agree in writing to be bound by the provisions of this Agreement, the LLC Agreement, the Securityholders Agreement and the Registration Agreement. Any transferee of Executive Securities pursuant to a Transfer in accordance with the provisions of clause (i) of this SECTION 6(b) is herein referred to as a "PERMITTED TRANSFEREE." Upon the Transfer of Executive Securities pursuant to this SECTION 6(b), the transferring holder of Executive Securities will deliver a written notice (a "TRANSFER NOTICE") to the Company. In the case of a Transfer pursuant to clause (i) hereof, the Transfer Notice will disclose in reasonable detail the identity of the Permitted Transferee(s).

(c) TERMINATION OF RESTRICTIONS. The restrictions set forth in this SECTION 6 will continue with respect to each unit of Executive Securities until the earlier of (i) the date on which such unit of Executive Securities has been transferred in a Public Sale permitted by this SECTION 6, or (ii) the consummation of a Sale of the Company.

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7. ADDITIONAL RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) LEGEND. The certificates representing the Executive Securities will bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED AS OF MARCH 17, 2004, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER, CERTAIN REPURCHASE OPTIONS AND CERTAIN OTHER AGREEMENTS SET FORTH IN A SENIOR MANAGEMENT AGREEMENT BETWEEN THE ISSUER AND AN EXECUTIVE OF THE COMPANY AND OTHER PARTIES, DATED AS OF MARCH 17, 2004. A COPY OF SUCH AGREEMENT MAY BE OBTAINED BY THE HOLDER HEREOF AT THE ISSUER'S PRINCIPAL PLACE OF BUSINESS WITHOUT CHARGE."

(b) OPINION OF COUNSEL. No holder of Executive Securities may Transfer any Executive Securities (except pursuant to SECTION 3, SECTION 4 or SECTION 6(b) of this Agreement, Section 4 of the Securityholders Agreement or an effective registration statement under the Securities Act) without first delivering to the Company a written notice describing in reasonable detail the proposed Transfer, together with an opinion of counsel (reasonably acceptable in form and substance to the Company) that neither registration nor qualification under the Securities Act and applicable state securities laws is required in connection with such transfer. In addition, if the holder of the Executive Securities delivers to the Company an opinion of counsel that no subsequent Transfer of such Executive Securities shall require registration under the Securities Act, the Company shall promptly upon such contemplated Transfer deliver new certificates for such Executive Securities that do not bear the Securities Act portion of the legend set forth in SECTION 7(a). If the Company is not required to deliver new certificates for such Executive Securities not bearing such legend, the holder thereof shall not Transfer the same until the prospective transferee has confirmed to the Company in writing its agreement to be bound by the conditions contained in this SECTION 7.

PROVISIONS RELATING TO EMPLOYMENT

8. EMPLOYMENT. Employer agrees to employ Executive and Executive accepts such employment for the period beginning as of the date hereof and ending upon his separation pursuant to SECTION 8(c) hereof (the "EMPLOYMENT PERIOD").

(a) POSITION AND DUTIES.

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(i) During the Employment Period, Executive shall serve as the Senior Vice President - Operations of Employer and shall have the normal duties, responsibilities and authority implied by such position,

subject to the power of the Chief Executive Officer of Employer and the Board to expand or limit such duties, responsibilities and authority and to override such actions.

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

(b) SALARY, BONUS AND BENEFITS. During the Employment Period, Employer will pay Executive a base salary of \$205,000 per annum (the "ANNUAL BASE SALARY"). The existing Medtech/Denorex bonus program will continue through the fiscal year ending March 31, 2004. Beginning with fiscal year 2005, the Board shall develop a new bonus program which may incorporate subjective and objective criteria for bonus achievement different from the criteria contained in the existing Medtech/Denorex bonus program; PROVIDED, HOWEVER, THAT the maximum bonus payment potentials to Executive will not be decreased from those provided in the existing Medtech/Denorex bonus program. In addition, during the Employment Period, Executive will be entitled to such other benefits approved by the Board and made available to the senior management of the Company, Employer and their Subsidiaries, which shall include vacation time (in an amount consistent with past practice) and medical, dental, life and disability insurance. Following the completion of the fiscal year ending March 31, 2005, the Board, on a basis consistent with past practice, shall review the Annual Base Salary of Executive and may increase the Annual Base Salary by such amount as the Board, in its sole discretion, shall deem appropriate. The term "Annual Base Salary" as used in this Agreement shall refer to the Annual Base Salary as it may be so increased.

(c) SEPARATION. The Employment Period will continue until (i) Executive's death, Disability or resignation from employment with the Company, Employer and their respective Subsidiaries or (ii) the Company, Employer and their respective Subsidiaries decide to terminate Executive's employment with or without Cause. If (A) Executive's employment is terminated without Cause pursuant to clause (ii) above or (B) Executive resigns from employment with the Company, Employer or any of their respective Subsidiaries for Good Reason, then during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination (the "SEVERANCE PERIOD"), Employer shall pay to Executive, in equal installments on the Employer's regular salary payment dates, an aggregate amount equal to (I) his Annual Base Salary, PLUS (II) an amount equal to the annual bonus, if any, paid or payable to Executive by Employer for the last fiscal year ended prior to the date of termination. In addition, if Executive is entitled on the date of termination to coverage under the medical and prescription portions of the Welfare Plans, such coverage shall continue for Executive and Executive's covered dependents for a

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period ending on the first anniversary of the date of termination at the active employee cost payable by Executive with respect to those costs paid by Executive prior to the date of termination; PROVIDED, that this coverage will count towards the depletion of any continued health care coverage rights that Executive and Executive's dependents may have pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"); PROVIDED further, that Executive's or Executive's covered dependents' rights to continued health care coverage pursuant to this SECTION 8(c) shall terminate at the time Executive or Executive's covered dependents become covered, as described in COBRA, under another group health plan, and shall also terminate as of the date Employer ceases to provide coverage to its senior executives generally under any such Welfare Plan. Notwithstanding the foregoing, (I) Executive shall not be entitled to receive any payments or benefits pursuant to this SECTION 8(c) unless Executive has executed and delivered to Employer a general release in form and substance satisfactory to Employer and (II) Executive shall be entitled to receive such payments and benefits only so long as Executive has not breached the provisions of SECTIONS 9 or 10 hereof. The release described in the foregoing sentence shall not require Executive to release any claims for any vested employee benefits, workers compensation benefits covered by insurance or self-insurance, claims to indemnification to which Executive may be entitled under the Company's or its Subsidiaries' certificate(s) of incorporation, by-laws or under any of the Company's or its Subsidiaries' directors or officers insurance policy(ies) or applicable law, or equity claims to contribution from the Company or its Subsidiaries or any other Person to which Executive is entitled as a matter of law in respect of any claim made against Executive for an alleged act or omission in Executive's official capacity and within the scope of Executive's duties as an officer, director or employee of the Company or its Subsidiaries. Not later than eighteen (18) months following the termination of Executive's employment, the Company and its Subsidiaries for which the Executive has acted in the capacity of a senior manager, shall sign and deliver to Executive a release of claims that the Company or its Subsidiaries has against Executive; PROVIDED THAT, such release shall not release any claims that the Company or its Subsidiaries commenced prior to the date of the release(s), any claims relating to matters actively concealed by Executive, any claims to contribution from Executive to which the Company or its Subsidiaries are entitled as a matter of law or any claims arising out of mistaken indemnification by the Company or any of its Subsidiaries. Except as otherwise provided in this SECTION 8(c) or in the Employer's employee benefit plans or as otherwise required by applicable law, Executive shall not be entitled to any other salary, compensation or benefits after termination of Executive's employment with Employer.

(a) OBLIGATION TO MAINTAIN CONFIDENTIALITY. Executive acknowledges that the information, observations and data (including trade secrets) obtained by him during the course of his performance under this Agreement concerning the business or affairs of the Company, Employer and their respective Subsidiaries

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

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

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or Affiliate's ownership (including, without limitation, assignments, consents, powers of attorney, and other instruments).

(c) THIRD PARTY INFORMATION. Executive understands that the Company, Employer and their respective Subsidiaries and Affiliates will receive from third parties confidential or proprietary information ("THIRD PARTY INFORMATION") subject to a duty on the Company's, Employer's and their respective Subsidiaries' and Affiliates' part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the Employment Period and thereafter, and without in any way limiting the provisions of SECTION 9(a) above, Executive will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than personnel and consultants of the Company, Employer or their respective Subsidiaries and Affiliates who need to know such information in connection with their work for the Company, Employer or any of their respective Subsidiaries and Affiliates) or use, except in connection with his work for the Company, Employer or any of their respective Subsidiaries and Affiliates, Third Party Information unless expressly authorized by a member of the Board (other than himself if Executive is on the Board) in writing.

(d) USE OF INFORMATION OF PRIOR EMPLOYERS. During the Employment Period and thereafter, Executive will not improperly use or disclose any confidential information or trade secrets, if any, of any former employers or any other Person to whom Executive has an obligation of confidentiality, and will not bring onto the premises of the Company, Employer or any of their respective Subsidiaries or Affiliates any unpublished documents or any property belonging to any former employer or any other Person to whom Executive has an obligation of confidentiality unless consented to in writing by the former employer or Person. Executive will use in the performance of his duties only information which is (i) generally known and

used by persons with training and experience comparable to Executive's and which is (x) common knowledge in the industry or (y) otherwise legally in the public domain, (ii) otherwise provided or developed by the Company, Employer or any of their respective Subsidiaries or Affiliates or (iii) in the case of materials, property or information belonging to any former employer or other Person to whom Executive has an obligation of confidentiality, approved for such use in writing by such former employer or Person.

10. NONCOMPETITION AND NONSOLICITATION. Executive acknowledges that in the course of his employment with Employer he will become familiar with the Company's, Employer's and their respective Subsidiaries' trade secrets and with other confidential information concerning the Company, Employer and such Subsidiaries and that his services will be of special, unique and extraordinary value to the Company, Employer and such Subsidiaries. Therefore, Executive agrees that:

(a) NONCOMPETITION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, he shall not anywhere in the United States, directly or indirectly, own, manage, control, participate in,

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consult with, render services for, or in any manner engage in any business (i) competing with a brand of the Company, Employer, Medtech, Denorex, Spic and Span, any business acquired by such Persons, or any Subsidiaries of such Persons, representing 10% or more of the consolidated revenues or EBITDA of the Company and its Subsidiaries for the trailing 12 months ending on the last day of the last completed calendar month immediately preceding the date of termination of the Employment Period or (ii) in which the Company, Employer Medtech, Denorex, Spic and Span, any business acquired by such Persons, or any Subsidiaries of such Persons has conducted discussions or has requested and received information relating to the acquisition of such business by such Person (x) within one year prior to the Separation and (y) during the Severance Period, if any. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation that is publicly traded, so long as Executive has no active participation in the business of such corporation.

(b) NONSOLICITATION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, Executive shall not directly or indirectly through another entity (i) induce or attempt to induce any employee of the Company, Employer or any of their respective Subsidiaries to leave the employ of the Company, Employer or any such Subsidiary, or in any way interfere with the relationship between the Company, Employer and any of their respective Subsidiaries and any employee thereof, (ii) hire any person who was an employee of the Company, Employer or any of their respective Subsidiaries within 180 days after such person ceased to be an employee of the Company, Employer or any of their respective Subsidiaries (PROVIDED, HOWEVER, THAT such restriction shall not apply for a particular employee if the Company has provided its written consent to such hire, which consent, in the case of any person who was not a key employee of the Company, Employer or any of their respective Subsidiaries, shall not be unreasonably withheld), (iii) induce or attempt to induce any customer, supplier, licensee or other business relation of the Company, Employer or any of their respective Subsidiaries to cease doing business with the Company, Employer or any such Subsidiary or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company, Employer or any Subsidiary or (iv) directly or indirectly acquire or attempt to acquire an interest in any business relating to the business of the Company, Employer or any of their respective Subsidiaries and with which the Company, Employer and any of their respective Subsidiaries has conducted discussions or has requested and received information relating to the acquisition of such business by the Company, Employer or any of their respective Subsidiaries in the two year period immediately preceding a Separation.

(c) ENFORCEMENT. If, at the time of enforcement of SECTION 9 or this SECTION 10, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum duration, scope or geographical area reasonable under such circumstances shall be

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substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum duration, scope and area permitted by law. Because Executive's services are unique and because Executive has access to Confidential Information, the parties hereto agree that money damages would be an inadequate remedy for any breach of this Agreement. Therefore, in the event of a breach or threatened breach of this Agreement, the Company, Employer, their respective Subsidiaries or their successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security).

(d) ADDITIONAL ACKNOWLEDGMENTS. Executive acknowledges that the provisions of this SECTION 10 are in consideration of: (i) employment with the Employer, (ii) the issuance of the Executive Securities by the Company

and (iii) additional good and valuable consideration as set forth in this Agreement. In addition, Executive agrees and acknowledges that the restrictions contained in SECTION 9 and this SECTION 10 do not preclude Executive from earning a livelihood, nor do they unreasonably impose limitations on Executive's ability to earn a living. In addition, Executive acknowledges (i) that the business of the Company, Employer and their respective Subsidiaries will be conducted throughout the United States, (ii) notwithstanding the state of incorporation or principal office of the Company, Employer or any of their respective Subsidiaries, or any of their respective executives or employees (including the Executive), it is expected that the Company and Employer will have business activities and have valuable business relationships within its industry throughout the United States and (iii) as part of his responsibilities, Executive will be traveling throughout the United States in furtherance of Employer's business and its relationships. Executive agrees and acknowledges that the potential harm to the Company and Employer of the non-enforcement of SECTION 9 and this SECTION 10 outweighs any potential harm to Executive of its enforcement by injunction or otherwise. Executive acknowledges that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Executive by this Agreement, and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company, Employer and their Subsidiaries now existing or to be developed in the future. Executive expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

GENERAL PROVISIONS

11. DEFINITIONS.

"AFFILIATE" means, (i) with respect to any Person, any Person that controls, is controlled by or is under common control with such Person or an Affiliate of such Person, and (ii) with respect to any Investor, any general or limited partner of such

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Investor, any employee or owner of any such partner, or any other Person controlling, controlled by or under common control with such Investor.

"BOARD" means the Company's board of managers (or its equivalent).

"CAUSE" means (i) the intentional or knowing commission of a felony or a crime involving moral turpitude or the commission of any other act or omission involving dishonesty or fraud with respect to the Company, Employer or any of their respective Subsidiaries or any of their customers or suppliers, (ii) substantial and repeated failure to perform duties of the office held by Executive as reasonably directed by the Chief Executive Officer of Employer and/or the Board, (iii) gross negligence or willful misconduct with respect to the Company, Employer or any of their respective Subsidiaries, (iv) conduct tending to bring the Company, Employer or any of their respective Subsidiaries into substantial public disgrace or disrepute, (v) any breach by Executive of SECTIONS 9 or 10 of this Agreement or (vi) with respect to the U.S. visa held by Executive, failure to comply with the expiration terms thereof. Notwithstanding the foregoing, if it is alleged or determined that actions taken by Executive caused the Company, Employer or any of their respective Subsidiaries to engage in illegal activities or operations, the taking of such actions by Executive shall not constitute "Cause" hereunder if Executive had a reasonable and good faith belief that such actions were not in violation of any law, rule, regulation or court order, were in the best interests of the Company, Employer and their respective Subsidiaries and were taken in the ordinary course of business.

"CLASS A PREFERRED UNITS" means the Class A Preferred Units, as defined in the LLC Agreement.

"CLASS B PREFERRED UNITS" means the Class B Preferred Units, as defined in the LLC Agreement.

"CREDIT AGREEMENT" means that certain Credit Agreement dated as February 6, 2004, by and among Medtech Acquisition, Inc., Denorex Acquisition, Inc., Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., the financial institutions parties thereto and the other parties named therein, as the same may be amended, supplemented or otherwise modified from time to time, at any renewal, extension, refunding, restructuring, replacement or refinancing thereof (whether with the original agent or lenders or another agent or agents or other lenders and whether provided under the original Credit Agreement or any other credit agreement).

"DEBT" has the meaning set forth in the Credit Agreement.

"DENOREX" means The Denorex Company, a Delaware corporation.

"DISABILITY" means the disability of Executive caused by any physical or mental injury, illness or incapacity as a result of which Executive is unable to effectively perform the essential functions of Executive's duties as determined by the Board in good faith.

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"EBITDA" has the meaning set forth in the Credit Agreement.

"EQUITY EQUIVALENTS" means, at any time, without duplication with any other Equity Securities or Equity Equivalents, any rights, warrants, options,

convertible securities or Debt, exchangeable securities or Debt, or other rights, exercisable for or convertible or exchangeable into, directly or indirectly, Equity Securities and securities convertible or exchangeable into Equity Securities, whether at the time of issuance or upon the passage of time or the occurrence of a future event.

"EQUITY INVESTOR" means any of GTCR Fund VIII, GTCR Fund VIII/B, GTCR Co-Invest or the TCW/Crescent Purchasers (collectively, the "EQUITY INVESTORS").

"EQUITY SECURITIES" means all shares or units of Common Units, Class A Preferred Units, Class B Preferred Units and other Units (as defined in the LLC Agreement) or other equity interests in the Company (including other classes or series thereof having different rights) as may be authorized for issuance by the Company from time to time. Equity Securities will also include equity of the Company (or a corporate successor to the Company or a Subsidiary of the Company) issued with respect to Equity Securities (i) by way of a unit split, unit dividend, conversion, or other recapitalization, (ii) by way of reorganization or recapitalization of the Company in connection with the incorporation of a corporate successor in accordance with Section 15.7 of the LLC Agreement, or (iii) by way of a distribution of securities of a Subsidiary of the Company to the members of the Company following or with respect to a Subsidiary Public Offering.

"EXECUTIVE SECURITIES" means all Common Units acquired by Executive hereunder. Executive Securities will continue to be Executive Securities in the hands of any holder other than Executive (except for the Company, the Investors and transferees in a Public Sale, which transferees, other than as provided in SECTION 3(b)(ii) above, shall not be subject to the provisions of this Agreement with respect to such securities), and except as otherwise provided herein, each such other holder of Executive Securities will succeed to all rights and obligations attributable to Executive as a holder of Executive Securities hereunder. Executive Securities (or, individually, any particular type of equity security included therein) will also include equity securities of the Company (or a corporate successor to the Company or a Subsidiary of the Company) issued with respect to Executive Securities (or, individually, any particular type of equity security included therein) (i) by way of a unit split, unit dividend, conversion, or other recapitalization, (ii) by way of reorganization or recapitalization of the Company in connection with the incorporation of a corporate successor in accordance with Section 15.7 of the LLC Agreement or (iii) by way of a distribution of securities of a Subsidiary of the Company to the members of the Company following or with respect to a Subsidiary Public Offering. For the avoidance of doubt, all Unvested Common Units shall remain Unvested Common Units after a Transfer thereof, unless such Transfer is to the Company, an Investor or a transferee in a Public Sale.

"FAIR MARKET VALUE" of each unit of Executive Securities or other Equity Securities, as the case may be (as applicable, the "APPLICABLE SECURITIES"), means the average of the closing prices of the sales of such Applicable Securities on all securities

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exchanges on which such Applicable Securities may at the time be listed, or, if there have been no sales on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day such Applicable Securities are not so listed, the average of the representative bid and asked prices quoted in the NASDAQ System as of 4:00 P.M., New York time, or, if on any day such Applicable Securities are not quoted in the NASDAQ System, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau Incorporated, or any similar successor organization, in each such case averaged over a period of 21 days consisting of the day as of which the Fair Market Value is being determined and the 20 consecutive business days prior to such day. If at any time such Applicable Securities are not listed on any securities exchange or quoted in the NASDAQ System or the over-the-counter market, the Fair Market Value will be the fair value of such Applicable Securities as determined in good faith by the Board. If Executive reasonably disagrees with such determination, Executive shall deliver to the Board a written notice of objection (an "OBJECTION") within thirty (30) days after delivery of the Separation Repurchase Notice (or if no Separation Repurchase Notice is delivered, then within thirty (30) days after delivery of the Supplemental Separation Repurchase Notice), the Dilution Repurchase Notice or the Company Separation Purchase Price Notice, as applicable. Upon receipt of Executive's Objection, the Board and Executive will negotiate in good faith to agree on such Fair Market Value. If such agreement is not reached within 20 days after the delivery of the Objection, Fair Market Value shall be determined by an appraiser jointly selected by the Board and Executive, which appraiser shall submit to the Board and Executive a report within 30 days of its engagement setting forth such determination. If the parties are unable to agree on an appraiser within 25 days after delivery of the Objection, within seven days, each party shall submit the names of four nationally recognized firms that are engaged in the business of valuing non-public securities, and each party shall be entitled to strike two names from the other party's list of firms, and the appraiser shall be selected by lot from the remaining four investment banking firms. The expenses of such appraiser shall be borne equally by Executive and the Company. The determination of such appraiser as to Fair Market Value shall be final and binding upon all parties.

"FAMILY GROUP" means a Person's spouse and descendants (whether natural or adopted), and any trust, family limited partnership, limited liability company or other entity wholly owned, directly or indirectly, by such Person or such Person's spouse and/or descendants that is and remains solely for the benefit of such Person and/or such Person's spouse and/or descendants and any retirement plan for such Person.

"GOOD REASON" means (i) any material diminution in Executive's position,

title, authority, powers, functions, duties or responsibilities with Employer, (ii) the permanent relocation or transfer of Employer's principal office outside a 30 mile radius from Irvington, New York or (iii) any failure of Employer to comply with the Annual Base Salary and bonus provisions of SECTION 8(b) hereof; PROVIDED, HOWEVER, that either or both of clauses (i) or (ii) above shall be disregarded for purposes of this definition if Peter Mann, as the Chief Executive Officer of the Employer, consents to the circumstances described in such clause(s). For the avoidance of doubt, if Executive's resignation is due

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to the expiration (or anticipated expiration) of his U.S. visa, such termination of employment shall be treated hereunder as a resignation other than for Good Reason.

"GTCR CAPITAL PARTNERS" means GTCR Capital Partners, L.P., a Delaware limited partnership.

"GTCR CO-INVEST" means GTCR Co-Invest II, L.P., a Delaware limited partnership.

"GTCR FUND VIII" means GTCR Fund VIII, L.P., a Delaware limited partnership.

"GTCR FUND VIII/B" means GTCR Fund VIII/B, L.P., a Delaware limited partnership.

"INVESTOR" means any Equity Investor, GTCR Capital Partners or the TCW/Crescent Lenders (collectively, the "INVESTORS").

"LLC AGREEMENT" means the Second Amended and Restated Limited Liability Company Agreement of the Company, dated as of March 5, 2004, as amended from time to time pursuant to its terms.

"MEDTECH" means Medtech Holdings, Inc., a Delaware corporation.

"ORIGINAL COST" means, with respect to each Common Unit purchased hereunder, \$0.10 (as proportionately adjusted for all subsequent unit splits, unit dividends and other recapitalizations).

"PERSON" means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, investment fund, any other business entity and a governmental entity or any department, agency or political subdivision thereof.

"PRESTIGE TRANSACTION" means the transactions contemplated by that certain Agreement of Merger, dated as of February 10, 2004, by and among Prestige Acquisition Holdings, LLC, Prestige MergerSub, Inc, and Bonita Bay Holdings, Inc.

"PRO FORMA EBITDA" means, for each month during the applicable period, an amount equal to (i) with respect to fiscal years 2004 through 2008, the monthly EBITDA projections set forth on EXHIBIT B attached hereto, and (ii) with respect to each fiscal year following fiscal year 2008, the monthly EBITDA projections prepared by or on behalf of management of the Company and approved by the Board or a committee thereof, as such EBITDA projections under clauses (i) and (ii) above may subsequently be adjusted, with the approval of the Board, to reflect subsequent acquisitions or dispositions of businesses or other events, circumstances or occurrences that affect such projections. If EBITDA projections are determined on an annual (and not a monthly) basis for any fiscal year, then monthly EBITDA projections for each month during such fiscal year shall equal the quotient of the annual EBITDA projection for such fiscal year divided by 12.

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"PUBLIC OFFERING" means the sale in an underwritten public offering registered under the Securities Act of equity securities of the Company or a corporate successor to the Company.

"PUBLIC SALE" means (i) any sale pursuant to a registered public offering under the Securities Act or (ii) any sale to the public pursuant to Rule 144 promulgated under the Securities Act effected through a broker, dealer or market maker (other than pursuant to Rule 144(k) prior to a Public Offering).

"PURCHASE AGREEMENT" means the Unit Purchase Agreement dated as of February 6, 2004, among the Company, GTCR Fund VIII, GTCR Fund VIII/B, GTCR Co-Invest and the TCW/Crescent Purchasers, as amended from time to time pursuant to its terms.

"PURCHASER" has the meaning set forth in the Purchase Agreement.

"PUT ELECTION PERIOD" means the period of time commencing on the date on which the Separation Put Event occurs and expiring at 5:00 p.m., Chicago, Illinois time, on the 20th business day thereafter for all Separation Put Events other than death and Disability. If the Separation Put Event is triggered by the Executive's death or Disability, the Put Election Period will be extended to 45 business days.

"PUT EVENT DATE" means the date on which a Separation Put Event occurs.

"REGISTRATION AGREEMENT" means the Registration Rights Agreement, dated as of February 6, 2004, by and among the Company and certain of its securityholders, as amended from time to time pursuant to its terms.

"SALE OF THE COMPANY" means any transaction or series of transactions pursuant to which any Person or group of related Persons other than the

Investors or their Affiliates in the aggregate acquire(s) (i) equity securities of the Company possessing the voting power (other than voting rights accruing only in the event of a default, breach or event of noncompliance) to elect a majority of the Board (whether by merger, consolidation, reorganization, combination, sale or transfer of the Company's equity, securityholder or voting agreement, proxy, power of attorney or otherwise) or (ii) all or substantially all of the Company's assets determined on a consolidated basis; PROVIDED that a Public Offering shall not constitute a Sale of the Company.

"SECURITIES ACT" means the Securities Act of 1933, as amended from time to time.

"SECURITYHOLDERS AGREEMENT" means the Securityholders Agreement, dated as of February 6, 2004, among the Company and certain of its securityholders, as amended from time to time pursuant to its terms.

"SEPARATION" means the cessation of employment of Executive with the Company, Employer and their respective Subsidiaries for any reason.

"SPIC AND SPAN" means The Spic and Span Company, a Delaware corporation.

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"SUBSIDIARY" means, with respect to any Person, any corporation, limited liability company, partnership, association, or business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association, or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association, or other business entity. For purposes hereof, references to a "SUBSIDIARY" of any Person shall be given effect only at such times that such Person has one or more Subsidiaries, and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Company.

"SUBSIDIARY PUBLIC OFFERING" means the sale in an underwritten public offering registered under the Securities Act of equity securities of Employer or another Subsidiary of the Company.

"SUBSTANTIAL UNDERPERFORMANCE" means the occurrence or existence of either or both of the following: (i) at any time during the 12-month period ending on and including the date of termination of the Employment Period (A) a default, whether or not cured, caused by the failure to make any Material Payment of any Debt (unless a clerical error caused such failure and such failure was cured immediately upon discovery), (B) any other material event of default (after giving effect to any applicable grace period) relating to any Material Debt the effect of which default is to cause, or to permit the holder or holders of such Material Debt (or a trustee or agent on behalf of such holder or holders) to cause, any such Material Debt to become due prior to its stated maturity (without regard to any subordination provisions relating thereto) or (C) any Material Debt shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof or (ii) as of the date of the termination of the Employment Period, EBITDA for the 12-month period ending on the last day of the last completed calendar month immediately preceding the date of the termination of the Employment Period equals an amount less than 85% of aggregate Pro Forma EBITDA for the same 12-month period. For purposes of this definition, "Debt" shall mean, as of any date of determination, any Debt of the Company, Employer or any of their respective Subsidiaries; "Material Payment" shall mean any payment equal to or greater than \$100,000; and "Material Debt" shall mean any Debt having an outstanding principal balance in excess of \$3 million.

"TCW/CRESCENT LENDERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware

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business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

"TCW/CRESCENT PURCHASERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

"TRANSFER" means to sell, transfer, assign, pledge or otherwise dispose of (whether with or without consideration and whether voluntarily or involuntarily or by operation of law).

"WELFARE PLANS" mean the welfare benefit plans, practices, policies and

programs provided by Employer to the extent applicable generally to other senior executives of the Company.

12. NOTICES. Any notice provided for in this Agreement must be in writing and must be either personally delivered, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated:

IF TO EMPLOYER:

Medtech/Denorex Management, Inc.
90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO THE COMPANY:

Medtech/Denorex, LLC

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90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO EXECUTIVE:

31 Landing Drive
Dobbs Ferry, New York 10522

WITH A COPY TO:

Ford Marrin Esposito Witmeyer & Gleser LLP
Wall Street Plaza
New York, New York 10005-1875
Attention: James M. Adrian

IF TO THE INVESTORS:

See the attached INVESTOR NOTICE SCHEDULE.

or such other address or to the attention of such other Person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement will be deemed to have been given when so delivered or sent or, if mailed, five days after deposit in the U.S. mail.

13. GENERAL PROVISIONS.

(a) TRANSFERS IN VIOLATION OF AGREEMENT. Any Transfer or attempted Transfer of any Executive Securities in violation of any provision of this Agreement shall be void, and the Company shall not record such Transfer on its books or treat any purported transferee of such Executive Securities as the owner of such equity for any purpose.

(b) SEVERABILITY. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or

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unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(c) COMPLETE AGREEMENT. This Agreement, those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and

preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way (including any offer of employment previously entered into between Spic and Span and Executive).

(d) JOINDER TO EQUITY DOCUMENTS. Simultaneous to the execution of this Agreement, Executive shall sign a counterpart signature page to each of the LLC Agreement, Securityholders Agreement and Registration Agreement, thereby agreeing to be bound by the restrictions and entitled to the rights set forth therein. Executive represents to the Company that he has had an opportunity to ask questions concerning the terms and conditions of each agreement referenced in the preceding sentence.

(e) NO STRICT CONSTRUCTION. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(f) COUNTERPARTS. This Agreement may be executed and delivered in separate counterparts (including by means of facsimile), each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(g) SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by Executive, the Company, the Investors and their respective successors and assigns (including subsequent holders of Executive Securities); PROVIDED THAT the rights and obligations of Executive under this Agreement shall not be assignable except in connection with a permitted transfer of Executive Securities hereunder.

(h) CHOICE OF LAW. The law of the State of Delaware will govern all questions concerning the relative rights of the Company, Employer and its securityholders. All other questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto will be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

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(i) MUTUAL WAIVER OF JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES HERETO, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THE RELATIONSHIP ESTABLISHED AMONG THE PARTIES HEREUNDER.

(j) EXECUTIVE'S COOPERATION. During the Employment Period and thereafter, Executive shall cooperate with the Company, Employer and their respective Subsidiaries and Affiliates in any disputes with third parties, internal investigation or administrative, regulatory or judicial proceeding as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other permitted activities and commitments). In the event the Company requires Executive's cooperation in accordance with this paragraph after the Employment Period, the Company shall reimburse Executive for reasonable travel expenses (including lodging and meals, upon submission of receipts) and compensate Executive for his time at a rate that is mutually agreeable to Executive and the Company.

(k) REMEDIES. Each of the parties to this Agreement (and the Investors as third-party beneficiaries) will be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including attorney's fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

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(l) AMENDMENT AND WAIVER. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company, Employer, Executive and the Majority Holders (as defined in the Purchase Agreement).

(m) INSURANCE. The Company, at its discretion, may apply for and

procure in its own name and for its own benefit life and/or disability insurance on Executive in any amount or amounts considered available. Executive agrees to cooperate in any medical or other examination, supply any information, and to execute and deliver any applications or other instruments in writing as may be reasonably necessary to obtain and constitute such insurance. Executive hereby represents that he has no reason to believe that his life is not insurable at rates now prevailing for healthy men of his age.

(n) BUSINESS DAYS. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(o) INDEMNIFICATION AND REIMBURSEMENT OF PAYMENTS ON BEHALF OF EXECUTIVE. The Company and its Subsidiaries shall be entitled to deduct or withhold from any amounts owing from the Company or any of its Subsidiaries to Executive any federal, state, local or foreign withholding taxes, excise taxes, or employment taxes ("TAXES") imposed with respect to Executive's compensation or other payments from the Company or any of its Subsidiaries or Executive's ownership interest in the Company, including, without limitation, wages, bonuses, dividends, the receipt or exercise of equity options and/or the receipt or vesting of restricted equity. In the event the Company or any of its Subsidiaries does not make such deductions or withholdings, Executive shall indemnify the Company and its Subsidiaries for any amounts paid with respect to any such Taxes, together with any interest, penalties and related expenses thereto.

(p) REASONABLE EXPENSES. Employer agrees to pay the reasonable fees and expenses of Executive's counsel arising in connection with the negotiation and execution of this Agreement and the consummation of the transactions contemplated by this Agreement.

(q) TERMINATION. This Agreement (except for the provisions of SECTIONS 8(a) and (b)) shall survive a Separation and shall remain in full force and effect after such Separation.

(r) ADJUSTMENTS OF NUMBERS. All numbers set forth herein that refer to unit prices or amounts will be appropriately adjusted to reflect unit splits, unit dividends, combinations of units and other recapitalizations affecting the subject class of equity.

(s) DEEMED TRANSFER OF EXECUTIVE SECURITIES. If the Company (and/or the Investors and/or any other Person acquiring securities) shall make available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Executive Securities to be repurchased in accordance with the provisions of this Agreement, then from and after such time, the Person from whom such units are to be repurchased shall no longer have any rights as a holder of such units (other than the right to receive payment of such consideration in accordance with this Agreement), and such units shall be deemed purchased in accordance with the applicable provisions hereof and the Company (and/or the Investors and/or any other Person acquiring securities) shall be deemed the owner and holder of such units, whether or not the certificates therefor have been delivered as required by this Agreement.

(t) RIGHTS GRANTED TO GTCR FUND VIII AND ITS AFFILIATES. Any rights granted to GTCR Fund VIII, GTCR Fund VIII/B, GTCR Co-Invest and their Affiliates hereunder may also be exercised (in whole or in part) by their designees.

(u) SUBSIDIARY PUBLIC OFFERING. If, after consummation of a Subsidiary Public Offering, the Company distributes securities of such Subsidiary to members of the Company, then such securities will be treated in the same manner as (but excluding any "preferred" features of the units with respect to which they were distributed) the units with respect to which they were distributed for purposes of SECTIONS 1(e), 2, 3, 4, 5, 6 and 7 hereof and, in connection therewith, such Subsidiary may be treated as the Company for purposes of the Company's rights with respect to such securities.

* * * * *

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

MEDTECH/DENOREX, LLC

By: /s/ Peter J. Anderson

Name: Peter J. Anderson

Title: Chief Financial Officer

MEDTECH/DENOREX MANAGEMENT, INC.

By: /s/ Peter J. Anderson

Name: Peter J. Anderson

Title: Chief Financial Officer

/s/ Eric M. Millar

Eric M. Millar

Agreed and Accepted:

GTCR FUND VIII, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: /s/ David A. Donnini

Name: David A. Donnini
Its: Principal

GTCR FUND VIII/B, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: /s/ David A. Donnini

Name: David A. Donnini
Its: Principal

[MEDTECH/DENOREX: SIGNATURE PAGE TO SENIOR MANAGEMENT AGREEMENT (ERIC M.
MILLAR)]

GTCR CO-INVEST II, L.P.

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: /s/ David A. Donnini

Name: David A. Donnini
Its: Principal

GTCR CAPITAL PARTNERS, L.P.

By: GTCR Mezzanine Partners, L.P.
Its: General Partner

By: GTCR Partners VI, L.P.
Its: General Partner

By: GTCR Golder Rauner, L.L.C.
Its: General Partner

By: /s/ David A. Donnini

Name: David A. Donnini
Its: Principal

TCW/CRESCENT MEZZANINE PARTNERS III, L.P.
TCW/CRESCENT MEZZANINE TRUST III
TCW/CRESCENT MEZZANINE PARTNERS III
NETHERLANDS, L.P.

By: TCW/Crescent Mezzanine
Management III, L.L.C.,
its Investment Manager

By: TCW Asset Management Company,
its Sub-Advisor

By: /s/ Timothy P. Costello

Name: Timothy P. Costello
Its: Managing Director

[MEDTECH/DENOREX: SIGNATURE PAGE TO SENIOR MANAGEMENT AGREEMENT (ERIC M.
MILLAR)]

PROTECTIVE ELECTION TO INCLUDE MEMBERSHIP INTEREST IN GROSS INCOME PURSUANT TO SECTION 83(b) OF THE INTERNAL REVENUE CODE

On March [___], 2004, the undersigned acquired a limited liability company membership interest (the "MEMBERSHIP INTEREST") in Medtech/Denorex, LLC, a Delaware limited liability company (the "COMPANY"), for \$[_____]. Pursuant to the Operating Agreement of the Company, the undersigned is entitled to an interest in Company capital exactly equal to the amount paid therefor and an interest in Company profits.

Based on current Treasury Regulation Section 1.721-1(b), Proposed Treasury Regulation Section 1.721-1(b)(1), and Revenue Procedures 93-27 and 2001-43, the undersigned does not believe that issuance of the Membership Interest to the undersigned is subject to the provisions of Section 83 of the Internal Revenue Code (the "CODE"). In the event that the sale is so treated, however, the undersigned desires to make an election to have the receipt of the Membership Interest taxed under the provisions of Code Section 83(b) at the time the undersigned acquired the Membership Interest.

Therefore, pursuant to Code Section 83(b) and Treasury Regulation Section 1.83-2 promulgated thereunder, the undersigned hereby makes an election, with respect to the Membership Interest, to report as taxable income for the calendar year 2004 the excess (if any) of the value of the Membership Interest on [___], 2004 over the purchase price thereof.

The following information is supplied in accordance with Treasury Regulation Section 1.83-2(e):

- 1. The name, address and social security number of the undersigned:

[NAME]
[ADDRESS]
[SSN]

- 2. A description of the property with respect to which the election is being made: A membership interest in the Company entitling the undersigned to an interest in the Company's capital exactly equal to the amount paid therefor and ___% of the Company's profits.

- 3. The date on which the Membership Interest was transferred: [___], 2004. The taxable year for which such election is made: 2004.

- 4. The restrictions to which the property is subject: If the undersigned ceases to be employed by the Company or any of its subsidiaries, the unvested portion of the units will be subject to repurchase by the Company at the lower of cost or market value.

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- 5. The fair market value on [___], 2004 of the property with respect to which the election is being made, determined without regard to any lapse restrictions and in accordance with Revenue Procedure 93-27: \$[AMOUNT PAID OR TO BE PAID].

- 6. The amount paid or to be paid for such property: \$[AMOUNT PAID OR TO BE PAID]

* * * * *

A copy of this election is being furnished to the Company pursuant to Treasury Regulation Section 1.83-2(e)(7). A copy of this election will be submitted with the 2003 federal income tax return of the undersigned pursuant to Treasury Regulation Section 1.83-2(c).

Dated: [___], 2004

[NAME]

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EXHIBIT B

EBITDA

Table with 2 columns: Fiscal Year, Annual EBITDA. Rows for years 2004 through 2008 with corresponding dollar amounts.

INVESTOR NOTICE SCHEDULE

IF TO GTCR FUND VIII, L.P., GTCR FUND VIII/B, L.P. OR GTCR CO-INVEST II, L.P.:
c/o GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

WITH A COPY TO:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO GTCR CAPITAL PARTNERS:

GTCR Capital Partners, L.P.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: Barry Dunn

WITH A COPY TO:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO THE TCW/CRESCENT LENDERS AND/OR TCW/CRESCENT PURCHASERS:

TCW/Crescent Mezzanine Partners III, L.P.
TCW/Crescent Mezzanine Trust III
TCW/Crescent Mezzanine Partners III Netherlands, L.P.
c/o TCW/Crescent Mezzanine, L.L.C.
200 Crescent Court, Suite 1600
Dallas, Texas 75201
Attention: Timothy P. Costello
Telecopier No.: (214) 740-7382

WITH A COPY TO:

Gardere Wynne Sewell LLP
3000 Thanksgiving Tower
1601 Elm Street
Dallas, Texas 75201
Attention: Gary B. Clark
Telecopier No.: (214) 999-4667

[EXECUTION COPY]

FIRST AMENDMENT AND ACKNOWLEDGMENT
TO SENIOR MANAGEMENT AGREEMENT

This First Amendment and Acknowledgment to Senior Management Agreement (this "AMENDMENT"), dated as of April 6, 2004, is made to the Senior Management Agreement (the "AGREEMENT"), dated as of March 5, 2004, by and among Medtech/Denorex, LLC, a Delaware limited liability company and now known as Prestige International Holdings, LLC (the "COMPANY"), Medtech/Denorex Management, Inc., a Delaware corporation and now known as Prestige Brands, Inc. ("EMPLOYER"), and Eric M. Millar ("EXECUTIVE"). Each capitalized term used herein but not otherwise defined shall have the meaning ascribed to such term in the Agreement.

WHEREAS, concurrently herewith, the Company is indirectly acquiring all of the outstanding shares of capital stock of Bonita Bay Holdings, Inc., a Virginia corporation and ultimate parent of Prestige Brands International, Inc. (the "ACQUISITION"); and

WHEREAS, in connection with the Acquisition, and in order to better reflect the intent of the undersigned, the undersigned desire to amend certain terms of the Agreement, make certain acknowledgments with respect to the Agreement and reaffirm the other term and make provisions of the Agreement.

NOW, THEREFORE, effective immediately prior to the consummation of the Acquisition (except as otherwise provided in Section 11 below), the undersigned, intending to be legally bound, hereby agree as follows:

1. Each reference, if any, in the Agreement to any of the entities identified below shall be deemed a reference to such entity's new name, as indicated:
 - (a) Medtech/Denorex, LLC n/k/a Prestige International Holdings, LLC;
 - (b) SNS Household Holdings, Inc. n/k/a Prestige Household Holdings, Inc.;
 - (c) SNS Household Brands, Inc. n/k/a Prestige Household Brands, Inc.;
 - (d) Medtech Acquisition Holdings, Inc. n/k/a Prestige Products Holdings, Inc.;
 - (e) Medtech Acquisition, Inc. n/k/a Prestige Brands, Inc.;
 - (f) Medtech/Denorex Management, Inc. n/k/a Prestige Brands, Inc., as successor by merger;
 - (g) Denorex Acquisition Holdings, Inc. n/k/a Prestige Personal Care Holdings, Inc.; and
 - (h) Denorex Acquisition, Inc. n/k/a Prestige Personal Care, Inc.
2. The definitions for each of the following defined terms in the Agreement shall be deleted in their entirety and amended and restated as follows:
 - (a) "CREDIT AGREEMENT" means the Credit Agreement, dated as of April 6, 2004, among Employer, Prestige Brands International, LLC, a Delaware limited liability company, the lenders and issuers party thereto, Citicorp North America, Inc., as administrative agent and Tranche C Agent (as defined therein), Bank of America, N.A., as syndication agent for the lenders and issuers, Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., as documentation agent for the lenders and issuers, and the other parties named therein, as the same may be amended, supplemented or otherwise modified from time to time, at any renewal, extension, refunding, restructuring, replacement or refinancing thereof (whether with the original agent or lenders or another agent or agents or other lenders and whether provided under the original Credit Agreement or any other credit agreement).
 - (b) "DEBT" means "Indebtedness" as such term is defined in the Credit Agreement.
 - (c) "EBITDA" means "Adjusted EBITDA" as such term is defined in the Credit Agreement.
 - (d) "LLC AGREEMENT" means the Third Amended and Restated Limited Liability Company Agreement of the Company, dated as of April 6, 2004, as amended from time to time pursuant to its terms.
 - (e) "MAXIMUM NUMBER OF REPURCHASABLE STANDARD CARRIED COMMON UNITS" means, with respect to any Follow-on Purchaser Equity Investment, the product of the Purchaser Equity Fund Dilution Percentage MULTIPLIED BY the number of Standard Carried Common Units owned by Executive immediately prior to the Follow-on Purchaser Equity Investment.
3. The following defined terms in the Agreement shall be deleted in their entirety:
 - (a) Maximum Percentage of Repurchaseable Standard Carried Common Units;
 - (b) Purchaser Mezzanine Fund Dilution Factor;

(c) Purchaser Mezzanine Fund Dilution Percentage;

(d) Equity Investors; and

(e) Investors

4. The following defined terms (and related definitions) shall be added to the Agreement:

(a) "COMET" means The Comet Products Corporation, a Delaware corporation.

(b) "PRESTIGE" means Prestige Brands International, Inc. a Virginia corporation.

5. Each reference to "Investor" or "Equity Investor" in the Agreement shall instead be deemed a reference to "Purchaser"; PROVIDED, HOWEVER, that each reference to "Investor"

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in Sections 3(b)(v) and (vi) of the Agreement shall instead be deemed a reference to "Participating Purchaser".

6. Section 3(b)(ii) of the Agreement shall be deleted in its entirety and amended and restated as follows:

(ii) Subject to the terms and conditions set forth in this SECTION 3(b), in the event of any Follow-on Purchaser Equity Investment, the Purchasers who participated in such Follow-on Purchaser Equity Investment (the "PARTICIPATING PURCHASERS") will have the right to repurchase (the "DILUTION REPURCHASE OPTION") from Executive and his transferees (including for this purpose the Company and, with respect to any Standard Carried Common Units acquired other than pursuant to the Dilution Repurchase Option, the Purchasers) all or any portion of Executive's Maximum Number of Repurchasable Standard Carried Common Units as of such Follow-on Purchaser Equity Investment.

7. Section 3(b)(iv) of the Agreement shall be deleted in its entirety and amended and restated as follows:

(iv) As soon as practicable after the Company has determined the Maximum Number of Repurchasable Standard Carried Common Units in respect of any Follow-on Purchaser Equity Investment, the Company shall give written notice (the "DILUTION REPURCHASE OPTION NOTICE") to the Participating Purchasers setting forth the Maximum Number of Repurchasable Standard Carried Common Units and the purchase price therefor. The Participating Purchasers may elect to purchase any or all of the Maximum Number of Repurchasable Standard Carried Common Units by giving written notice to the Company within 30 days after the Dilution Repurchase Option Notice has been given by the Company. If the Participating Purchasers elect to purchase an aggregate number greater than the Maximum Number of Repurchasable Standard Carried Common Units, the Maximum Number of Repurchasable Standard Carried Common Units shall be allocated among the Participating Purchasers on a pro rata basis consistent with each such Participating Purchaser's portion of such Follow-on Purchaser Equity Investment Amount. As soon as practicable, and in any event within 10 days after the expiration of the 30-day period set forth above, the Company shall notify each holder of the Standard Carried Common Units as to the number of units being purchased from such holder by the Participating Purchasers, the aggregate consideration to be paid for such units and the time and place for the closing of the transaction (the "DILUTION REPURCHASE NOTICE"). At such time, the Company shall also deliver written notice to each Participating Purchaser setting forth the number of units such Participating Purchaser is entitled to purchase, the aggregate purchase price and the time and place of the closing of the transaction.

8. In Section 10(a) of the Agreement, the phrase "the Company, Employer, Medtech, Denorex, Spic and Span" shall be deleted in its entirety and amended and replaced, in each case in which it appears, with the phrase "the Company, Employer, Medtech, Denorex, Spic and Span, Comet, Prestige".

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9. EXHIBIT B to the Agreement shall be replaced and superseded in its entirety by the form of EXHIBIT B attached hereto.

10. The parties hereto agree that the defined term "Substantial Underperformance" and the references thereto in the Agreement shall be disregarded until July 1, 2004, at which time such defined term and the references thereto shall be reinstated in the Agreement with full force and effect.

11. Immediately following the consummation of the Acquisition and the transactions related thereto, the definitions for each of the following defined terms in the Agreement shall be deleted in their entirety and amended and restated as follows:

(a) "EQUITY EQUIVALENTS" means, at any time, without duplication with any other Equity Securities or Equity Equivalents, any rights, warrants, options, convertible debt or equity securities, exchangeable debt or equity securities, or other rights exercisable for or convertible or exchangeable into, directly or indirectly, Equity Securities or securities convertible or exchangeable into Equity Securities, whether at the time of issuance or upon the passage of time or the occurrence

of a future event; PROVIDED THAT, (i) any of the foregoing shall only be considered an Equity Equivalent to the extent (and only to the extent) that it is convertible or exchangeable into an Equity Security at a price below the then Fair Market Value of such Equity Security and (ii) in no event shall the Senior Preferred Units (as defined in the LLC Agreement) be deemed Equity Equivalents hereunder

(b) "EQUITY SECURITIES" means all Class A Preferred Units, Class B Preferred Units, Common Units and other Units (as defined in the LLC Agreement) or other equity interests in the Company (including other classes or series thereof having different rights) that are purchased simultaneously with Common Units as a strip of securities as may be authorized for issuance by the Company from time to time. Equity Securities will also include equity of the Company (or a corporate successor to the Company or a Subsidiary of the Company) issued with respect to Equity Securities (i) by way of a unit split, unit dividend, conversion, or other recapitalization, (ii) by way of reorganization or recapitalization of the Company in connection with the incorporation of a corporate successor in accordance with Section 15.7 of the LLC Agreement, or (iii) by way of a distribution of securities of a Subsidiary of the Company to the members of the Company following or with respect to a Subsidiary Public Offering.

12. Except for the changes noted above, the Agreement shall remain in full force and effect and any dispute under this Amendment shall be resolved in accordance with the terms of the Agreement, including, but not limited to, Section 13(h) thereof (Choice of Law).

13. This Amendment may be executed in any number of counterparts (including by means of facsimiled signature pages), which shall together constitute one and the same instrument.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment and Acknowledgment to Senior Management Agreement on the date first written above.

PRESTIGE INTERNATIONAL HOLDINGS, LLC

By: /s/ Peter J. Anderson

Name: Peter J. Anderson

Title: Chief Financial Officer

PRESTIGE BRANDS, INC.

By: /s/ Peter J. Anderson

Name: Peter J. Anderson

Title: Vice President

/s/ Eric M. Millar

ERIC M. MILLAR

Accepted and agreed to:

GTCR FUND VIII, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: /s/ David A. Donnini

Name: David A. Donnini
Its: Principal

GTCR FUND VIII/B, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: /s/ David A. Donnini

Name: David A. Donnini
Its: Principal

GTCR CO-INVEST II, L.P.

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: /s/ David A. Donnini

Name: David A. Donnini
Its: Principal

GTCR CAPITAL PARTNERS, L.P.

By: GTCR Mezzanine Partners, L.P.
Its: General Partner

By: GTCR Partners VI, L.P.
Its: General Partner

By: GTCR Golder Rauner, L.L.C.
Its: General Partner

/s/ David A. Donnini

Name: David A. Donnini
Its: Principal

TCW/CRESCENT MEZZANINE PARTNERS III, L.P.
TCW/CRESCENT MEZZANINE TRUST III
TCW/CRESCENT MEZZANINE PARTNERS III
NETHERLANDS, L.P.

By: TCW/Crescent Mezzanine
Management III, L.L.C.,
its Investment Manager

By: TCW Asset Management Company,
its Sub-Advisor

By: /s/ Timothy P. Costello

Name: Timothy P. Costello
Its: Managing Director

[PRESTIGE INTERNATIONAL HOLDINGS, LLC: SIGNATURE PAGE TO FIRST AMENDMENT AND
ACKNOWLEDGMENT TO SENIOR MANAGEMENT AGREEMENT]

EXHIBIT B

EBITDA

Fiscal
Year
Annual
EBITDA
2004 \$
102
million
2005 \$
102
million
2006 \$
102
million
2007 \$
102
million
2008 \$
102
million

AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT (this "AGREEMENT") is made as of January 28, 2005, by and among Prestige International Holdings, LLC, a Delaware limited liability company ("HOLDINGS LLC"), Prestige Brands Holdings, Inc., a Delaware corporation (the "COMPANY"), Prestige Brands, Inc., a Delaware corporation ("EMPLOYER"), and Peter C. Mann ("EXECUTIVE").

This Agreement amends and restates the Senior Management Agreement (as amended prior to the date hereof, the "PRIOR AGREEMENT"), dated as of February 6, 2004, by and among Holdings LLC, Employer and Executive. The Company, Holdings LLC, Employer and Executive desire to amend and restate the Prior Agreement in connection with the transactions (the "EXCHANGE TRANSACTIONS") contemplated by the Exchange Agreement (the "EXCHANGE AGREEMENT"), dated as of the date hereof, among Holdings LLC, the Company and the Unitholders of Holdings LLC, which are being consummated in order to facilitate an initial public offering (the "INITIAL PUBLIC OFFERING") of the Company's common stock, par value \$.01 per share (the "COMMON SHARES").

Holdings LLC and Executive entered into the Prior Agreement pursuant to which Executive acquired from Holdings LLC, and Holdings LLC issued to Executive, 749,569 Class B Preferred Units of the Company (the "CLASS B PREFERRED UNITS") and 2,531,977 Common Units of the Company (the "COMMON UNITS"). Certain definitions are set forth in SECTION 10 of this Agreement.

The execution and delivery of this Agreement by Holdings LLC and Executive was a condition to (A) the purchase of Class B Preferred Units and Common Units by GTCR Fund VIII, L.P., a Delaware limited partnership ("GTCR FUND VIII"), GTCR Fund VIII/B, L.P., a Delaware limited partnership ("GTCR FUND VIII/B"), GTCR Co-Invest II, L.P., a Delaware limited partnership ("GTCR CO-INVEST") and the TCW/Crescent Purchasers (as defined herein) pursuant to the Unit Purchase Agreement among Holdings LLC and such Persons dated as of February 6, 2004 (as amended from time to time, the "PURCHASE AGREEMENT") and (B) the purchase of warrants to acquire Class B Preferred Units and Common Units by GTCR Capital Partners, L.P., a Delaware limited partnership ("GTCR CAPITAL PARTNERS") and the TCW/Crescent Lenders (as defined herein) pursuant to the Warrant Agreement between Holdings LLC and such Persons dated as of February 6, 2004. Certain provisions of this Agreement are intended for the benefit of, and will be enforceable by, the Purchasers (as defined herein).

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, (i) the parties to the Prior Agreement hereby amend and restate the Prior Agreement, effective upon consummation of the Exchange Transactions (the "EFFECTIVE DATE"), and (ii) the parties to this Agreement hereby agree as follows:

PROVISIONS RELATING TO EXECUTIVE SECURITIES

1. ACQUISITION OF CARRIED SHARES.

(a) Upon consummation of the Exchange Transactions, Executive will acquire _____ Common Shares in exchange for the _____ Common Units acquired by Executive pursuant to the Prior Agreement that were subject to vesting (the "CARRIED COMMON UNITS"). The Common Shares so acquired by Executive and described in this SECTION 1(a) are sometimes referred to herein as "CARRIED SHARES." The Company will deliver to Executive copies of the certificates representing such Common Shares. In exchange, Executive hereby authorizes Holdings LLC and the Company to cancel the certificate or certificates representing the Carried Common Units. The Common Shares acquired by Executive in exchange for Common Units acquired by Executive pursuant to the Prior Agreement that were not subject to vesting are sometimes referred to herein as "CO-INVEST COMMON SHARES").

(b) Within 30 days after the acquisition of the Carried Shares, Executive will make an effective election with the Internal Revenue Service under Section 83(b) of the Internal Revenue Code and the regulations promulgated thereunder in the form of EXHIBIT A attached hereto.

(c) Until released upon the occurrence of a Sale of the Company or a Public Offering as provided below, all certificates evidencing the Carried Shares shall be held by the Company for the benefit of Executive and the other holder(s) of Carried Shares, if any. Upon the occurrence of a Sale of the Company, the Company will return all certificates evidencing Carried Shares to the record holders thereof. Upon consummation of a Public Offering, the Company will return to the record holders thereof certificates evidencing Vested Shares (as defined in SECTION 2(f) below).

(d) Executive acknowledges and agrees that neither the issuance of the Carried Shares to Executive pursuant to the Exchange Agreement nor any provision contained herein shall entitle Executive to remain in the employment of the Company, Employer or any of their respective Subsidiaries or affect the right of the Company or Employer to terminate Executive's employment at any time for any reason, subject to the remaining terms of this Agreement and any other agreement between Executive and any such parties.

2. VESTING OF CARRIED SHARES.

(a) The Carried Shares issued to Executive in respect of Carried Common Units shall be subject to vesting in the manner specified in this

to be acquired from each holder, the aggregate consideration to be paid for such shares and the time and place for the closing of the transaction. The number of Unvested Shares to be repurchased by the Company shall first be satisfied to the extent possible from the Unvested Shares held by Executive at the time of delivery of the Separation Repurchase Notice. If the number of Unvested Shares then held by Executive is less than the total number of Unvested Shares that the Company has elected to purchase, the Company shall purchase the remaining Unvested Shares elected to be purchased from the Permitted Transferee(s) of Unvested Shares under this Agreement, PRO RATA according to the number of Unvested Shares held by such Permitted Transferee(s) at the time of delivery of such Separation Repurchase Notice (determined as nearly as practicable to the nearest unit). The number of Unvested Shares to be repurchased hereunder will be allocated among Executive and the Permitted Transferee(s) of Unvested Shares (if any) PRO RATA according to the number of Unvested Shares to be purchased from such Person.

(d) The closing of the purchase of the Unvested Shares pursuant to the Separation Repurchase Option shall take place on the date designated by the Company in the Separation Repurchase Notice, which date shall not be more than 30 days nor less than five days after the delivery of such notice. The Company will pay for the Unvested Shares to be purchased by it pursuant to the Separation Repurchase Option by first offsetting amounts outstanding under any bona fide debts owed by Executive to the Company and will pay the remainder of the purchase price by, at its option, (A) a check or wire transfer of funds, (B) the issuance of a subordinated promissory note of the Company bearing interest at a rate equal to the prime rate (as published in THE WALL STREET JOURNAL from time to time) and having such maturity as the Company shall determine in good faith, not to exceed three years, or (C) any combination of clauses (A) and (B) as the Board may elect in its discretion. The Company will be entitled to receive customary representations and warranties from the sellers regarding such sale and to require that all sellers' signatures be guaranteed.

(e) Notwithstanding anything to the contrary contained in this Agreement, if the Fair Market Value of Unvested Shares is finally determined to be an amount at least 10% greater than the per share repurchase price for such Unvested Shares in the Separation Repurchase Notice, the Company shall have the right to revoke its exercise of the Separation Repurchase Option for all or any portion of the

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Unvested Shares elected to be repurchased by it by delivering notice of such revocation in writing to the holders of Unvested Shares during the thirty-day period beginning on the date that the Company is given written notice that the Fair Market Value of a share of Unvested Shares was finally determined to be an amount at least 10% greater than the per share repurchase price for Unvested Shares set forth in the Separation Repurchase Notice.

4. LIMITATIONS ON CERTAIN REPURCHASES. Notwithstanding anything to the contrary contained in this Agreement, all repurchases of Unvested Shares by the Company pursuant to the Separation Repurchase Option shall be subject to the ability of the Company to pay the purchase price from its readily available cash resources (without imposing any obligation on the Company to raise financing to fund the repurchases) and also subject to applicable restrictions contained in the Delaware General Corporation Law or such other governing corporate law, applicable federal and state securities laws, and in the Company's and its Subsidiaries' debt and equity financing agreements. If any such restrictions prohibit (A) the repurchase of Unvested Shares hereunder which the Company is otherwise entitled to make or (B) dividends or other transfers of funds from one or more Subsidiaries to the Company to enable such repurchases, then the Company may make such repurchases as soon as it is permitted to make repurchases or receive funds from Subsidiaries under such restrictions. Furthermore, in the event of a disagreement in accordance with the terms herein relating to the determination of the Fair Market Value of any Unvested Shares, the time periods described herein with respect to purchases of Executive Securities under SECTION 3 herein shall be tolled until any such determination has been made in accordance with the terms provided herein.

5. RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) TRANSFER OF EXECUTIVE SECURITIES. The holders of Executive Securities shall not Transfer any interest in any Executive Securities, except pursuant to (i) the provisions of SECTION 3 hereof, (ii) the provisions of SECTION 5(b) below or (iii) a Sale of the Company approved by the Board.

(b) CERTAIN PERMITTED TRANSFERS. The restrictions in this SECTION 5 will not apply with respect to any Transfer of (i) Executive Securities made pursuant to applicable laws of descent and distribution or to such Person's legal guardian in the case of any mental incapacity or among such Person's Family Group or (ii) Common Shares at such time as the Purchasers sell Common Shares in a Public Sale, but in the case of this clause (ii) only an amount of shares (the "TRANSFER AMOUNT") equal to the lesser of (A) the sum of the number of Vested Shares and Co-Invest Common Shares owned by Executive and (B) the result of the number of Common Shares owned by Executive multiplied by a fraction (the "TRANSFER FRACTION"), the numerator of which is the number of Common Shares sold by the Purchasers in such Public Sale and the denominator of which is the total number of Common Shares held by the Purchasers prior to the Public Sale; PROVIDED that, if at the time of a Public Sale of Common Shares by the Purchasers, Executive chooses not to Transfer the Transfer Amount, Executive shall retain the right to Transfer an amount of Common Shares at a future date equal to the lesser of (x)

the sum of the number of Vested Shares and Co-Invest Common Shares owned by Executive at such future date and (y) the result of the number of Common Shares owned by Executive at such future date multiplied by the Transfer Fraction; PROVIDED further that the restrictions contained in this SECTION 5 will continue to be applicable to the Executive Securities after any Transfer of the type referred to in clause (i) above and the transferees of such Executive Securities must agree in writing to be bound by the provisions of this Agreement and the Registration Agreement. Any transferee of Executive Securities pursuant to a Transfer in accordance with the provisions of clause (i) of this SECTION 5(b) is herein referred to as a "PERMITTED TRANSFEREE." Upon the Transfer of Executive Securities pursuant to this SECTION 5(b), the transferring holder of Executive Securities will deliver a written notice (a "TRANSFER NOTICE") to the Company. In the case of a Transfer pursuant to clause (i) hereof, the Transfer Notice will disclose in reasonable detail the identity of the Permitted Transferee(s).

(c) TERMINATION OF RESTRICTIONS. The restrictions set forth in this SECTION 5 will continue with respect to each share of Executive Securities until the earlier of (i) the date on which such share of Executive Securities has been transferred in a Public Sale permitted by this SECTION 5, or (ii) the consummation of a Sale of the Company.

6. ADDITIONAL RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) LEGEND. The certificates representing the Executive Securities will bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED AS OF [DATE OF ISSUANCE], HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER, CERTAIN REPURCHASE OPTIONS AND CERTAIN OTHER AGREEMENTS SET FORTH IN AN AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT BETWEEN THE COMPANY AND AN EXECUTIVE OF THE COMPANY AND OTHER PARTIES, DATED AS OF JANUARY 28, 2005. A COPY OF SUCH AGREEMENT MAY BE OBTAINED BY THE HOLDER HEREOF AT THE COMPANY'S PRINCIPAL PLACE OF BUSINESS WITHOUT CHARGE."

(b) OPINION OF COUNSEL. No holder of Executive Securities may Transfer any Executive Securities (except pursuant to SECTION 3 or SECTION 5(b) of this Agreement or an effective registration statement under the Securities Act) without

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first delivering to the Company a written notice describing in reasonable detail the proposed Transfer, together with an opinion of counsel (reasonably acceptable in form and substance to the Company) that neither registration nor qualification under the Securities Act and applicable state securities laws is required in connection with such transfer. In addition, if the holder of the Executive Securities delivers to the Company an opinion of counsel that no subsequent Transfer of such Executive Securities shall require registration under the Securities Act, the Company shall promptly upon such contemplated Transfer deliver new certificates for such Executive Securities that do not bear the Securities Act portion of the legend set forth in SECTION 6(a). If the Company is not required to deliver new certificates for such Executive Securities not bearing such legend, the holder thereof shall not Transfer the same until the prospective transferee has confirmed to the Company in writing its agreement to be bound by the conditions contained in this SECTION 6.

PROVISIONS RELATING TO EMPLOYMENT

7. EMPLOYMENT. Employer agrees to employ Executive and Executive accepts such employment for the period beginning as of the date of the Prior Agreement and ending upon his separation pursuant to SECTION 7(c) hereof (the "EMPLOYMENT PERIOD").

(a) POSITION AND DUTIES.

(i) During the Employment Period, Executive shall serve as the Chief Executive Officer of Employer and shall have the normal duties, responsibilities and authority implied by such position, including, without limitation, the responsibilities associated with all aspects of the daily operations of Employer and the identification, negotiation, completion and integration of any acquisitions made by the Company, Employer or any of their respective Subsidiaries, subject to the power of the Board to expand or limit such duties, responsibilities and authority and to override actions of the Chief Executive Officer.

(ii) Executive shall report to the Board, and Executive shall devote his best efforts and his full business time and attention to the business and affairs of the Company, Employer and their Subsidiaries.

(b) SALARY, BONUS AND BENEFITS. During the Employment Period, Employer will pay Executive a base salary of \$425,000 per annum (the "ANNUAL BASE SALARY"). During fiscal year 2005, the Board shall develop a new bonus program which may incorporate subjective and objective criteria for bonus achievement different from the criteria contained in the existing Medtech/Denorex bonus program; PROVIDED, HOWEVER, THAT the maximum bonus payment potentials to Executive will not be decreased from those provided

in the existing Medtech/Denorex bonus program. In addition, during the Employment Period, Executive will be entitled to such other benefits approved by the Board

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and made available to the senior management of the Company, Employer and their Subsidiaries, which shall include no less than four (4) weeks paid vacation per calendar year and medical, dental, life and disability insurance. The Board, on a basis consistent with past practice, shall review the Annual Base Salary of Executive and may increase the Annual Base Salary by such amount as the Board, in its sole discretion, shall deem appropriate. The term "Annual Base Salary" as used in this Agreement shall refer to the Annual Base Salary as it may be so increased.

(c) SEPARATION. The Employment Period will continue until (i) Executive's death, Disability or resignation from employment with the Company, Employer and their respective Subsidiaries or (ii) the Company, Employer and their respective Subsidiaries decide to terminate Executive's employment with or without Cause. If (A) Executive's employment is terminated without Cause pursuant to clause (ii) above or (B) Executive resigns from employment with the Company, Employer or any of their respective Subsidiaries for Good Reason, then during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination (the "SEVERANCE PERIOD"), Employer shall pay to Executive, in equal installments on the Employer's regular salary payment dates, an aggregate amount equal to (I) his Annual Base Salary, plus (II) an amount equal to the annual bonus, if any, paid or payable to Executive by Employer for the last fiscal year ended prior to the date of termination. In addition, if Executive is entitled on the date of termination to coverage under the medical and prescription portions of the Welfare Plans, such coverage shall continue for Executive and Executive's covered dependents for a period ending on the first anniversary of the date of termination at the active employee cost payable by Executive with respect to those costs paid by Executive prior to the date of termination; PROVIDED, that this coverage will count towards the depletion of any continued health care coverage rights that Executive and Executive's dependents may have pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"); PROVIDED further, that Executive's or Executive's covered dependents' rights to continued health care coverage pursuant to this SECTION 7(c) shall terminate at the time Executive or Executive's covered dependents become covered, as described in COBRA, under another group health plan, and shall also terminate as of the date Employer ceases to provide coverage to its senior executives generally under any such Welfare Plan. Notwithstanding the foregoing, (I) Executive shall not be entitled to receive any payments or benefits pursuant to this SECTION 7(c) unless Executive has executed and delivered to Employer a general release in form and substance satisfactory to Employer and (II) Executive shall be entitled to receive such payments and benefits only so long as Executive has not breached the provisions of SECTIONS 8 or 9 hereof. The release described in the foregoing sentence shall not require Executive to release any claims for any vested employee benefits, workers compensation benefits covered by insurance or self-insurance, claims to indemnification to which Executive may be entitled under the Company's or its Subsidiaries' certificate(s) of incorporation, by-laws or under any of the Company's or its Subsidiaries' directors or officers insurance policy(ies) or

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applicable law, or equity claims to contribution from the Company or its Subsidiaries or any other Person to which Executive is entitled as a matter of law in respect of any claim made against Executive for an alleged act or omission in Executive's official capacity and within the scope of Executive's duties as an officer, director or employee of the Company or its Subsidiaries. Not later than eighteen (18) months following the termination of Executive's employment, the Company and its Subsidiaries for which the Executive has acted in the capacity of a senior manager, shall sign and deliver to Executive a release of claims that the Company or its Subsidiaries has against Executive; PROVIDED THAT, such release shall not release any claims that the Company or its Subsidiaries commenced prior to the date of the release(s), any claims relating to matters actively concealed by Executive, any claims to contribution from Executive to which the Company or its Subsidiaries are entitled as a matter of law or any claims arising out of mistaken indemnification by the Company or any of its Subsidiaries. Except as otherwise provided in this SECTION 7(c) or in the Employer's employee benefit plans or as otherwise required by applicable law, Executive shall not be entitled to any other salary, compensation or benefits after termination of Executive's employment with Employer.

8. CONFIDENTIAL INFORMATION.

(a) OBLIGATION TO MAINTAIN CONFIDENTIALITY. Executive acknowledges that the information, observations and data (including trade secrets) obtained by him during the course of his performance under this Agreement concerning the business or affairs of the Company, Employer and their respective Subsidiaries and Affiliates ("CONFIDENTIAL INFORMATION") are the property of the Company, Employer or such Subsidiaries and Affiliates, including information concerning acquisition opportunities in or reasonably related to the Company's and Employer's business or industry of which Executive becomes aware during the Employment Period. Therefore, Executive agrees that he will not disclose to any unauthorized Person or use for his own account (for his commercial advantage or otherwise) any Confidential Information without the Board's written consent, unless and to the extent that the Confidential Information, (i) becomes generally known to and

available for use by the public other than as a result of Executive's acts or omissions to act, (ii) was known to Executive prior to Executive's employment with Employer, the Company or any of their Subsidiaries and Affiliates or (iii) is required to be disclosed pursuant to any applicable law, court order or other governmental decree. Executive shall deliver to the Company at a Separation, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) relating to the Confidential Information, Work Product (as defined below) or the business of the Company, Employer and their respective Subsidiaries and Affiliates (including, without limitation, all acquisition prospects, lists and contact information) which he may then possess or have under his control.

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

(c) THIRD PARTY INFORMATION. Executive understands that the Company, Employer and their respective Subsidiaries and Affiliates will receive from third parties confidential or proprietary information ("THIRD PARTY INFORMATION") subject to a duty on the Company's, Employer's and their respective Subsidiaries' and Affiliates' part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the Employment Period and thereafter, and without in any way limiting the provisions of SECTION 8(a) above, Executive will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than personnel and consultants of the Company, Employer or their respective Subsidiaries and Affiliates who need to know such information in connection with their work for the Company, Employer or any of their respective Subsidiaries and Affiliates) or use, except in connection with his work for the Company, Employer or any of their respective Subsidiaries and Affiliates, Third Party Information unless expressly authorized by a member of the Board (other than himself if Executive is on the Board) in writing.

(d) USE OF INFORMATION OF PRIOR EMPLOYERS. During the Employment Period and thereafter, Executive will not improperly use or disclose any

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

9. NONCOMPETITION AND NONSOLICITATION. Executive acknowledges that in the course of his employment with Employer he will become familiar with the Company's, Employer's and their respective Subsidiaries' trade secrets and with other confidential information concerning the Company, Employer and such Subsidiaries and that his services will be of special, unique and extraordinary value to the Company, Employer and such Subsidiaries. Therefore, Executive agrees that:

(a) NONCOMPETITION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, he shall not anywhere in the United States, directly or indirectly, own, manage, control, participate in, consult with, render services for, or in any manner engage in any business (i) competing with a brand of the Company, Employer, Medtech, Denorex, Spic and Span, Comet, Prestige, any business acquired by such Persons, or any Subsidiaries of such Persons, representing 10% or more of the consolidated revenues or EBITDA of the Company and its Subsidiaries for the trailing 12 months ending on the last day of the last completed calendar month immediately preceding the date of termination of the Employment Period or (ii) in which the Company, Employer Medtech, Denorex, any business acquired by such Persons, or any Subsidiaries of such Persons has conducted discussions or has requested and received information relating to the acquisition of such business by such Person (x) within one year prior to the Separation and (y) during the Severance Period, if any. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation that is publicly traded, so long as Executive has no active participation in the business of such corporation.

(b) NONSOLICITATION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, Executive shall not directly or indirectly through another entity (i) induce or attempt to induce any employee of the Company, Employer or any of their respective Subsidiaries to

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leave the employ of the Company, Employer or any such Subsidiary, or in any way interfere with the relationship between the Company, Employer and any of their respective Subsidiaries and any employee thereof, (ii) hire any person who was an employee of the Company, Employer or any of their respective Subsidiaries within 180 days after such person ceased to be an employee of the Company, Employer or any of their respective Subsidiaries (PROVIDED, HOWEVER, THAT such restriction shall not apply for a particular employee if the Company has provided its written consent to such hire, which consent, in the case of any person who was not a key employee of the Company, Employer or any of their respective Subsidiaries, shall not be unreasonably withheld), (iii) induce or attempt to induce any customer, supplier, licensee or other business relation of the Company, Employer or any of their respective Subsidiaries to cease doing business with the Company, Employer or any such Subsidiary or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company, Employer or any Subsidiary or (iv) directly or indirectly acquire or attempt to acquire an interest in any business relating to the business of the Company, Employer or any of their respective Subsidiaries and with which the Company, Employer and any of their respective Subsidiaries has conducted discussions or has requested and received information relating to the acquisition of such business by the Company, Employer or any of their respective Subsidiaries in the two year period immediately preceding a Separation.

(c) ENFORCEMENT. If, at the time of enforcement of SECTION 8 or this SECTION 9, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum duration, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum duration, scope and area permitted by law. Because Executive's services are unique and because Executive has access to Confidential Information, the parties hereto agree that money damages would be an inadequate remedy for any breach of this Agreement. Therefore, in the event of a breach or threatened breach of this Agreement, the Company, Employer, their respective Subsidiaries or their successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security).

(d) ADDITIONAL ACKNOWLEDGMENTS. Executive acknowledges that the provisions of this SECTION 9 are in consideration of: (i) employment with the Employer, (ii) the issuance of the Executive Securities by the Company and (iii) additional good and valuable consideration as set forth in this Agreement. In addition, Executive agrees and acknowledges that the restrictions contained in SECTION 8 and this SECTION 9 do not preclude Executive from earning a livelihood, nor do they unreasonably impose limitations on Executive's ability to earn a living. In addition, Executive acknowledges (i) that the business of the Company, Employer and their respective Subsidiaries will be conducted throughout the

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United States, (ii) notwithstanding the state of incorporation or principal office of the Company, Employer or any of their respective Subsidiaries, or any of their respective executives or employees (including the Executive), it is expected that the Company and Employer will have business activities and have valuable business relationships within its industry throughout the United States and (iii) as part of his responsibilities, Executive will be traveling throughout the United States in furtherance of Employer's business and its relationships. Executive agrees and acknowledges that the potential harm to the Company and Employer of the non-enforcement of SECTION 8 and this SECTION 9 outweighs any potential harm to Executive of its enforcement by injunction or otherwise. Executive acknowledges that he

has carefully read this Agreement and has given careful consideration to the restraints imposed upon Executive by this Agreement, and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company, Employer and their Subsidiaries now existing or to be developed in the future. Executive expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

GENERAL PROVISIONS

10. DEFINITIONS.

"AFFILIATE" means, (i) with respect to any Person, any Person that controls, is controlled by or is under common control with such Person or an Affiliate of such Person, and (ii) with respect to any Purchaser, any general or limited partner of such Purchaser, any employee or owner of any such partner, or any other Person controlling, controlled by or under common control with such Purchaser.

"BOARD" means the Company's board of directors (or its equivalent).

"CAUSE" means (i) the intentional or knowing commission of a felony or a crime involving moral turpitude or the commission of any other act or omission involving dishonesty or fraud with respect to the Company, Employer or any of their respective Subsidiaries or any of their customers or suppliers, (ii) substantial and repeated failure to perform duties of the office held by Executive as reasonably directed by the Board, (iii) gross negligence or willful misconduct with respect to the Company, Employer or any of their respective Subsidiaries, (iv) conduct tending to bring the Company, Employer or any of their respective Subsidiaries into substantial public disgrace or disrepute or (v) any breach by Executive of SECTIONS 8 or 9 of this Agreement. Notwithstanding the foregoing, if it is alleged or determined that actions taken by Executive caused the Company, Employer or any of their respective Subsidiaries to engage in illegal activities or operations, the taking of such actions by Executive shall not constitute "Cause" hereunder if Executive had a reasonable and good faith belief that such actions were not in violation of any law, rule, regulation or court order, were in the best interests of the Company, Employer and their respective Subsidiaries and were taken in the ordinary course of business.

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"COMET" means The Comet Products Corporation, a Delaware corporation.

"CREDIT AGREEMENT" means the Credit Agreement, dated as of April 6, 2004, among Employer, Prestige Brands International, LLC, a Delaware limited liability company, the lenders and issuers party thereto, Citicorp North America, Inc., as administrative agent and Tranche C Agent (as defined therein), Bank of America, N.A., as syndication agent for the lenders and issuers, Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., as documentation agent for the lenders and issuers, and the other parties named therein, as the same may be amended, supplemented or otherwise modified from time to time, at any renewal, extension, refunding, restructuring, replacement or refinancing thereof (whether with the original agent or lenders or another agent or agents or other lenders and whether provided under the original Credit Agreement or any other credit agreement).

"DENOREX" means The Denorex Company, a Delaware corporation.

"DISABILITY" means the disability of Executive caused by any physical or mental injury, illness or incapacity as a result of which Executive is unable to effectively perform the essential functions of Executive's duties as determined by the Board in good faith.

"EBITDA" means "Adjusted EBITDA" as such term is defined in the Credit Agreement.

"EXECUTIVE SECURITIES" means all Class B Preferred Units of Prestige Preferred Holdings, LLC acquired by Executive pursuant to the Prior Agreement and Common Shares acquired by Executive pursuant to the Exchange Agreement. Executive Securities will continue to be Executive Securities in the hands of any holder other than Executive (except for the Company and transferees in a Public Sale, which transferees shall not be subject to the provisions of this Agreement with respect to such securities), and except as otherwise provided herein, each such other holder of Executive Securities will succeed to all rights and obligations attributable to Executive as a holder of Executive Securities hereunder. Executive Securities (or, individually, any particular type of equity security included therein) will also include equity securities of the Company issued with respect to Executive Securities (or, individually, any particular type of equity security included therein) by way of a stock split, stock dividend, conversion, or other recapitalization. For the avoidance of doubt, all Unvested Shares shall remain Unvested Shares after a Transfer thereof, unless such Transfer is to the Company or a transferee in a Public Sale.

"FAIR MARKET VALUE" of each share of Executive Securities means the average of the closing prices of the sales of such Executive Securities on all securities exchanges on which such Executive Securities may at the time be listed, or, if there have been no sales on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day such Executive Securities are not so listed, the average of the representative bid and asked prices quoted in the NASDAQ System as of 4:00 P.M., New York time, or, if on any day such Executive Securities are not quoted in the NASDAQ System, the average of the highest bid and

lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau Incorporated, or any similar successor organization, in each such case averaged over a period of 21 days consisting of the day as of which the Fair Market Value is being determined and the 20 consecutive business days prior to such day. If at any time such Executive Securities are not listed on any securities exchange or quoted in the NASDAQ System or the over-the-counter market, the Fair Market Value will be the fair value of such Executive Securities as determined in good faith by the Board. If Executive reasonably disagrees with such determination, Executive shall deliver to the Board a written notice of objection (an "OBJECTION") within thirty (30) days after delivery of the Separation Repurchase Notice. Upon receipt of Executive's Objection, the Board and Executive will negotiate in good faith to agree on such Fair Market Value. If such agreement is not reached within 20 days after the delivery of the Objection, Fair Market Value shall be determined by an appraiser jointly selected by the Board and Executive, which appraiser shall submit to the Board and Executive a report within 30 days of its engagement setting forth such determination. If the parties are unable to agree on an appraiser within 25 days after delivery of the Objection, within seven days, each party shall submit the names of four nationally recognized firms that are engaged in the business of valuing non-public securities, and each party shall be entitled to strike two names from the other party's list of firms, and the appraiser shall be selected by lot from the remaining four investment banking firms. The expenses of such appraiser shall be borne equally by Executive and the Company. The determination of such appraiser as to Fair Market Value shall be final and binding upon all parties.

"FAMILY GROUP" means a Person's spouse and descendants (whether natural or adopted), and any trust, family limited partnership, limited liability company or other entity wholly owned, directly or indirectly, by such Person or such Person's spouse and/or descendants that is and remains solely for the benefit of such Person and/or such Person's spouse and/or descendants and any retirement plan for such Person.

"GOOD REASON" means (i) any material diminution in Executive's position, title, authority, powers, functions, duties or responsibilities with Employer, (ii) the permanent relocation or transfer of Employer's principal office outside a 30 mile radius from Irvington, New York or (iii) any failure of Employer to comply with the Annual Base Salary and bonus provisions of SECTION 7(b) hereof.

"MEDTECH" means Medtech Holdings, Inc., a Delaware corporation.

"ORIGINAL COST" means, with respect to each Carried Common Unit acquired pursuant to the Prior Agreement, \$0.10 (each as proportionately adjusted for all subsequent stock splits, stock dividends and other recapitalizations).

"PERSON" means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, investment fund, any other business entity and a governmental entity or any department, agency or political subdivision thereof.

"PRESTIGE" means Prestige Brands International, Inc., a Virginia corporation.

"PUBLIC OFFERING" means the sale in an underwritten public offering registered under the Securities Act of equity securities of the Company or a corporate successor to the Company.

"PUBLIC SALE" means (i) any sale pursuant to a registered public offering under the Securities Act or (ii) any sale to the public pursuant to Rule 144 promulgated under the Securities Act effected through a broker, dealer or market maker (other than pursuant to Rule 144(k) prior to a Public Offering).

"PURCHASER" has the meaning set forth in the Exchange Agreement.

"REGISTRATION AGREEMENT" means the Registration Rights Agreement, dated as of February 6, 2004, by and among the Company and certain of its securityholders, as amended from time to time pursuant to its terms.

"SALE OF THE COMPANY" means any transaction or series of transactions pursuant to which any Person or group of related Persons other than the Purchasers or their Affiliates in the aggregate acquire(s) (i) equity securities of the Company possessing the voting power (other than voting rights accruing only in the event of a default, breach or event of noncompliance) to elect a majority of the Board (whether by merger, consolidation, reorganization, combination, sale or transfer of the Company's equity, securityholder or voting agreement, proxy, power of attorney or otherwise) or (ii) all or substantially all of the Company's assets determined on a consolidated basis; PROVIDED that a Public Offering shall not constitute a Sale of the Company.

"SECURITIES ACT" means the Securities Act of 1933, as amended from time to time.

"SEPARATION" means the cessation of employment of Executive with the Company, Employer and their respective Subsidiaries for any reason.

"SPIC AND SPAN" means The Spic and Span Company, a Delaware corporation.

"SUBSIDIARY" means, with respect to any Person, any corporation, limited liability company, partnership, association, or business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled

(without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association, or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association, or other business entity. For purposes hereof, references to a "SUBSIDIARY" of

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any Person shall be given effect only at such times that such Person has one or more Subsidiaries, and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Company.

"TCW/CRESCENT LENDERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

"TCW/CRESCENT PURCHASERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

"TRANSFER" means to sell, transfer, assign, pledge or otherwise dispose of (whether with or without consideration and whether voluntarily or involuntarily or by operation of law).

"WELFARE PLANS" mean the welfare benefit plans, practices, policies and programs provided by Employer to the extent applicable generally to other senior executives of the Company.

11. NOTICES. Any notice provided for in this Agreement must be in writing and must be either personally delivered, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated:

IF TO EMPLOYER:

Prestige Brands, Inc.
90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601

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Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO THE COMPANY:

Prestige International Holdings, LLC
90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO EXECUTIVE:

Peter C. Mann
P.O. Box 66
Clinton Corners, New York 12514

WITH A COPY TO:

Ford Marrin Esposito Witmeyer & Gleser LLP
Wall Street Plaza
New York, New York 10005-1875
Attention: James M. Adrian

IF TO THE PURCHASERS:

See the attached PURCHASER NOTICE SCHEDULE.

or such other address or to the attention of such other Person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement will be deemed to have been given when so delivered or sent or, if mailed, five days after deposit in the U.S. mail.

12. GENERAL PROVISIONS.

(a) TRANSFERS IN VIOLATION OF AGREEMENT. Any Transfer or attempted Transfer of any Executive Securities in violation of any provision of this Agreement shall be void, and the Company shall not record such Transfer on its

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books or treat any purported transferee of such Executive Securities as the owner of such equity for any purpose.

(b) SEVERABILITY. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(c) COMPLETE AGREEMENT. This Agreement, those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way, including, but not limited to, the Employment Letter Agreement, dated February 1, 2001, between Executive and The Spic and Span Company.

(d) NO STRICT CONSTRUCTION. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(e) COUNTERPARTS. This Agreement may be executed and delivered in separate counterparts (including by means of facsimile), each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(f) SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by Executive, the Company, the Purchasers and their respective successors and assigns (including subsequent holders of Executive Securities); provided that the rights and obligations of Executive under this Agreement shall not be assignable except in connection with a permitted transfer of Executive Securities hereunder.

(g) CHOICE OF LAW. The law of the State of Delaware will govern all questions concerning the relative rights of the Company, Employer and its securityholders. All other questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto will be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(h) MUTUAL WAIVER OF JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE

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MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES HERETO, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THE RELATIONSHIP ESTABLISHED AMONG THE PARTIES HEREUNDER.

(i) EXECUTIVE'S COOPERATION. During the Employment Period and thereafter, Executive shall cooperate with the Company, Employer and their

respective Subsidiaries and Affiliates in any disputes with third parties, internal investigation or administrative, regulatory or judicial proceeding as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other permitted activities and commitments). In the event the Company requires Executive's cooperation in accordance with this paragraph after the Employment Period, the Company shall reimburse Executive for reasonable travel expenses (including lodging and meals, upon submission of receipts) and compensate Executive for his time at a rate that is mutually agreeable to Executive and the Company.

(j) REMEDIES. Each of the parties to this Agreement (and the Purchasers as third-party beneficiaries) will be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including attorney's fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

(k) AMENDMENT AND WAIVER. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company,

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Employer, Executive and the Majority Holders (as defined in the Exchange Agreement).

(l) INSURANCE. The Company, at its discretion, may apply for and procure in its own name and for its own benefit life and/or disability insurance on Executive in any amount or amounts considered available. Executive agrees to cooperate in any medical or other examination, supply any information, and to execute and deliver any applications or other instruments in writing as may be reasonably necessary to obtain and constitute such insurance. Executive hereby represents that he has no reason to believe that his life is not insurable at rates now prevailing for healthy men of his age.

(m) BUSINESS DAYS. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(n) INDEMNIFICATION AND REIMBURSEMENT OF PAYMENTS ON BEHALF OF EXECUTIVE. The Company and its Subsidiaries shall be entitled to deduct or withhold from any amounts owing from the Company or any of its Subsidiaries to Executive any federal, state, local or foreign withholding taxes, excise taxes, or employment taxes ("TAXES") imposed with respect to Executive's compensation or other payments from the Company or any of its Subsidiaries or Executive's ownership interest in the Company, including, without limitation, wages, bonuses, dividends, the receipt or exercise of equity options and/or the receipt or vesting of restricted equity. In the event the Company or any of its Subsidiaries does not make such deductions or withholdings, Executive shall indemnify the Company and its Subsidiaries for any amounts paid with respect to any such Taxes, together with any interest, penalties and related expenses thereto.

(o) REASONABLE EXPENSES. Employer agrees to pay the reasonable fees and expenses of Executive's counsel arising in connection with the negotiation and execution of this Agreement and the consummation of the transactions contemplated by this Agreement.

(p) TERMINATION. This Agreement (except for the provisions of SECTIONS 7(a) and (b)) shall survive a Separation and shall remain in full force and effect after such Separation.

(q) ADJUSTMENTS OF NUMBERS. All numbers set forth herein that refer to share prices or amounts will be appropriately adjusted to reflect share splits, share dividends, combinations of shares and other recapitalizations affecting the subject class of equity.

(r) DEEMED TRANSFER OF EXECUTIVE SECURITIES. If the Company (and/or any other Person acquiring securities) shall make available, at the time and place and

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in the amount and form provided in this Agreement, the consideration for the Executive Securities to be repurchased in accordance with the provisions of this Agreement, then from and after such time, the Person from whom such shares are to be repurchased shall no longer have any rights as a holder of such shares (other than the right to receive payment of such consideration in accordance with this Agreement), and such shares shall be deemed purchased in accordance with the applicable provisions hereof and the Company (and/or any other Person acquiring securities) shall be deemed the owner and holder of such shares, whether or not the certificates

therefor have been delivered as required by this Agreement.

(s) NO PLEDGE OR SECURITY INTEREST. The purpose of the Company's retention of Executive's certificates is solely to facilitate the repurchase provisions set forth in SECTION 3 and does not constitute a pledge by Executive of, or the granting of a security interest in, the underlying equity.

(t) RIGHTS GRANTED TO GTCR FUND VIII AND ITS AFFILIATES. Any rights granted to GTCR Fund VIII, GTCR Fund VIII/B, GTCR Co-Invest and their Affiliates hereunder may also be exercised (in whole or in part) by their designees.

* * * * *

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

PRESTIGE BRANDS HOLDINGS, INC.

By: _____
Name: _____
Title: _____

PRESTIGE INTERNATIONAL HOLDINGS, LLC

By: _____
Name: _____
Title: _____

PRESTIGE BRANDS, INC.

By: _____
Name: _____
Title: _____

PETER C. MANN

Agreed and Accepted:

GTCR FUND VIII, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____
Name: David A. Donnini
Its: Principal

GTCR FUND VIII/B, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____

Name: David A. Donnini
Its: Principal

GTCR CO-INVEST II, L.P.

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____
Name: David A. Donnini
Its: Principal

GTCR CAPITAL PARTNERS, L.P.

By: GTCR Mezzanine Partners, L.P.
Its: General Partner

By: GTCR Partners VI, L.P.
Its: General Partner

By: GTCR Golder Rauner, L.L.C.
Its: General Partner

By: _____
Name:
Its: Principal

TCW/CRESCENT MEZZANINE PARTNERS III, L.P.
TCW/CRESCENT MEZZANINE TRUST III
TCW/CRESCENT MEZZANINE PARTNERS III
NETHERLANDS, L.P.

By: TCW/Crescent Mezzanine
Management III, L.L.C.,
its Investment Manager

By: TCW Asset Management Company,
its Sub-Advisor

By: _____

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Name: Timothy P. Costello
Its: Managing Director

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EXHIBIT A

_____, 2005

PROTECTIVE ELECTION TO INCLUDE MEMBERSHIP
INTEREST IN GROSS INCOME PURSUANT TO
SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned purchased shares of Common Stock, par value \$.01 per share (the "SHARES"), of Prestige Brands Holdings, Inc. (the "COMPANY") on January 28, 2005. Under certain circumstances, the Company has the right to repurchase the Shares at cost from the undersigned (or from the holder of the Shares, if different from the undersigned) should the undersigned cease to be employed by the Company and its subsidiaries. Hence, the Shares are subject to a substantial risk of forfeiture that may not be avoided by a transfer of the Shares to another person. The undersigned desires to make an election to have the Shares taxed under the provision of Code Section 83(b) at the time he purchased the Shares.

Therefore, pursuant to Code Section 83(b) and Treasury Regulation Section 1.83-2 promulgated thereunder, the undersigned hereby makes an election, with respect to the Shares (described below), to report as taxable income for calendar year 2005 the excess (if any) of the Shares' fair market value on January 28, 2005 over purchase price thereof.

The following information is supplied in accordance with Treasury Regulation Section 1.83-2(e):

1. The name, address and social security number of the undersigned:

2. A description of the property with respect to which the election is being made: _____ shares of Prestige Brands Holdings, Inc.'s Common Stock, par value \$.01 per share.

3. The date on which the property was transferred: January 28, 2005. The taxable year for which such election is made: calendar 2005.

4. The restrictions to which the property is subject: If the undersigned ceases to be employed by the Company or any of its subsidiaries, the unvested portion of the Shares will be subject to repurchase by the Company at the lower of cost or market value.

5. The fair market value on January 28, 2005 of the property with respect to which the election is being made, determined without regard to any lapse restrictions: \$_____ per share of Common Stock.

6. The amount paid for such property: \$_____ per share of Common Stock.

A copy of this election has been furnished to the Secretary of the Company pursuant to Treasury Regulations Section 1.83-2(d).

Dated: _____

[EXECUTIVE]

PURCHASER NOTICE SCHEDULE

IF TO GTCR FUND VIII, L.P., GTCR FUND VIII/B, L.P. OR GTCR CO-INVEST II, L.P.:
c/o GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

WITH A COPY TO:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Kevin R. Evanich, P.C.
Christopher J. Greeno

IF TO GTCR CAPITAL PARTNERS:

GTCR Capital Partners, L.P.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: Barry Dunn

WITH A COPY TO:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Kevin R. Evanich, P.C.
Christopher J. Greeno

IF TO THE TCW/CRESCENT LENDERS AND/OR TCW/CRESCENT PURCHASERS:

TCW/Crescent Mezzanine Partners III, L.P.
TCW/Crescent Mezzanine Trust III
TCW/Crescent Mezzanine Partners III Netherlands, L.P.
c/o TCW/Crescent Mezzanine, L.L.C.
200 Crescent Court, Suite 1600
Dallas, Texas 75201
Attention: Timothy P. Costello
Telecopier No.: (214) 740-7382

WITH A COPY TO:

Gardere Wynne Sewell LLP
3000 Thanksgiving Tower
1601 Elm Street
Dallas, Texas 75201
Attention: Gary B. Clark
Telecopier No.: (214) 999-4667

AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT (this "AGREEMENT") is made as of January 28, 2005, by and among Prestige International Holdings, LLC, a Delaware limited liability company ("HOLDINGS LLC"), Prestige Brands Holdings, Inc., a Delaware corporation (the "COMPANY"), Prestige Brands, Inc., a Delaware corporation ("EMPLOYER"), and Peter J. Anderson ("EXECUTIVE").

This Agreement amends and restates the Senior Management Agreement (as amended prior to the date hereof, the "PRIOR AGREEMENT"), dated as of February 6, 2004, by and among Holdings LLC, Employer and Executive. The Company, Holdings LLC, Employer and Executive desire to amend and restate the Prior Agreement in connection with the transactions (the "EXCHANGE TRANSACTIONS") contemplated by the Exchange Agreement (the "EXCHANGE AGREEMENT"), dated as of the date hereof, among Holdings LLC, the Company and the Unitholders of Holdings LLC, which are being consummated in order to facilitate an initial public offering (the "INITIAL PUBLIC OFFERING") of the Company's common stock, par value \$.01 per share (the "COMMON SHARES").

Holdings LLC and Executive entered into the Prior Agreement pursuant to which Executive acquired from Holdings LLC, and Holdings LLC issued to Executive, 202,683 Class B Preferred Units of the Company (the "CLASS B PREFERRED UNITS") and 1,223,946 Common Units of the Company (the "COMMON UNITS"). Certain definitions are set forth in SECTION 10 of this Agreement.

The execution and delivery of this Agreement by Holdings LLC and Executive was a condition to (A) the purchase of Class B Preferred Units and Common Units by GTCR Fund VIII, L.P., a Delaware limited partnership ("GTCR FUND VIII"), GTCR Fund VIII/B, L.P., a Delaware limited partnership ("GTCR FUND VIII/B"), GTCR Co-Invest II, L.P., a Delaware limited partnership ("GTCR CO-INVEST") and the TCW/Crescent Purchasers (as defined herein) pursuant to the Unit Purchase Agreement among Holdings LLC and such Persons dated as of February 6, 2004 (as amended from time to time, the "PURCHASE AGREEMENT") and (B) the purchase of warrants to acquire Class B Preferred Units and Common Units by GTCR Capital Partners, L.P., a Delaware limited partnership ("GTCR CAPITAL PARTNERS") and the TCW/Crescent Lenders (as defined herein) pursuant to the Warrant Agreement between Holdings LLC and such Persons dated as of February 6, 2004. Certain provisions of this Agreement are intended for the benefit of, and will be enforceable by, the Purchasers (as defined herein).

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, (i) the parties to the Prior Agreement hereby amend and restate the Prior Agreement, effective upon consummation of the Exchange Transactions (the "EFFECTIVE DATE"), and (ii) the parties to this Agreement hereby agree as follows:

PROVISIONS RELATING TO EXECUTIVE SECURITIES

1. ACQUISITION OF CARRIED SHARES.

(a) Upon consummation of the Exchange Transactions, Executive will acquire _____ Common Shares in exchange for the _____ Common Units acquired by Executive pursuant to the Prior Agreement that were subject to vesting (the "CARRIED COMMON UNITS"). The Common Shares so acquired by Executive and described in this SECTION 1(a) are sometimes referred to herein as "CARRIED SHARES." The Company will deliver to Executive copies of the certificates representing such Common Shares. In exchange, Executive hereby authorizes Holdings LLC and the Company to cancel the certificate or certificates representing the Carried Common Units. The Common Shares acquired by Executive in exchange for Common Units acquired by Executive pursuant to the Prior Agreement that were not subject to vesting are sometimes referred to herein as "CO-INVEST COMMON SHARES").

(b) Within 30 days after the acquisition of the Carried Shares, Executive will make an effective election with the Internal Revenue Service under Section 83(b) of the Internal Revenue Code and the regulations promulgated thereunder in the form of EXHIBIT A attached hereto.

(c) Until released upon the occurrence of a Sale of the Company or a Public Offering as provided below, all certificates evidencing the Carried Shares shall be held by the Company for the benefit of Executive and the other holder(s) of Carried Shares, if any. Upon the occurrence of a Sale of the Company, the Company will return all certificates evidencing Carried Shares to the record holders thereof. Upon consummation of a Public Offering, the Company will return to the record holders thereof certificates evidencing Vested Shares (as defined in SECTION 2(f) below).

(d) Executive acknowledges and agrees that neither the issuance of the Carried Shares to Executive pursuant to the Exchange Agreement nor any provision contained herein shall entitle Executive to remain in the employment of the Company, Employer or any of their respective Subsidiaries or affect the right of the Company or Employer to terminate Executive's employment at any time for any reason, subject to the remaining terms of this Agreement and any other agreement between Executive and any such parties.

2. VESTING OF CARRIED SHARES.

(a) The Carried Shares issued to Executive in respect of Carried Common Units shall be subject to vesting in the manner specified in this

to be acquired from each holder, the aggregate consideration to be paid for such shares and the time and place for the closing of the transaction. The number of Unvested Shares to be repurchased by the Company shall first be satisfied to the extent possible from the Unvested Shares held by Executive at the time of delivery of the Separation Repurchase Notice. If the number of Unvested Shares then held by Executive is less than the total number of Unvested Shares that the Company has elected to purchase, the Company shall purchase the remaining Unvested Shares elected to be purchased from the Permitted Transferee(s) of Unvested Shares under this Agreement, PRO RATA according to the number of Unvested Shares held by such Permitted Transferee(s) at the time of delivery of such Separation Repurchase Notice (determined as nearly as practicable to the nearest unit). The number of Unvested Shares to be repurchased hereunder will be allocated among Executive and the Permitted Transferee(s) of Unvested Shares (if any) PRO RATA according to the number of Unvested Shares to be purchased from such Person.

(d) The closing of the purchase of the Unvested Shares pursuant to the Separation Repurchase Option shall take place on the date designated by the Company in the Separation Repurchase Notice, which date shall not be more than 30 days nor less than five days after the delivery of such notice. The Company will pay for the Unvested Shares to be purchased by it pursuant to the Separation Repurchase Option by first offsetting amounts outstanding under any bona fide debts owed by Executive to the Company and will pay the remainder of the purchase price by, at its option, (A) a check or wire transfer of funds, (B) the issuance of a subordinated promissory note of the Company bearing interest at a rate equal to the prime rate (as published in THE WALL STREET JOURNAL from time to time) and having such maturity as the Company shall determine in good faith, not to exceed three years, or (C) any combination of clauses (A) and (B) as the Board may elect in its discretion. The Company will be entitled to receive customary representations and warranties from the sellers regarding such sale and to require that all sellers' signatures be guaranteed.

(e) Notwithstanding anything to the contrary contained in this Agreement, if the Fair Market Value of Unvested Shares is finally determined to be an amount at least 10% greater than the per share repurchase price for such Unvested Shares in the Separation Repurchase Notice, the Company shall have the right to revoke its exercise of the Separation Repurchase Option for all or any portion of the

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Unvested Shares elected to be repurchased by it by delivering notice of such revocation in writing to the holders of Unvested Shares during the thirty-day period beginning on the date that the Company is given written notice that the Fair Market Value of a share of Unvested Shares was finally determined to be an amount at least 10% greater than the per share repurchase price for Unvested Shares set forth in the Separation Repurchase Notice.

4. LIMITATIONS ON CERTAIN REPURCHASES. Notwithstanding anything to the contrary contained in this Agreement, all repurchases of Unvested Shares by the Company pursuant to the Separation Repurchase Option shall be subject to the ability of the Company to pay the purchase price from its readily available cash resources (without imposing any obligation on the Company to raise financing to fund the repurchases) and also subject to applicable restrictions contained in the Delaware General Corporation Law or such other governing corporate law, applicable federal and state securities laws, and in the Company's and its Subsidiaries' debt and equity financing agreements. If any such restrictions prohibit (A) the repurchase of Unvested Shares hereunder which the Company is otherwise entitled to make or (B) dividends or other transfers of funds from one or more Subsidiaries to the Company to enable such repurchases, then the Company may make such repurchases as soon as it is permitted to make repurchases or receive funds from Subsidiaries under such restrictions. Furthermore, in the event of a disagreement in accordance with the terms herein relating to the determination of the Fair Market Value of any Unvested Shares, the time periods described herein with respect to purchases of Executive Securities under SECTION 3 herein shall be tolled until any such determination has been made in accordance with the terms provided herein.

5. RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) TRANSFER OF EXECUTIVE SECURITIES. The holders of Executive Securities shall not Transfer any interest in any Executive Securities, except pursuant to (i) the provisions of SECTION 3 hereof, (ii) the provisions of SECTION 5(b) below or (iii) a Sale of the Company approved by the Board.

(b) CERTAIN PERMITTED TRANSFERS. The restrictions in this SECTION 5 will not apply with respect to any Transfer of (i) Executive Securities made pursuant to applicable laws of descent and distribution or to such Person's legal guardian in the case of any mental incapacity or among such Person's Family Group or (ii) Common Shares at such time as the Purchasers sell Common Shares in a Public Sale, but in the case of this clause (ii) only an amount of shares (the "TRANSFER AMOUNT") equal to the lesser of (A) the sum of the number of Vested Shares and Co-Invest Common Shares owned by Executive and (B) the result of the number of Common Shares owned by Executive multiplied by a fraction (the "TRANSFER FRACTION"), the numerator of which is the number of Common Shares sold by the Purchasers in such Public Sale and the denominator of which is the total number of Common Shares held by the Purchasers prior to the Public Sale; PROVIDED that, if at the time of a Public Sale of Common Shares by the Purchasers, Executive chooses not to Transfer the Transfer Amount, Executive shall retain the right to Transfer an amount of Common Shares at a future date equal to the lesser of (x)

the sum of the number of Vested Shares and Co-Invest Common Shares owned by Executive at such future date and (y) the result of the number of Common Shares owned by Executive at such future date multiplied by the Transfer Fraction; PROVIDED further that the restrictions contained in this SECTION 5 will continue to be applicable to the Executive Securities after any Transfer of the type referred to in clause (i) above and the transferees of such Executive Securities must agree in writing to be bound by the provisions of this Agreement and the Registration Agreement. Any transferee of Executive Securities pursuant to a Transfer in accordance with the provisions of clause (i) of this SECTION 5(b) is herein referred to as a "PERMITTED TRANSFEREE." Upon the Transfer of Executive Securities pursuant to this SECTION 5(b), the transferring holder of Executive Securities will deliver a written notice (a "TRANSFER NOTICE") to the Company. In the case of a Transfer pursuant to clause (i) hereof, the Transfer Notice will disclose in reasonable detail the identity of the Permitted Transferee(s).

(c) TERMINATION OF RESTRICTIONS. The restrictions set forth in this SECTION 5 will continue with respect to each share of Executive Securities until the earlier of (i) the date on which such share of Executive Securities has been transferred in a Public Sale permitted by this SECTION 5, or (ii) the consummation of a Sale of the Company.

6. ADDITIONAL RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) LEGEND. The certificates representing the Executive Securities will bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED AS OF [DATE OF ISSUANCE], HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER, CERTAIN REPURCHASE OPTIONS AND CERTAIN OTHER AGREEMENTS SET FORTH IN AN AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT BETWEEN THE COMPANY AND AN EXECUTIVE OF THE COMPANY AND OTHER PARTIES, DATED AS OF JANUARY 28, 2005. A COPY OF SUCH AGREEMENT MAY BE OBTAINED BY THE HOLDER HEREOF AT THE COMPANY'S PRINCIPAL PLACE OF BUSINESS WITHOUT CHARGE."

(b) OPINION OF COUNSEL. No holder of Executive Securities may Transfer any Executive Securities (except pursuant to SECTION 3 or SECTION 5(b) of this Agreement or an effective registration statement under the Securities Act) without

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first delivering to the Company a written notice describing in reasonable detail the proposed Transfer, together with an opinion of counsel (reasonably acceptable in form and substance to the Company) that neither registration nor qualification under the Securities Act and applicable state securities laws is required in connection with such transfer. In addition, if the holder of the Executive Securities delivers to the Company an opinion of counsel that no subsequent Transfer of such Executive Securities shall require registration under the Securities Act, the Company shall promptly upon such contemplated Transfer deliver new certificates for such Executive Securities that do not bear the Securities Act portion of the legend set forth in SECTION 6(a). If the Company is not required to deliver new certificates for such Executive Securities not bearing such legend, the holder thereof shall not Transfer the same until the prospective transferee has confirmed to the Company in writing its agreement to be bound by the conditions contained in this SECTION 6.

PROVISIONS RELATING TO EMPLOYMENT

7. EMPLOYMENT. Employer agrees to employ Executive and Executive accepts such employment for the period beginning as of the date of the Prior Agreement and ending upon his separation pursuant to SECTION 7(c) hereof (the "EMPLOYMENT PERIOD").

(a) POSITION AND DUTIES.

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

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

(b) SALARY, BONUS AND BENEFITS. During the Employment Period, Employer will pay Executive a base salary of \$285,000 per annum (the "ANNUAL BASE SALARY"). During fiscal year 2005, the Board shall develop a new bonus program which may incorporate subjective and objective criteria for bonus achievement different from the criteria contained in the existing Medtech/Denorex bonus program; PROVIDED, HOWEVER, THAT the maximum bonus payment potentials to Executive will not be decreased from those provided in the existing Medtech/Denorex bonus program. In addition, during the Employment Period, Executive will be entitled to such other benefits

approved by the Board and made available to the senior management of the Company, Employer and their Subsidiaries, which shall include vacation time (in an amount consistent with past practice) and medical, dental, life and disability insurance. The Board, on a

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basis consistent with past practice, shall review the Annual Base Salary of Executive and may increase the Annual Base Salary by such amount as the Board, in its sole discretion, shall deem appropriate. The term "Annual Base Salary" as used in this Agreement shall refer to the Annual Base Salary as it may be so increased.

(c) SEPARATION. The Employment Period will continue until (i) Executive's death, Disability or resignation from employment with the Company, Employer and their respective Subsidiaries or (ii) the Company, Employer and their respective Subsidiaries decide to terminate Executive's employment with or without Cause. If (A) Executive's employment is terminated without Cause pursuant to clause (ii) above or (B) Executive resigns from employment with the Company, Employer or any of their respective Subsidiaries for Good Reason, then during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination (the "SEVERANCE PERIOD"), Employer shall pay to Executive, in equal installments on the Employer's regular salary payment dates, an aggregate amount equal to (I) his Annual Base Salary, plus (II) an amount equal to the annual bonus, if any, paid or payable to Executive by Employer for the last fiscal year ended prior to the date of termination. In addition, if Executive is entitled on the date of termination to coverage under the medical and prescription portions of the Welfare Plans, such coverage shall continue for Executive and Executive's covered dependents for a period ending on the first anniversary of the date of termination at the active employee cost payable by Executive with respect to those costs paid by Executive prior to the date of termination; PROVIDED, that this coverage will count towards the depletion of any continued health care coverage rights that Executive and Executive's dependents may have pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"); PROVIDED further, that Executive's or Executive's covered dependents' rights to continued health care coverage pursuant to this SECTION 7(c) shall terminate at the time Executive or Executive's covered dependents become covered, as described in COBRA, under another group health plan, and shall also terminate as of the date Employer ceases to provide coverage to its senior executives generally under any such Welfare Plan. Notwithstanding the foregoing, (I) Executive shall not be entitled to receive any payments or benefits pursuant to this SECTION 7(c) unless Executive has executed and delivered to Employer a general release in form and substance satisfactory to Employer and (II) Executive shall be entitled to receive such payments and benefits only so long as Executive has not breached the provisions of SECTIONS 8 or 9 hereof. The release described in the foregoing sentence shall not require Executive to release any claims for any vested employee benefits, workers compensation benefits covered by insurance or self-insurance, claims to indemnification to which Executive may be entitled under the Company's or its Subsidiaries' certificate(s) of incorporation, by-laws or under any of the Company's or its Subsidiaries' directors or officers insurance policy(ies) or applicable law, or equity claims to contribution from the Company or its Subsidiaries or any other Person to which Executive is entitled as a matter of law in respect of any claim made against Executive for an alleged act or omission in

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Executive's official capacity and within the scope of Executive's duties as an officer, director or employee of the Company or its Subsidiaries. Not later than eighteen (18) months following the termination of Executive's employment, the Company and its Subsidiaries for which the Executive has acted in the capacity of a senior manager, shall sign and deliver to Executive a release of claims that the Company or its Subsidiaries has against Executive; PROVIDED THAT, such release shall not release any claims that the Company or its Subsidiaries commenced prior to the date of the release(s), any claims relating to matters actively concealed by Executive, any claims to contribution from Executive to which the Company or its Subsidiaries are entitled as a matter of law or any claims arising out of mistaken indemnification by the Company or any of its Subsidiaries. Except as otherwise provided in this SECTION 7(c) or in the Employer's employee benefit plans or as otherwise required by applicable law, Executive shall not be entitled to any other salary, compensation or benefits after termination of Executive's employment with Employer.

8. CONFIDENTIAL INFORMATION.

(a) OBLIGATION TO MAINTAIN CONFIDENTIALITY. Executive acknowledges that the information, observations and data (including trade secrets) obtained by him during the course of his performance under this Agreement concerning the business or affairs of the Company, Employer and their respective Subsidiaries and Affiliates ("CONFIDENTIAL INFORMATION") are the property of the Company, Employer or such Subsidiaries and Affiliates, including information concerning acquisition opportunities in or reasonably related to the Company's and Employer's business or industry of which Executive becomes aware during the Employment Period. Therefore, Executive agrees that he will not disclose to any unauthorized Person or use for his own account (for his commercial advantage or otherwise) any Confidential Information without the Board's written consent, unless and to the extent that the Confidential Information, (i) becomes generally known to and available for use by the public other than as a result of Executive's acts or omissions to act, (ii) was known to Executive prior to Executive's

employment with Employer, the Company or any of their Subsidiaries and Affiliates or (iii) is required to be disclosed pursuant to any applicable law, court order or other governmental decree. Executive shall deliver to the Company at a Separation, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) relating to the Confidential Information, Work Product (as defined below) or the business of the Company, Employer and their respective Subsidiaries and Affiliates (including, without limitation, all acquisition prospects, lists and contact information) which he may then possess or have under his control.

(b) OWNERSHIP OF PROPERTY. Executive acknowledges that all discoveries, concepts, ideas, inventions, innovations, improvements, developments, methods, processes, programs, designs, analyses, drawings, reports, patent applications, copyrightable work and mask work (whether or not including any Confidential

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Information) and all registrations or applications related thereto, all other proprietary information and all similar or related information (whether or not patentable) that relate to the Company's, Employer's or any of their respective Subsidiaries' or Affiliates' actual or anticipated business, research and development, or existing or future products or services and that are conceived, developed, contributed to, made, or reduced to practice by Executive (either solely or jointly with others) while employed by the Company, Employer or any of their respective Subsidiaries or Affiliates (including any of the foregoing that constitutes any proprietary information or records) ("WORK PRODUCT") belong to the Company, Employer or such Subsidiary or Affiliate and Executive hereby assigns, and agrees to assign, all of the above Work Product to the Company, Employer or to such Subsidiary or Affiliate. Any copyrightable work prepared in whole or in part by Executive in the course of his work for any of the foregoing entities shall be deemed a "work made for hire" under the copyright laws, and the Company, Employer or such Subsidiary or Affiliate shall own all rights therein. To the extent that any such copyrightable work is not a "work made for hire," Executive hereby assigns and agrees to assign to the Company, Employer or such Subsidiary or Affiliate all right, title, and interest, including without limitation, copyright in and to such copyrightable work. Executive shall promptly disclose such Work Product and copyrightable work to the Board and perform all actions reasonably requested by the Board (whether during or after the Employment Period) to establish and confirm the Company's, Employer's or such Subsidiary's or Affiliate's ownership (including, without limitation, assignments, consents, powers of attorney, and other instruments).

(c) THIRD PARTY INFORMATION. Executive understands that the Company, Employer and their respective Subsidiaries and Affiliates will receive from third parties confidential or proprietary information ("THIRD PARTY INFORMATION") subject to a duty on the Company's, Employer's and their respective Subsidiaries' and Affiliates' part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the Employment Period and thereafter, and without in any way limiting the provisions of SECTION 8(a) above, Executive will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than personnel and consultants of the Company, Employer or their respective Subsidiaries and Affiliates who need to know such information in connection with their work for the Company, Employer or any of their respective Subsidiaries and Affiliates) or use, except in connection with his work for the Company, Employer or any of their respective Subsidiaries and Affiliates, Third Party Information unless expressly authorized by a member of the Board (other than himself if Executive is on the Board) in writing.

(d) USE OF INFORMATION OF PRIOR EMPLOYERS During the Employment Period and thereafter, Executive will not improperly use or disclose any confidential information or trade secrets, if any, of any former employers or any other Person to whom Executive has an obligation of confidentiality, and will not bring onto the premises of the Company, Employer or any of their respective Subsidiaries or Affiliates any unpublished documents or any property belonging

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to any former employer or any other Person to whom Executive has an obligation of confidentiality unless consented to in writing by the former employer or Person. Executive will use in the performance of his duties only information which is (i) generally known and used by persons with training and experience comparable to Executive's and which is (x) common knowledge in the industry or (y) otherwise legally in the public domain, (ii) otherwise provided or developed by the Company, Employer or any of their respective Subsidiaries or Affiliates or (iii) in the case of materials, property or information belonging to any former employer or other Person to whom Executive has an obligation of confidentiality, approved for such use in writing by such former employer or Person.

9. NONCOMPETITION AND NONSOLICITATION. Executive acknowledges that in the course of his employment with Employer he will become familiar with the Company's, Employer's and their respective Subsidiaries' trade secrets and with other confidential information concerning the Company, Employer and such Subsidiaries and that his services will be of special, unique and extraordinary value to the Company, Employer and such Subsidiaries. Therefore, Executive agrees that:

(a) NONCOMPETITION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, he shall not anywhere in the United States, directly or indirectly, own, manage, control, participate in, consult with, render services for, or in any manner engage in any business (i) competing with a brand of the Company, Employer, Medtech, Denorex, Spic and Span, Comet, Prestige, any business acquired by such Persons, or any Subsidiaries of such Persons, representing 10% or more of the consolidated revenues or EBITDA of the Company and its Subsidiaries for the trailing 12 months ending on the last day of the last completed calendar month immediately preceding the date of termination of the Employment Period or (ii) in which the Company, Employer Medtech, Denorex, any business acquired by such Persons, or any Subsidiaries of such Persons has conducted discussions or has requested and received information relating to the acquisition of such business by such Person (x) within one year prior to the Separation and (y) during the Severance Period, if any. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation that is publicly traded, so long as Executive has no active participation in the business of such corporation.

(b) NONSOLICITATION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, Executive shall not directly or indirectly through another entity (i) induce or attempt to induce any employee of the Company, Employer or any of their respective Subsidiaries to leave the employ of the Company, Employer or any such Subsidiary, or in any way interfere with the relationship between the Company, Employer and any of their respective Subsidiaries and any employee thereof, (ii) hire any person who was an employee of the Company, Employer or any of their respective

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Subsidiaries within 180 days after such person ceased to be an employee of the Company, Employer or any of their respective Subsidiaries (PROVIDED, HOWEVER, THAT such restriction shall not apply for a particular employee if the Company has provided its written consent to such hire, which consent, in the case of any person who was not a key employee of the Company, Employer or any of their respective Subsidiaries, shall not be unreasonably withheld), (iii) induce or attempt to induce any customer, supplier, licensee or other business relation of the Company, Employer or any of their respective Subsidiaries to cease doing business with the Company, Employer or any such Subsidiary or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company, Employer or any Subsidiary or (iv) directly or indirectly acquire or attempt to acquire an interest in any business relating to the business of the Company, Employer or any of their respective Subsidiaries and with which the Company, Employer and any of their respective Subsidiaries has conducted discussions or has requested and received information relating to the acquisition of such business by the Company, Employer or any of their respective Subsidiaries in the two year period immediately preceding a Separation.

(c) ENFORCEMENT. If, at the time of enforcement of SECTION 8 or this SECTION 9, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum duration, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum duration, scope and area permitted by law. Because Executive's services are unique and because Executive has access to Confidential Information, the parties hereto agree that money damages would be an inadequate remedy for any breach of this Agreement. Therefore, in the event of a breach or threatened breach of this Agreement, the Company, Employer, their respective Subsidiaries or their successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security).

(d) ADDITIONAL ACKNOWLEDGMENTS. Executive acknowledges that the provisions of this SECTION 9 are in consideration of: (i) employment with the Employer, (ii) the issuance of the Executive Securities by the Company and (iii) additional good and valuable consideration as set forth in this Agreement. In addition, Executive agrees and acknowledges that the restrictions contained in SECTION 8 and this SECTION 9 do not preclude Executive from earning a livelihood, nor do they unreasonably impose limitations on Executive's ability to earn a living. In addition, Executive acknowledges (i) that the business of the Company, Employer and their respective Subsidiaries will be conducted throughout the United States, (ii) notwithstanding the state of incorporation or principal office of the Company, Employer or any of their respective Subsidiaries, or any of their respective executives or employees (including the Executive), it is expected that the Company and Employer will have business activities and have valuable

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business relationships within its industry throughout the United States and (iii) as part of his responsibilities, Executive will be traveling throughout the United States in furtherance of Employer's business and its relationships. Executive agrees and acknowledges that the potential harm to the Company and Employer of the non-enforcement of SECTION 8 and this SECTION 9 outweighs any potential harm to Executive of its enforcement by

injunction or otherwise. Executive acknowledges that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Executive by this Agreement, and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company, Employer and their Subsidiaries now existing or to be developed in the future. Executive expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

GENERAL PROVISIONS

10. DEFINITIONS.

"AFFILIATE" means, (i) with respect to any Person, any Person that controls, is controlled by or is under common control with such Person or an Affiliate of such Person, and (ii) with respect to any Purchaser, any general or limited partner of such Purchaser, any employee or owner of any such partner, or any other Person controlling, controlled by or under common control with such Purchaser.

"BOARD" means the Company's board of directors (or its equivalent).

"CAUSE" means (i) the intentional or knowing commission of a felony or a crime involving moral turpitude or the commission of any other act or omission involving dishonesty or fraud with respect to the Company, Employer or any of their respective Subsidiaries or any of their customers or suppliers, (ii) substantial and repeated failure to perform duties of the office held by Executive as reasonably directed by the Board, (iii) gross negligence or willful misconduct with respect to the Company, Employer or any of their respective Subsidiaries, (iv) conduct tending to bring the Company, Employer or any of their respective Subsidiaries into substantial public disgrace or disrepute or (v) any breach by Executive of SECTIONS 8 or 9 of this Agreement. Notwithstanding the foregoing, if it is alleged or determined that actions taken by Executive caused the Company, Employer or any of their respective Subsidiaries to engage in illegal activities or operations, the taking of such actions by Executive shall not constitute "Cause" hereunder if Executive had a reasonable and good faith belief that such actions were not in violation of any law, rule, regulation or court order, were in the best interests of the Company, Employer and their respective Subsidiaries and were taken in the ordinary course of business.

"COMET" means The Comet Products Corporation, a Delaware corporation.

"CREDIT AGREEMENT" means the Credit Agreement, dated as of April 6, 2004, among Employer, Prestige Brands International, LLC, a Delaware limited liability

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company, the lenders and issuers party thereto, Citicorp North America, Inc., as administrative agent and Tranche C Agent (as defined therein), Bank of America, N.A., as syndication agent for the lenders and issuers, Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., as documentation agent for the lenders and issuers, and the other parties named therein, as the same may be amended, supplemented or otherwise modified from time to time, at any renewal, extension, refunding, restructuring, replacement or refinancing thereof (whether with the original agent or lenders or another agent or agents or other lenders and whether provided under the original Credit Agreement or any other credit agreement).

"DENOREX" means The Denorex Company, a Delaware corporation.

"DISABILITY" means the disability of Executive caused by any physical or mental injury, illness or incapacity as a result of which Executive is unable to effectively perform the essential functions of Executive's duties as determined by the Board in good faith.

"EBITDA" means "Adjusted EBITDA" as such term is defined in the Credit Agreement.

"EXECUTIVE SECURITIES" means all Class B Preferred Units of Prestige Preferred Holdings, LLC acquired by Executive pursuant to the Prior Agreement and Common Shares acquired by Executive pursuant to the Exchange Agreement. Executive Securities will continue to be Executive Securities in the hands of any holder other than Executive (except for the Company and transferees in a Public Sale, which transferees shall not be subject to the provisions of this Agreement with respect to such securities), and except as otherwise provided herein, each such other holder of Executive Securities will succeed to all rights and obligations attributable to Executive as a holder of Executive Securities hereunder. Executive Securities (or, individually, any particular type of equity security included therein) will also include equity securities of the Company issued with respect to Executive Securities (or, individually, any particular type of equity security included therein) by way of a stock split, stock dividend, conversion, or other recapitalization. For the avoidance of doubt, all Unvested Shares shall remain Unvested Shares after a Transfer thereof, unless such Transfer is to the Company or a transferee in a Public Sale.

"FAIR MARKET VALUE" of each share of Executive Securities means the average of the closing prices of the sales of such Executive Securities on all securities exchanges on which such Executive Securities may at the time be listed, or, if there have been no sales on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day such Executive Securities are not so listed, the average of the representative bid and asked prices quoted in the NASDAQ System as of 4:00 P.M., New York time, or, if on any day such Executive

Securities are not quoted in the NASDAQ System, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau Incorporated, or any similar successor organization, in each such case averaged over a period of 21 days consisting of the day as of which the Fair Market Value is being determined and the 20 consecutive business days prior to such

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day. If at any time such Executive Securities are not listed on any securities exchange or quoted in the NASDAQ System or the over-the-counter market, the Fair Market Value will be the fair value of such Executive Securities as determined in good faith by the Board. If Executive reasonably disagrees with such determination, Executive shall deliver to the Board a written notice of objection (an "OBJECTION") within thirty (30) days after delivery of the Separation Repurchase Notice. Upon receipt of Executive's Objection, the Board and Executive will negotiate in good faith to agree on such Fair Market Value. If such agreement is not reached within 20 days after the delivery of the Objection, Fair Market Value shall be determined by an appraiser jointly selected by the Board and Executive, which appraiser shall submit to the Board and Executive a report within 30 days of its engagement setting forth such determination. If the parties are unable to agree on an appraiser within 25 days after delivery of the Objection, within seven days, each party shall submit the names of four nationally recognized firms that are engaged in the business of valuing non-public securities, and each party shall be entitled to strike two names from the other party's list of firms, and the appraiser shall be selected by lot from the remaining four investment banking firms. The expenses of such appraiser shall be borne equally by Executive and the Company. The determination of such appraiser as to Fair Market Value shall be final and binding upon all parties.

"FAMILY GROUP" means a Person's spouse and descendants (whether natural or adopted), and any trust, family limited partnership, limited liability company or other entity wholly owned, directly or indirectly, by such Person or such Person's spouse and/or descendants that is and remains solely for the benefit of such Person and/or such Person's spouse and/or descendants and any retirement plan for such Person.

"GOOD REASON" means (i) any material diminution in Executive's position, title, authority, powers, functions, duties or responsibilities with Employer, (ii) the permanent relocation or transfer of Employer's principal office outside a 30 mile radius from Irvington, New York or (iii) any failure of Employer to comply with the Annual Base Salary and bonus provisions of SECTION 7(b) hereof; provided, however, that either or both of clauses (i) or (ii) shall be disregarded for purposes of this definition if Peter Mann, as the Chief Executive Officer of Employer, consents to the circumstances described in such clause(s).

"MEDTECH" means Medtech Holdings, Inc., a Delaware corporation.

"ORIGINAL COST" means, with respect to each Carried Common Unit acquired pursuant to the Prior Agreement, \$0.10 (each as proportionately adjusted for all subsequent stock splits, stock dividends and other recapitalizations).

"PERSON" means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, investment fund, any other business entity and a governmental entity or any department, agency or political subdivision thereof.

"PRESTIGE" means Prestige Brands International, Inc., a Virginia corporation.

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"PUBLIC OFFERING" means the sale in an underwritten public offering registered under the Securities Act of equity securities of the Company or a corporate successor to the Company.

"PUBLIC SALE" means (i) any sale pursuant to a registered public offering under the Securities Act or (ii) any sale to the public pursuant to Rule 144 promulgated under the Securities Act effected through a broker, dealer or market maker (other than pursuant to Rule 144(k) prior to a Public Offering).

"PURCHASER" has the meaning set forth in the Exchange Agreement.

"REGISTRATION AGREEMENT" means the Registration Rights Agreement, dated as of February 6, 2004, by and among the Company and certain of its securityholders, as amended from time to time pursuant to its terms.

"SALE OF THE COMPANY" means any transaction or series of transactions pursuant to which any Person or group of related Persons other than the Purchasers or their Affiliates in the aggregate acquire(s) (i) equity securities of the Company possessing the voting power (other than voting rights accruing only in the event of a default, breach or event of noncompliance) to elect a majority of the Board (whether by merger, consolidation, reorganization, combination, sale or transfer of the Company's equity, securityholder or voting agreement, proxy, power of attorney or otherwise) or (ii) all or substantially all of the Company's assets determined on a consolidated basis; PROVIDED that a Public Offering shall not constitute a Sale of the Company.

"SECURITIES ACT" means the Securities Act of 1933, as amended from time to time.

"SEPARATION" means the cessation of employment of Executive with the Company, Employer and their respective Subsidiaries for any reason.

"SPIC AND SPAN" means The Spic and Span Company, a Delaware corporation.

"SUBSIDIARY" means, with respect to any Person, any corporation, limited liability company, partnership, association, or business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association, or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association, or other business entity. For purposes hereof, references to a "SUBSIDIARY" of

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any Person shall be given effect only at such times that such Person has one or more Subsidiaries, and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Company.

"TCW/CRESCENT LENDERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

"TCW/CRESCENT PURCHASERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

"TRANSFER" means to sell, transfer, assign, pledge or otherwise dispose of (whether with or without consideration and whether voluntarily or involuntarily or by operation of law).

"WELFARE PLANS" mean the welfare benefit plans, practices, policies and programs provided by Employer to the extent applicable generally to other senior executives of the Company.

11. NOTICES. Any notice provided for in this Agreement must be in writing and must be either personally delivered, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated:

IF TO EMPLOYER:

Prestige Brands, Inc.
90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601

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Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO THE COMPANY:

Prestige International Holdings, LLC
90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO EXECUTIVE:

Peter J. Anderson
771 Blanch Ave.
Norwood, New Jersey 07648

WITH A COPY TO:

Ford Marrin Esposito Witmeyer & Gleser LLP
Wall Street Plaza
New York, New York 10005-1875
Attention: James M. Adrian

IF TO THE PURCHASERS:

See the attached PURCHASER NOTICE SCHEDULE.

or such other address or to the attention of such other Person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement will be deemed to have been given when so delivered or sent or, if mailed, five days after deposit in the U.S. mail.

12. GENERAL PROVISIONS.

(a) TRANSFERS IN VIOLATION OF AGREEMENT. Any Transfer or attempted Transfer of any Executive Securities in violation of any provision of this Agreement shall be void, and the Company shall not record such Transfer on its

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books or treat any purported transferee of such Executive Securities as the owner of such equity for any purpose.

(b) SEVERABILITY. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(c) COMPLETE AGREEMENT. This Agreement, those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(d) NO STRICT CONSTRUCTION. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(e) COUNTERPARTS. This Agreement may be executed and delivered in separate counterparts (including by means of facsimile), each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(f) SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by Executive, the Company, the Purchasers and their respective successors and assigns (including subsequent holders of Executive Securities); provided that the rights and obligations of Executive under this Agreement shall not be assignable except in connection with a permitted transfer of Executive Securities hereunder.

(g) CHOICE OF LAW. The law of the State of Delaware will govern all questions concerning the relative rights of the Company, Employer and its securityholders. All other questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto will be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(h) MUTUAL WAIVER OF JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN

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EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES HERETO, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED

(i) EXECUTIVE'S COOPERATION. During the Employment Period and thereafter, Executive shall cooperate with the Company, Employer and their respective Subsidiaries and Affiliates in any disputes with third parties, internal investigation or administrative, regulatory or judicial proceeding as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other permitted activities and commitments). In the event the Company requires Executive's cooperation in accordance with this paragraph after the Employment Period, the Company shall reimburse Executive for reasonable travel expenses (including lodging and meals, upon submission of receipts) and compensate Executive for his time at a rate that is mutually agreeable to Executive and the Company.

(j) REMEDIES. Each of the parties to this Agreement (and the Purchasers as third-party beneficiaries) will be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including attorney's fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

(k) AMENDMENT AND WAIVER. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company, Employer, Executive and the Majority Holders (as defined in the Exchange Agreement).

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(l) INSURANCE. The Company, at its discretion, may apply for and procure in its own name and for its own benefit life and/or disability insurance on Executive in any amount or amounts considered available. Executive agrees to cooperate in any medical or other examination, supply any information, and to execute and deliver any applications or other instruments in writing as may be reasonably necessary to obtain and constitute such insurance. Executive hereby represents that he has no reason to believe that his life is not insurable at rates now prevailing for healthy men of his age.

(m) BUSINESS DAYS. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(n) INDEMNIFICATION AND REIMBURSEMENT OF PAYMENTS ON BEHALF OF EXECUTIVE. The Company and its Subsidiaries shall be entitled to deduct or withhold from any amounts owing from the Company or any of its Subsidiaries to Executive any federal, state, local or foreign withholding taxes, excise taxes, or employment taxes ("TAXES") imposed with respect to Executive's compensation or other payments from the Company or any of its Subsidiaries or Executive's ownership interest in the Company, including, without limitation, wages, bonuses, dividends, the receipt or exercise of equity options and/or the receipt or vesting of restricted equity. In the event the Company or any of its Subsidiaries does not make such deductions or withholdings, Executive shall indemnify the Company and its Subsidiaries for any amounts paid with respect to any such Taxes, together with any interest, penalties and related expenses thereto.

(o) REASONABLE EXPENSES. Employer agrees to pay the reasonable fees and expenses of Executive's counsel arising in connection with the negotiation and execution of this Agreement and the consummation of the transactions contemplated by this Agreement.

(p) TERMINATION. This Agreement (except for the provisions of SECTIONS 7(a) and (b)) shall survive a Separation and shall remain in full force and effect after such Separation.

(q) ADJUSTMENTS OF NUMBERS. All numbers set forth herein that refer to share prices or amounts will be appropriately adjusted to reflect share splits, share dividends, combinations of shares and other recapitalizations affecting the subject class of equity.

(r) DEEMED TRANSFER OF EXECUTIVE SECURITIES. If the Company (and/or any other Person acquiring securities) shall make available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Executive Securities to be repurchased in accordance with the provisions of this Agreement, then from and after such time, the Person from whom such shares are

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to be repurchased shall no longer have any rights as a holder of such shares (other than the right to receive payment of such consideration in accordance with this Agreement), and such shares shall be deemed purchased

in accordance with the applicable provisions hereof and the Company (and/or any other Person acquiring securities) shall be deemed the owner and holder of such shares, whether or not the certificates therefor have been delivered as required by this Agreement.

(s) NO PLEDGE OR SECURITY INTEREST. The purpose of the Company's retention of Executive's certificates is solely to facilitate the repurchase provisions set forth in SECTION 3 and does not constitute a pledge by Executive of, or the granting of a security interest in, the underlying equity.

(t) RIGHTS GRANTED TO GTCR FUND VIII AND ITS AFFILIATES. Any rights granted to GTCR Fund VIII, GTCR Fund VIII/B, GTCR Co-Invest and their Affiliates hereunder may also be exercised (in whole or in part) by their designees.

* * * * *

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

PRESTIGE BRANDS HOLDINGS, INC.

By: _____
Name: _____
Title: _____

PRESTIGE INTERNATIONAL HOLDINGS, LLC

By: _____
Name: _____
Title: _____

PRESTIGE BRANDS, INC.

By: _____
Name: _____
Title: _____

PETER J. ANDERSON

Agreed and Accepted:

GTCR FUND VIII, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____
Name: David A. Donnini
Its: Principal

GTCR FUND VIII/B, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____

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Name: David A. Donnini
Its: Principal

GTCR CO-INVEST II, L.P.

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____
Name: David A. Donnini
Its: Principal

GTCR CAPITAL PARTNERS, L.P.

By: GTCR Mezzanine Partners, L.P.
Its: General Partner

By: GTCR Partners VI, L.P.
Its: General Partner

By: GTCR Golder Rauner, L.L.C.
Its: General Partner

By: -----

Name:
Its: Principal

TCW/CRESCENT MEZZANINE PARTNERS III, L.P.
TCW/CRESCENT MEZZANINE TRUST III
TCW/CRESCENT MEZZANINE PARTNERS III
NETHERLANDS, L.P.

By: TCW/Crescent Mezzanine
Management III, L.L.C.,
its Investment Manager

By: TCW Asset Management Company,
its Sub-Advisor

By: -----

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Name: Timothy P. Costello
Its: Managing Director

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EXHIBIT A

_____, 2005

PROTECTIVE ELECTION TO INCLUDE MEMBERSHIP
INTEREST IN GROSS INCOME PURSUANT TO
SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned purchased shares of Common Stock, par value \$.01 per share (the "SHARES"), of Prestige Brands Holdings, Inc. (the "COMPANY") on January 28, 2005. Under certain circumstances, the Company has the right to repurchase the Shares at cost from the undersigned (or from the holder of the Shares, if different from the undersigned) should the undersigned cease to be employed by the Company and its subsidiaries. Hence, the Shares are subject to a substantial risk of forfeiture that may not be avoided by a transfer of the Shares to another person. The undersigned desires to make an election to have the Shares taxed under the provision of Code Section 83(b) at the time he purchased the Shares.

Therefore, pursuant to Code Section 83(b) and Treasury Regulation Section 1.83-2 promulgated thereunder, the undersigned hereby makes an election, with respect to the Shares (described below), to report as taxable income for calendar year 2005 the excess (if any) of the Shares' fair market value on January 28, 2005 over purchase price thereof.

The following information is supplied in accordance with Treasury Regulation Section 1.83-2(e):

1. The name, address and social security number of the undersigned:

2. A description of the property with respect to which the election is being made: _____ shares of Prestige Brands Holdings, Inc.'s Common Stock, par value \$.01 per share.

3. The date on which the property was transferred: January 28, 2005. The taxable year for which such election is made: calendar 2005.

4. The restrictions to which the property is subject: If the undersigned ceases to be employed by the Company or any of its subsidiaries, the unvested portion of the Shares will be subject to repurchase by the Company at the lower of cost or market value.

5. The fair market value on January 28, 2005 of the property with respect to which the election is being made, determined without regard to any lapse restrictions: \$_____ per share of Common Stock.

6. The amount paid for such property: \$_____ per share of Common Stock.

A copy of this election has been furnished to the Secretary of the Company pursuant to Treasury Regulations Section 1.83-2(d).

Dated: _____
[EXECUTIVE]

PURCHASER NOTICE SCHEDULE

IF TO GTCR FUND VIII, L.P., GTCR FUND VIII/B, L.P. OR GTCR CO-INVEST II, L.P.:
c/o GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

WITH A COPY TO:
Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Kevin R. Evanich, P.C.
Christopher J. Greeno

IF TO GTCR CAPITAL PARTNERS:

GTCR Capital Partners, L.P.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: Barry Dunn

WITH A COPY TO:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Kevin R. Evanich, P.C.
Christopher J. Greeno

IF TO THE TCW/CRESCENT LENDERS AND/OR TCW/CRESCENT PURCHASERS:

TCW/Crescent Mezzanine Partners III, L.P.
TCW/Crescent Mezzanine Trust III
TCW/Crescent Mezzanine Partners III Netherlands, L.P.
c/o TCW/Crescent Mezzanine, L.L.C.
200 Crescent Court, Suite 1600
Dallas, Texas 75201
Attention: Timothy P. Costello
Telecopier No.: (214) 740-7382

WITH A COPY TO:

Gardere Wynne Sewell LLP
3000 Thanksgiving Tower
1601 Elm Street
Dallas, Texas 75201
Attention: Gary B. Clark
Telecopier No.: (214) 999-4667

AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT (this "AGREEMENT") is made as of January 28, 2005, by and among Prestige International Holdings, LLC, a Delaware limited liability company ("HOLDINGS LLC"), Prestige Brands Holdings, Inc., a Delaware corporation (the "COMPANY"), Prestige Brands, Inc., a Delaware corporation ("EMPLOYER"), and Gerard F. Butler ("EXECUTIVE").

This Agreement amends and restates the Senior Management Agreement (as amended prior to the date hereof, the "PRIOR AGREEMENT"), dated as of February 6, 2004, by and among Holdings LLC, Employer and Executive. The Company, Holdings LLC, Employer and Executive desire to amend and restate the Prior Agreement in connection with the transactions (the "EXCHANGE TRANSACTIONS") contemplated by the Exchange Agreement (the "EXCHANGE AGREEMENT"), dated as of the date hereof, among Holdings LLC, the Company and the Unitholders of Holdings LLC, which are being consummated in order to facilitate an initial public offering (the "INITIAL PUBLIC OFFERING") of the Company's common stock, par value \$.01 per share (the "COMMON SHARES").

Holdings LLC and Executive entered into the Prior Agreement pursuant to which Executive acquired from Holdings LLC, and Holdings LLC issued to Executive, 125,520 Class B Preferred Units of the Company (the "CLASS B PREFERRED UNITS") and 916,600 Common Units of the Company (the "COMMON UNITS"). Certain definitions are set forth in SECTION 10 of this Agreement.

The execution and delivery of this Agreement by Holdings LLC and Executive was a condition to (A) the purchase of Class B Preferred Units and Common Units by GTCR Fund VIII, L.P., a Delaware limited partnership ("GTCR FUND VIII"), GTCR Fund VIII/B, L.P., a Delaware limited partnership ("GTCR FUND VIII/B"), GTCR Co-Invest II, L.P., a Delaware limited partnership ("GTCR CO-INVEST") and the TCW/Crescent Purchasers (as defined herein) pursuant to the Unit Purchase Agreement among Holdings LLC and such Persons dated as of February 6, 2004 (as amended from time to time, the "PURCHASE AGREEMENT") and (B) the purchase of warrants to acquire Class B Preferred Units and Common Units by GTCR Capital Partners, L.P., a Delaware limited partnership ("GTCR CAPITAL PARTNERS") and the TCW/Crescent Lenders (as defined herein) pursuant to the Warrant Agreement between Holdings LLC and such Persons dated as of February 6, 2004. Certain provisions of this Agreement are intended for the benefit of, and will be enforceable by, the Purchasers (as defined herein).

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, (i) the parties to the Prior Agreement hereby amend and restate the Prior Agreement, effective upon consummation of the Exchange Transactions (the "EFFECTIVE DATE"), and (ii) the parties to this Agreement hereby agree as follows:

PROVISIONS RELATING TO EXECUTIVE SECURITIES

1. ACQUISITION OF CARRIED SHARES.

(a) Upon consummation of the Exchange Transactions, Executive will acquire _____ Common Shares in exchange for the _____ Common Units acquired by Executive pursuant to the Prior Agreement that were subject to vesting (the "CARRIED COMMON UNITS"). The Common Shares so acquired by Executive and described in this SECTION 1(a) are sometimes referred to herein as "CARRIED SHARES." The Company will deliver to Executive copies of the certificates representing such Common Shares. In exchange, Executive hereby authorizes Holdings LLC and the Company to cancel the certificate or certificates representing the Carried Common Units. The Common Shares acquired by Executive in exchange for Common Units acquired by Executive pursuant to the Prior Agreement that were not subject to vesting are sometimes referred to herein as "CO-INVEST COMMON SHARES").

(b) Within 30 days after the acquisition of the Carried Shares, Executive will make an effective election with the Internal Revenue Service under Section 83(b) of the Internal Revenue Code and the regulations promulgated thereunder in the form of EXHIBIT A attached hereto.

(c) Until released upon the occurrence of a Sale of the Company or a Public Offering as provided below, all certificates evidencing the Carried Shares shall be held by the Company for the benefit of Executive and the other holder(s) of Carried Shares, if any. Upon the occurrence of a Sale of the Company, the Company will return all certificates evidencing Carried Shares to the record holders thereof. Upon consummation of a Public Offering, the Company will return to the record holders thereof certificates evidencing Vested Shares (as defined in SECTION 2(f) below).

(d) Executive acknowledges and agrees that neither the issuance of the Carried Shares to Executive pursuant to the Exchange Agreement nor any provision contained herein shall entitle Executive to remain in the employment of the Company, Employer or any of their respective Subsidiaries or affect the right of the Company or Employer to terminate Executive's employment at any time for any reason, subject to the remaining terms of this Agreement and any other agreement between Executive and any such parties.

2. VESTING OF CARRIED SHARES.

(a) The Carried Shares issued to Executive in respect of Carried Common Units shall be subject to vesting in the manner specified in this

to be acquired from each holder, the aggregate consideration to be paid for such shares and the time and place for the closing of the transaction. The number of Unvested Shares to be repurchased by the Company shall first be satisfied to the extent possible from the Unvested Shares held by Executive at the time of delivery of the Separation Repurchase Notice. If the number of Unvested Shares then held by Executive is less than the total number of Unvested Shares that the Company has elected to purchase, the Company shall purchase the remaining Unvested Shares elected to be purchased from the Permitted Transferee(s) of Unvested Shares under this Agreement, PRO RATA according to the number of Unvested Shares held by such Permitted Transferee(s) at the time of delivery of such Separation Repurchase Notice (determined as nearly as practicable to the nearest unit). The number of Unvested Shares to be repurchased hereunder will be allocated among Executive and the Permitted Transferee(s) of Unvested Shares (if any) PRO RATA according to the number of Unvested Shares to be purchased from such Person.

(d) The closing of the purchase of the Unvested Shares pursuant to the Separation Repurchase Option shall take place on the date designated by the Company in the Separation Repurchase Notice, which date shall not be more than 30 days nor less than five days after the delivery of such notice. The Company will pay for the Unvested Shares to be purchased by it pursuant to the Separation Repurchase Option by first offsetting amounts outstanding under any bona fide debts owed by Executive to the Company and will pay the remainder of the purchase price by, at its option, (A) a check or wire transfer of funds, (B) the issuance of a subordinated promissory note of the Company bearing interest at a rate equal to the prime rate (as published in THE WALL STREET JOURNAL from time to time) and having such maturity as the Company shall determine in good faith, not to exceed three years, or (C) any combination of clauses (A) and (B) as the Board may elect in its discretion. The Company will be entitled to receive customary representations and warranties from the sellers regarding such sale and to require that all sellers' signatures be guaranteed.

(e) Notwithstanding anything to the contrary contained in this Agreement, if the Fair Market Value of Unvested Shares is finally determined to be an amount at least 10% greater than the per share repurchase price for such Unvested Shares in the Separation Repurchase Notice, the Company shall have the right to revoke its exercise of the Separation Repurchase Option for all or any portion of the

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Unvested Shares elected to be repurchased by it by delivering notice of such revocation in writing to the holders of Unvested Shares during the thirty-day period beginning on the date that the Company is given written notice that the Fair Market Value of a share of Unvested Shares was finally determined to be an amount at least 10% greater than the per share repurchase price for Unvested Shares set forth in the Separation Repurchase Notice.

4. LIMITATIONS ON CERTAIN REPURCHASES. Notwithstanding anything to the contrary contained in this Agreement, all repurchases of Unvested Shares by the Company pursuant to the Separation Repurchase Option shall be subject to the ability of the Company to pay the purchase price from its readily available cash resources (without imposing any obligation on the Company to raise financing to fund the repurchases) and also subject to applicable restrictions contained in the Delaware General Corporation Law or such other governing corporate law, applicable federal and state securities laws, and in the Company's and its Subsidiaries' debt and equity financing agreements. If any such restrictions prohibit (A) the repurchase of Unvested Shares hereunder which the Company is otherwise entitled to make or (B) dividends or other transfers of funds from one or more Subsidiaries to the Company to enable such repurchases, then the Company may make such repurchases as soon as it is permitted to make repurchases or receive funds from Subsidiaries under such restrictions. Furthermore, in the event of a disagreement in accordance with the terms herein relating to the determination of the Fair Market Value of any Unvested Shares, the time periods described herein with respect to purchases of Executive Securities under SECTION 3 herein shall be tolled until any such determination has been made in accordance with the terms provided herein.

5. RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) TRANSFER OF EXECUTIVE SECURITIES. The holders of Executive Securities shall not Transfer any interest in any Executive Securities, except pursuant to (i) the provisions of SECTION 3 hereof, (ii) the provisions of SECTION 5(b) below or (iii) a Sale of the Company approved by the Board.

(b) CERTAIN PERMITTED TRANSFERS. The restrictions in this SECTION 5 will not apply with respect to any Transfer of (i) Executive Securities made pursuant to applicable laws of descent and distribution or to such Person's legal guardian in the case of any mental incapacity or among such Person's Family Group or (ii) Common Shares at such time as the Purchasers sell Common Shares in a Public Sale, but in the case of this clause (ii) only an amount of shares (the "TRANSFER AMOUNT") equal to the lesser of (A) the sum of the number of Vested Shares and Co-Invest Common Shares owned by Executive and (B) the result of the number of Common Shares owned by Executive multiplied by a fraction (the "TRANSFER FRACTION"), the numerator of which is the number of Common Shares sold by the Purchasers in such Public Sale and the denominator of which is the total number of Common Shares held by the Purchasers prior to the Public Sale; PROVIDED that, if at the time of a Public Sale of Common Shares by the Purchasers, Executive chooses not to Transfer the Transfer Amount, Executive shall retain the right to Transfer an amount of Common Shares at a future date equal to the lesser of (x)

the sum of the number of Vested Shares and Co-Invest Common Shares owned by Executive at such future date and (y) the result of the number of Common Shares owned by Executive at such future date multiplied by the Transfer Fraction; PROVIDED further that the restrictions contained in this SECTION 5 will continue to be applicable to the Executive Securities after any Transfer of the type referred to in clause (i) above and the transferees of such Executive Securities must agree in writing to be bound by the provisions of this Agreement and the Registration Agreement. Any transferee of Executive Securities pursuant to a Transfer in accordance with the provisions of clause (i) of this SECTION 5(b) is herein referred to as a "PERMITTED TRANSFEREE." Upon the Transfer of Executive Securities pursuant to this SECTION 5(b), the transferring holder of Executive Securities will deliver a written notice (a "TRANSFER NOTICE") to the Company. In the case of a Transfer pursuant to clause (i) hereof, the Transfer Notice will disclose in reasonable detail the identity of the Permitted Transferee(s).

(c) TERMINATION OF RESTRICTIONS. The restrictions set forth in this SECTION 5 will continue with respect to each share of Executive Securities until the earlier of (i) the date on which such share of Executive Securities has been transferred in a Public Sale permitted by this SECTION 5, or (ii) the consummation of a Sale of the Company.

6. ADDITIONAL RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) LEGEND. The certificates representing the Executive Securities will bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED AS OF [DATE OF ISSUANCE], HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER, CERTAIN REPURCHASE OPTIONS AND CERTAIN OTHER AGREEMENTS SET FORTH IN AN AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT BETWEEN THE COMPANY AND AN EXECUTIVE OF THE COMPANY AND OTHER PARTIES, DATED AS OF JANUARY 28, 2005. A COPY OF SUCH AGREEMENT MAY BE OBTAINED BY THE HOLDER HEREOF AT THE COMPANY'S PRINCIPAL PLACE OF BUSINESS WITHOUT CHARGE."

(b) OPINION OF COUNSEL. No holder of Executive Securities may Transfer any Executive Securities (except pursuant to SECTION 3 or SECTION 5(b) of this Agreement or an effective registration statement under the Securities Act) without

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first delivering to the Company a written notice describing in reasonable detail the proposed Transfer, together with an opinion of counsel (reasonably acceptable in form and substance to the Company) that neither registration nor qualification under the Securities Act and applicable state securities laws is required in connection with such transfer. In addition, if the holder of the Executive Securities delivers to the Company an opinion of counsel that no subsequent Transfer of such Executive Securities shall require registration under the Securities Act, the Company shall promptly upon such contemplated Transfer deliver new certificates for such Executive Securities that do not bear the Securities Act portion of the legend set forth in SECTION 6(a). If the Company is not required to deliver new certificates for such Executive Securities not bearing such legend, the holder thereof shall not Transfer the same until the prospective transferee has confirmed to the Company in writing its agreement to be bound by the conditions contained in this SECTION 6.

PROVISIONS RELATING TO EMPLOYMENT

7. EMPLOYMENT. Employer agrees to employ Executive and Executive accepts such employment for the period beginning as of the date of the Prior Agreement and ending upon his separation pursuant to SECTION 7(c) hereof (the "EMPLOYMENT PERIOD").

(a) POSITION AND DUTIES.

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

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

(b) SALARY, BONUS AND BENEFITS. During the Employment Period, Employer will pay Executive a base salary of \$218,000 per annum (the "ANNUAL BASE SALARY"). During fiscal year 2005, the Board shall develop a new bonus program which may incorporate subjective and objective criteria for bonus achievement different from the criteria contained in the existing Medtech/Denorex bonus program; PROVIDED, HOWEVER, THAT the maximum bonus payment potentials to Executive will not be decreased from those provided in the existing Medtech/Denorex bonus program. In addition, during the Employment Period, Executive will be entitled to such other benefits

approved by the Board and made available to the senior management of the Company, Employer and their Subsidiaries, which shall include vacation time (in an amount consistent with past practice) and medical, dental, life and disability insurance. The Board, on a

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basis consistent with past practice, shall review the Annual Base Salary of Executive and may increase the Annual Base Salary by such amount as the Board, in its sole discretion, shall deem appropriate. The term "Annual Base Salary" as used in this Agreement shall refer to the Annual Base Salary as it may be so increased.

(c) SEPARATION. The Employment Period will continue until (i) Executive's death, Disability or resignation from employment with the Company, Employer and their respective Subsidiaries or (ii) the Company, Employer and their respective Subsidiaries decide to terminate Executive's employment with or without Cause. If (A) Executive's employment is terminated without Cause pursuant to clause (ii) above or (B) Executive resigns from employment with the Company, Employer or any of their respective Subsidiaries for Good Reason, then during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination (the "SEVERANCE PERIOD"), Employer shall pay to Executive, in equal installments on the Employer's regular salary payment dates, an aggregate amount equal to (I) his Annual Base Salary, plus (II) an amount equal to the annual bonus, if any, paid or payable to Executive by Employer for the last fiscal year ended prior to the date of termination. In addition, if Executive is entitled on the date of termination to coverage under the medical and prescription portions of the Welfare Plans, such coverage shall continue for Executive and Executive's covered dependents for a period ending on the first anniversary of the date of termination at the active employee cost payable by Executive with respect to those costs paid by Executive prior to the date of termination; PROVIDED, that this coverage will count towards the depletion of any continued health care coverage rights that Executive and Executive's dependents may have pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"); PROVIDED further, that Executive's or Executive's covered dependents' rights to continued health care coverage pursuant to this SECTION 7(c) shall terminate at the time Executive or Executive's covered dependents become covered, as described in COBRA, under another group health plan, and shall also terminate as of the date Employer ceases to provide coverage to its senior executives generally under any such Welfare Plan. Notwithstanding the foregoing, (I) Executive shall not be entitled to receive any payments or benefits pursuant to this SECTION 7(c) unless Executive has executed and delivered to Employer a general release in form and substance satisfactory to Employer and (II) Executive shall be entitled to receive such payments and benefits only so long as Executive has not breached the provisions of SECTIONS 8 or 9 hereof. The release described in the foregoing sentence shall not require Executive to release any claims for any vested employee benefits, workers compensation benefits covered by insurance or self-insurance, claims to indemnification to which Executive may be entitled under the Company's or its Subsidiaries' certificate(s) of incorporation, by-laws or under any of the Company's or its Subsidiaries' directors or officers insurance policy(ies) or applicable law, or equity claims to contribution from the Company or its Subsidiaries or any other Person to which Executive is entitled as a matter of law in respect of any claim made against Executive for an alleged act or omission in

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Executive's official capacity and within the scope of Executive's duties as an officer, director or employee of the Company or its Subsidiaries. Not later than eighteen (18) months following the termination of Executive's employment, the Company and its Subsidiaries for which the Executive has acted in the capacity of a senior manager, shall sign and deliver to Executive a release of claims that the Company or its Subsidiaries has against Executive; PROVIDED THAT, such release shall not release any claims that the Company or its Subsidiaries commenced prior to the date of the release(s), any claims relating to matters actively concealed by Executive, any claims to contribution from Executive to which the Company or its Subsidiaries are entitled as a matter of law or any claims arising out of mistaken indemnification by the Company or any of its Subsidiaries. Except as otherwise provided in this SECTION 7(c) or in the Employer's employee benefit plans or as otherwise required by applicable law, Executive shall not be entitled to any other salary, compensation or benefits after termination of Executive's employment with Employer.

8. CONFIDENTIAL INFORMATION.

(a) OBLIGATION TO MAINTAIN CONFIDENTIALITY. Executive acknowledges that the information, observations and data (including trade secrets) obtained by him during the course of his performance under this Agreement concerning the business or affairs of the Company, Employer and their respective Subsidiaries and Affiliates ("CONFIDENTIAL INFORMATION") are the property of the Company, Employer or such Subsidiaries and Affiliates, including information concerning acquisition opportunities in or reasonably related to the Company's and Employer's business or industry of which Executive becomes aware during the Employment Period. Therefore, Executive agrees that he will not disclose to any unauthorized Person or use for his own account (for his commercial advantage or otherwise) any Confidential Information without the Board's written consent, unless and to the extent that the Confidential Information, (i) becomes generally known to and available for use by the public other than as a result of Executive's acts or omissions to act, (ii) was known to Executive prior to Executive's

employment with Employer, the Company or any of their Subsidiaries and Affiliates or (iii) is required to be disclosed pursuant to any applicable law, court order or other governmental decree. Executive shall deliver to the Company at a Separation, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) relating to the Confidential Information, Work Product (as defined below) or the business of the Company, Employer and their respective Subsidiaries and Affiliates (including, without limitation, all acquisition prospects, lists and contact information) which he may then possess or have under his control.

(b) OWNERSHIP OF PROPERTY. Executive acknowledges that all discoveries, concepts, ideas, inventions, innovations, improvements, developments, methods, processes, programs, designs, analyses, drawings, reports, patent applications, copyrightable work and mask work (whether or not including any Confidential

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Information) and all registrations or applications related thereto, all other proprietary information and all similar or related information (whether or not patentable) that relate to the Company's, Employer's or any of their respective Subsidiaries' or Affiliates' actual or anticipated business, research and development, or existing or future products or services and that are conceived, developed, contributed to, made, or reduced to practice by Executive (either solely or jointly with others) while employed by the Company, Employer or any of their respective Subsidiaries or Affiliates (including any of the foregoing that constitutes any proprietary information or records) ("WORK PRODUCT") belong to the Company, Employer or such Subsidiary or Affiliate and Executive hereby assigns, and agrees to assign, all of the above Work Product to the Company, Employer or to such Subsidiary or Affiliate. Any copyrightable work prepared in whole or in part by Executive in the course of his work for any of the foregoing entities shall be deemed a "work made for hire" under the copyright laws, and the Company, Employer or such Subsidiary or Affiliate shall own all rights therein. To the extent that any such copyrightable work is not a "work made for hire," Executive hereby assigns and agrees to assign to the Company, Employer or such Subsidiary or Affiliate all right, title, and interest, including without limitation, copyright in and to such copyrightable work. Executive shall promptly disclose such Work Product and copyrightable work to the Board and perform all actions reasonably requested by the Board (whether during or after the Employment Period) to establish and confirm the Company's, Employer's or such Subsidiary's or Affiliate's ownership (including, without limitation, assignments, consents, powers of attorney, and other instruments).

(c) THIRD PARTY INFORMATION. Executive understands that the Company, Employer and their respective Subsidiaries and Affiliates will receive from third parties confidential or proprietary information ("THIRD PARTY INFORMATION") subject to a duty on the Company's, Employer's and their respective Subsidiaries' and Affiliates' part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the Employment Period and thereafter, and without in any way limiting the provisions of SECTION 8(a) above, Executive will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than personnel and consultants of the Company, Employer or their respective Subsidiaries and Affiliates who need to know such information in connection with their work for the Company, Employer or any of their respective Subsidiaries and Affiliates) or use, except in connection with his work for the Company, Employer or any of their respective Subsidiaries and Affiliates, Third Party Information unless expressly authorized by a member of the Board (other than himself if Executive is on the Board) in writing.

(d) USE OF INFORMATION OF PRIOR EMPLOYERS. During the Employment Period and thereafter, Executive will not improperly use or disclose any confidential information or trade secrets, if any, of any former employers or any other Person to whom Executive has an obligation of confidentiality, and will not bring onto the premises of the Company, Employer or any of their respective Subsidiaries or Affiliates any unpublished documents or any property belonging

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to any former employer or any other Person to whom Executive has an obligation of confidentiality unless consented to in writing by the former employer or Person. Executive will use in the performance of his duties only information which is (i) generally known and used by persons with training and experience comparable to Executive's and which is (x) common knowledge in the industry or (y) otherwise legally in the public domain, (ii) otherwise provided or developed by the Company, Employer or any of their respective Subsidiaries or Affiliates or (iii) in the case of materials, property or information belonging to any former employer or other Person to whom Executive has an obligation of confidentiality, approved for such use in writing by such former employer or Person.

9. NONCOMPETITION AND NONSOLICITATION. Executive acknowledges that in the course of his employment with Employer he will become familiar with the Company's, Employer's and their respective Subsidiaries' trade secrets and with other confidential information concerning the Company, Employer and such Subsidiaries and that his services will be of special, unique and extraordinary value to the Company, Employer and such Subsidiaries. Therefore, Executive agrees that:

(a) NONCOMPETITION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, he shall not anywhere in the United States, directly or indirectly, own, manage, control, participate in, consult with, render services for, or in any manner engage in any business (i) competing with a brand of the Company, Employer, Medtech, Denorex, Spic and Span, Comet, Prestige, any business acquired by such Persons, or any Subsidiaries of such Persons, representing 10% or more of the consolidated revenues or EBITDA of the Company and its Subsidiaries for the trailing 12 months ending on the last day of the last completed calendar month immediately preceding the date of termination of the Employment Period or (ii) in which the Company, Employer Medtech, Denorex, any business acquired by such Persons, or any Subsidiaries of such Persons has conducted discussions or has requested and received information relating to the acquisition of such business by such Person (x) within one year prior to the Separation and (y) during the Severance Period, if any. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation that is publicly traded, so long as Executive has no active participation in the business of such corporation.

(b) NONSOLICITATION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, Executive shall not directly or indirectly through another entity (i) induce or attempt to induce any employee of the Company, Employer or any of their respective Subsidiaries to leave the employ of the Company, Employer or any such Subsidiary, or in any way interfere with the relationship between the Company, Employer and any of their respective Subsidiaries and any employee thereof, (ii) hire any person who was an employee of the Company, Employer or any of their respective

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Subsidiaries within 180 days after such person ceased to be an employee of the Company, Employer or any of their respective Subsidiaries (PROVIDED, HOWEVER, THAT such restriction shall not apply for a particular employee if the Company has provided its written consent to such hire, which consent, in the case of any person who was not a key employee of the Company, Employer or any of their respective Subsidiaries, shall not be unreasonably withheld), (iii) induce or attempt to induce any customer, supplier, licensee or other business relation of the Company, Employer or any of their respective Subsidiaries to cease doing business with the Company, Employer or any such Subsidiary or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company, Employer or any Subsidiary or (iv) directly or indirectly acquire or attempt to acquire an interest in any business relating to the business of the Company, Employer or any of their respective Subsidiaries and with which the Company, Employer and any of their respective Subsidiaries has conducted discussions or has requested and received information relating to the acquisition of such business by the Company, Employer or any of their respective Subsidiaries in the two year period immediately preceding a Separation.

(c) ENFORCEMENT. If, at the time of enforcement of SECTION 8 or this SECTION 9, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum duration, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum duration, scope and area permitted by law. Because Executive's services are unique and because Executive has access to Confidential Information, the parties hereto agree that money damages would be an inadequate remedy for any breach of this Agreement. Therefore, in the event of a breach or threatened breach of this Agreement, the Company, Employer, their respective Subsidiaries or their successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security).

(d) ADDITIONAL ACKNOWLEDGMENTS. Executive acknowledges that the provisions of this SECTION 9 are in consideration of: (i) employment with the Employer, (ii) the issuance of the Executive Securities by the Company and (iii) additional good and valuable consideration as set forth in this Agreement. In addition, Executive agrees and acknowledges that the restrictions contained in SECTION 8 and this SECTION 9 do not preclude Executive from earning a livelihood, nor do they unreasonably impose limitations on Executive's ability to earn a living. In addition, Executive acknowledges (i) that the business of the Company, Employer and their respective Subsidiaries will be conducted throughout the United States, (ii) notwithstanding the state of incorporation or principal office of the Company, Employer or any of their respective Subsidiaries, or any of their respective executives or employees (including the Executive), it is expected that the Company and Employer will have business activities and have valuable

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business relationships within its industry throughout the United States and (iii) as part of his responsibilities, Executive will be traveling throughout the United States in furtherance of Employer's business and its relationships. Executive agrees and acknowledges that the potential harm to the Company and Employer of the non-enforcement of SECTION 8 and this SECTION 9 outweighs any potential harm to Executive of its enforcement by

injunction or otherwise. Executive acknowledges that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Executive by this Agreement, and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company, Employer and their Subsidiaries now existing or to be developed in the future. Executive expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

GENERAL PROVISIONS

10. DEFINITIONS.

"AFFILIATE" means, (i) with respect to any Person, any Person that controls, is controlled by or is under common control with such Person or an Affiliate of such Person, and (ii) with respect to any Purchaser, any general or limited partner of such Purchaser, any employee or owner of any such partner, or any other Person controlling, controlled by or under common control with such Purchaser.

"BOARD" means the Company's board of directors (or its equivalent).

"CAUSE" means (i) the intentional or knowing commission of a felony or a crime involving moral turpitude or the commission of any other act or omission involving dishonesty or fraud with respect to the Company, Employer or any of their respective Subsidiaries or any of their customers or suppliers, (ii) substantial and repeated failure to perform duties of the office held by Executive as reasonably directed by the Board, (iii) gross negligence or willful misconduct with respect to the Company, Employer or any of their respective Subsidiaries, (iv) conduct tending to bring the Company, Employer or any of their respective Subsidiaries into substantial public disgrace or disrepute or (v) any breach by Executive of SECTIONS 8 or 9 of this Agreement. Notwithstanding the foregoing, if it is alleged or determined that actions taken by Executive caused the Company, Employer or any of their respective Subsidiaries to engage in illegal activities or operations, the taking of such actions by Executive shall not constitute "Cause" hereunder if Executive had a reasonable and good faith belief that such actions were not in violation of any law, rule, regulation or court order, were in the best interests of the Company, Employer and their respective Subsidiaries and were taken in the ordinary course of business.

"COMET" means The Comet Products Corporation, a Delaware corporation.

"CREDIT AGREEMENT" means the Credit Agreement, dated as of April 6, 2004, among Employer, Prestige Brands International, LLC, a Delaware limited liability

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company, the lenders and issuers party thereto, Citicorp North America, Inc., as administrative agent and Tranche C Agent (as defined therein), Bank of America, N.A., as syndication agent for the lenders and issuers, Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., as documentation agent for the lenders and issuers, and the other parties named therein, as the same may be amended, supplemented or otherwise modified from time to time, at any renewal, extension, refunding, restructuring, replacement or refinancing thereof (whether with the original agent or lenders or another agent or agents or other lenders and whether provided under the original Credit Agreement or any other credit agreement).

"DENOREX" means The Denorex Company, a Delaware corporation.

"DISABILITY" means the disability of Executive caused by any physical or mental injury, illness or incapacity as a result of which Executive is unable to effectively perform the essential functions of Executive's duties as determined by the Board in good faith.

"EBITDA" means "Adjusted EBITDA" as such term is defined in the Credit Agreement.

"EXECUTIVE SECURITIES" means all Class B Preferred Units of Prestige Preferred Holdings, LLC acquired by Executive pursuant to the Prior Agreement and Common Shares acquired by Executive pursuant to the Exchange Agreement. Executive Securities will continue to be Executive Securities in the hands of any holder other than Executive (except for the Company and transferees in a Public Sale, which transferees shall not be subject to the provisions of this Agreement with respect to such securities), and except as otherwise provided herein, each such other holder of Executive Securities will succeed to all rights and obligations attributable to Executive as a holder of Executive Securities hereunder. Executive Securities (or, individually, any particular type of equity security included therein) will also include equity securities of the Company issued with respect to Executive Securities (or, individually, any particular type of equity security included therein) by way of a stock split, stock dividend, conversion, or other recapitalization. For the avoidance of doubt, all Unvested Shares shall remain Unvested Shares after a Transfer thereof, unless such Transfer is to the Company or a transferee in a Public Sale.

"FAIR MARKET VALUE" of each share of Executive Securities means the average of the closing prices of the sales of such Executive Securities on all securities exchanges on which such Executive Securities may at the time be listed, or, if there have been no sales on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day such Executive Securities are not so listed, the average of the representative bid and asked prices quoted in the NASDAQ System as of 4:00 P.M., New York time, or, if on any day such Executive

Securities are not quoted in the NASDAQ System, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau Incorporated, or any similar successor organization, in each such case averaged over a period of 21 days consisting of the day as of which the Fair Market Value is being determined and the 20 consecutive business days prior to such

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day. If at any time such Executive Securities are not listed on any securities exchange or quoted in the NASDAQ System or the over-the-counter market, the Fair Market Value will be the fair value of such Executive Securities as determined in good faith by the Board. If Executive reasonably disagrees with such determination, Executive shall deliver to the Board a written notice of objection (an "OBJECTION") within thirty (30) days after delivery of the Separation Repurchase Notice. Upon receipt of Executive's Objection, the Board and Executive will negotiate in good faith to agree on such Fair Market Value. If such agreement is not reached within 20 days after the delivery of the Objection, Fair Market Value shall be determined by an appraiser jointly selected by the Board and Executive, which appraiser shall submit to the Board and Executive a report within 30 days of its engagement setting forth such determination. If the parties are unable to agree on an appraiser within 25 days after delivery of the Objection, within seven days, each party shall submit the names of four nationally recognized firms that are engaged in the business of valuing non-public securities, and each party shall be entitled to strike two names from the other party's list of firms, and the appraiser shall be selected by lot from the remaining four investment banking firms. The expenses of such appraiser shall be borne equally by Executive and the Company. The determination of such appraiser as to Fair Market Value shall be final and binding upon all parties.

"FAMILY GROUP" means a Person's spouse and descendants (whether natural or adopted), and any trust, family limited partnership, limited liability company or other entity wholly owned, directly or indirectly, by such Person or such Person's spouse and/or descendants that is and remains solely for the benefit of such Person and/or such Person's spouse and/or descendants and any retirement plan for such Person.

"GOOD REASON" means (i) any material diminution in Executive's position, title, authority, powers, functions, duties or responsibilities with Employer, (ii) the permanent relocation or transfer of Employer's principal office outside a 30 mile radius from Irvington, New York or (iii) any failure of Employer to comply with the Annual Base Salary and bonus provisions of SECTION 7(b) hereof; provided, however, that either or both of clauses (i) or (ii) shall be disregarded for purposes of this definition if Peter Mann, as the Chief Executive Officer of Employer, consents to the circumstances described in such clause(s).

"MEDTECH" means Medtech Holdings, Inc., a Delaware corporation.

"ORIGINAL COST" means, with respect to each Carried Common Unit acquired pursuant to the Prior Agreement, \$0.10 (each as proportionately adjusted for all subsequent stock splits, stock dividends and other recapitalizations).

"PERSON" means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, investment fund, any other business entity and a governmental entity or any department, agency or political subdivision thereof.

"PRESTIGE" means Prestige Brands International, Inc., a Virginia corporation.

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"PUBLIC OFFERING" means the sale in an underwritten public offering registered under the Securities Act of equity securities of the Company or a corporate successor to the Company.

"PUBLIC SALE" means (i) any sale pursuant to a registered public offering under the Securities Act or (ii) any sale to the public pursuant to Rule 144 promulgated under the Securities Act effected through a broker, dealer or market maker (other than pursuant to Rule 144(k) prior to a Public Offering).

"PURCHASER" has the meaning set forth in the Exchange Agreement.

"REGISTRATION AGREEMENT" means the Registration Rights Agreement, dated as of February 6, 2004, by and among the Company and certain of its securityholders, as amended from time to time pursuant to its terms.

"SALE OF THE COMPANY" means any transaction or series of transactions pursuant to which any Person or group of related Persons other than the Purchasers or their Affiliates in the aggregate acquire(s) (i) equity securities of the Company possessing the voting power (other than voting rights accruing only in the event of a default, breach or event of noncompliance) to elect a majority of the Board (whether by merger, consolidation, reorganization, combination, sale or transfer of the Company's equity, securityholder or voting agreement, proxy, power of attorney or otherwise) or (ii) all or substantially all of the Company's assets determined on a consolidated basis; PROVIDED that a Public Offering shall not constitute a Sale of the Company.

"SECURITIES ACT" means the Securities Act of 1933, as amended from time to time.

"SEPARATION" means the cessation of employment of Executive with the Company, Employer and their respective Subsidiaries for any reason.

"SPIC AND SPAN" means The Spic and Span Company, a Delaware corporation.

"SUBSIDIARY" means, with respect to any Person, any corporation, limited liability company, partnership, association, or business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association, or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association, or other business entity. For purposes hereof, references to a "SUBSIDIARY" of

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any Person shall be given effect only at such times that such Person has one or more Subsidiaries, and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Company.

"TCW/CRESCENT LENDERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

"TCW/CRESCENT PURCHASERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

"TRANSFER" means to sell, transfer, assign, pledge or otherwise dispose of (whether with or without consideration and whether voluntarily or involuntarily or by operation of law).

"WELFARE PLANS" mean the welfare benefit plans, practices, policies and programs provided by Employer to the extent applicable generally to other senior executives of the Company.

11. NOTICES. Any notice provided for in this Agreement must be in writing and must be either personally delivered, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated:

IF TO EMPLOYER:

Prestige Brands, Inc.
90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601

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Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO THE COMPANY:

Prestige International Holdings, LLC
90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO EXECUTIVE:

Gerard F. Butler
54 Lyons Road
Cold Spring, New York 10516

WITH A COPY TO:

Ford Marrin Esposito Witmeyer & Gleser LLP
Wall Street Plaza
New York, New York 10005-1875
Attention: James M. Adrian

IF TO THE PURCHASERS:

See the attached PURCHASER NOTICE SCHEDULE.

or such other address or to the attention of such other Person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement will be deemed to have been given when so delivered or sent or, if mailed, five days after deposit in the U.S. mail.

12. GENERAL PROVISIONS.

(a) TRANSFERS IN VIOLATION OF AGREEMENT. Any Transfer or attempted Transfer of any Executive Securities in violation of any provision of this Agreement shall be void, and the Company shall not record such Transfer on its

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books or treat any purported transferee of such Executive Securities as the owner of such equity for any purpose.

(b) SEVERABILITY. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(c) COMPLETE AGREEMENT. This Agreement, those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(d) NO STRICT CONSTRUCTION. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(e) COUNTERPARTS. This Agreement may be executed and delivered in separate counterparts (including by means of facsimile), each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(f) SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by Executive, the Company, the Purchasers and their respective successors and assigns (including subsequent holders of Executive Securities); provided that the rights and obligations of Executive under this Agreement shall not be assignable except in connection with a permitted transfer of Executive Securities hereunder.

(g) CHOICE OF LAW. The law of the State of Delaware will govern all questions concerning the relative rights of the Company, Employer and its securityholders. All other questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto will be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(h) MUTUAL WAIVER OF JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN

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EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES HERETO, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED

(i) EXECUTIVE'S COOPERATION. During the Employment Period and thereafter, Executive shall cooperate with the Company, Employer and their respective Subsidiaries and Affiliates in any disputes with third parties, internal investigation or administrative, regulatory or judicial proceeding as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other permitted activities and commitments). In the event the Company requires Executive's cooperation in accordance with this paragraph after the Employment Period, the Company shall reimburse Executive for reasonable travel expenses (including lodging and meals, upon submission of receipts) and compensate Executive for his time at a rate that is mutually agreeable to Executive and the Company.

(j) REMEDIES. Each of the parties to this Agreement (and the Purchasers as third-party beneficiaries) will be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including attorney's fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

(k) AMENDMENT AND WAIVER. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company, Employer, Executive and the Majority Holders (as defined in the Exchange Agreement).

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(l) INSURANCE. The Company, at its discretion, may apply for and procure in its own name and for its own benefit life and/or disability insurance on Executive in any amount or amounts considered available. Executive agrees to cooperate in any medical or other examination, supply any information, and to execute and deliver any applications or other instruments in writing as may be reasonably necessary to obtain and constitute such insurance.

(m) BUSINESS DAYS. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(n) INDEMNIFICATION AND REIMBURSEMENT OF PAYMENTS ON BEHALF OF EXECUTIVE. The Company and its Subsidiaries shall be entitled to deduct or withhold from any amounts owing from the Company or any of its Subsidiaries to Executive any federal, state, local or foreign withholding taxes, excise taxes, or employment taxes ("TAXES") imposed with respect to Executive's compensation or other payments from the Company or any of its Subsidiaries or Executive's ownership interest in the Company, including, without limitation, wages, bonuses, dividends, the receipt or exercise of equity options and/or the receipt or vesting of restricted equity. In the event the Company or any of its Subsidiaries does not make such deductions or withholdings, Executive shall indemnify the Company and its Subsidiaries for any amounts paid with respect to any such Taxes, together with any interest, penalties and related expenses thereto.

(o) REASONABLE EXPENSES. Employer agrees to pay the reasonable fees and expenses of Executive's counsel arising in connection with the negotiation and execution of this Agreement and the consummation of the transactions contemplated by this Agreement.

(p) TERMINATION. This Agreement (except for the provisions of SECTIONS 7(a) and (b)) shall survive a Separation and shall remain in full force and effect after such Separation.

(q) ADJUSTMENTS OF NUMBERS. All numbers set forth herein that refer to share prices or amounts will be appropriately adjusted to reflect share splits, share dividends, combinations of shares and other recapitalizations affecting the subject class of equity.

(r) DEEMED TRANSFER OF EXECUTIVE SECURITIES. If the Company (and/or any other Person acquiring securities) shall make available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Executive Securities to be repurchased in accordance with the provisions of this Agreement, then from and after such time, the Person from whom such shares are to be repurchased shall no longer have any rights as a holder of such shares (other than the right to receive payment of such consideration in accordance with this

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Agreement), and such shares shall be deemed purchased in accordance with the applicable provisions hereof and the Company (and/or any other Person acquiring securities) shall be deemed the owner and holder of such shares,

whether or not the certificates therefor have been delivered as required by this Agreement.

(s) NO PLEDGE OR SECURITY INTEREST. The purpose of the Company's retention of Executive's certificates is solely to facilitate the repurchase provisions set forth in SECTION 3 and does not constitute a pledge by Executive of, or the granting of a security interest in, the underlying equity.

(t) RIGHTS GRANTED TO GTCR FUND VIII AND ITS AFFILIATES. Any rights granted to GTCR Fund VIII, GTCR Fund VIII/B, GTCR Co-Invest and their Affiliates hereunder may also be exercised (in whole or in part) by their designees.

* * * * *

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

PRESTIGE BRANDS HOLDINGS, INC.

By: _____
Name: _____
Title: _____

PRESTIGE INTERNATIONAL HOLDINGS, LLC

By: _____
Name: _____
Title: _____

PRESTIGE BRANDS, INC.

By: _____
Name: _____
Title: _____

GERARD F. BUTLER

Agreed and Accepted:

GTCR FUND VIII, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____
Name: David A. Donnini
Its: Principal

GTCR FUND VIII/B, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____

Name: David A. Donnini
Its: Principal

GTCR CO-INVEST II, L.P.

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____
Name: David A. Donnini
Its: Principal

GTCR CAPITAL PARTNERS, L.P.

By: GTCR Mezzanine Partners, L.P.
Its: General Partner

By: GTCR Partners VI, L.P.
Its: General Partner

By: GTCR Golder Rauner, L.L.C.
Its: General Partner

By: -----
Name:
Its: Principal

TCW/CRESCENT MEZZANINE PARTNERS III, L.P.
TCW/CRESCENT MEZZANINE TRUST III
TCW/CRESCENT MEZZANINE PARTNERS III
NETHERLANDS, L.P.

By: TCW/Crescent Mezzanine
Management III, L.L.C.,
its Investment Manager

By: TCW Asset Management Company,
its Sub-Advisor

By: -----

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Name: Timothy P. Costello
Its: Managing Director

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EXHIBIT A

_____, 2005

PROTECTIVE ELECTION TO INCLUDE MEMBERSHIP
INTEREST IN GROSS INCOME PURSUANT TO
SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned purchased shares of Common Stock, par value \$.01 per share (the "SHARES"), of Prestige Brands Holdings, Inc. (the "COMPANY") on January 28, 2005. Under certain circumstances, the Company has the right to repurchase the Shares at cost from the undersigned (or from the holder of the Shares, if different from the undersigned) should the undersigned cease to be employed by the Company and its subsidiaries. Hence, the Shares are subject to a substantial risk of forfeiture that may not be avoided by a transfer of the Shares to another person. The undersigned desires to make an election to have the Shares taxed under the provision of Code Section 83(b) at the time he purchased the Shares.

Therefore, pursuant to Code Section 83(b) and Treasury Regulation Section 1.83-2 promulgated thereunder, the undersigned hereby makes an election, with respect to the Shares (described below), to report as taxable income for calendar year 2005 the excess (if any) of the Shares' fair market value on January 28, 2005 over purchase price thereof.

The following information is supplied in accordance with Treasury Regulation Section 1.83-2(e):

1. The name, address and social security number of the undersigned:

2. A description of the property with respect to which the election is being made: _____ shares of Prestige Brands Holdings, Inc.'s Common Stock, par value \$.01 per share.

3. The date on which the property was transferred: January 28, 2005. The taxable year for which such election is made: calendar 2005.

4. The restrictions to which the property is subject: If the undersigned ceases to be employed by the Company or any of its subsidiaries, the unvested portion of the Shares will be subject to repurchase by the Company at the lower of cost or market value.

5. The fair market value on January 28, 2005 of the property with respect to which the election is being made, determined without regard to any lapse restrictions: \$_____ per share of Common Stock.

6. The amount paid for such property: \$_____ per share of Common Stock.

A copy of this election has been furnished to the Secretary of the Company pursuant to Treasury Regulations Section 1.83-2(d).

Dated: -----

[EXECUTIVE]

PURCHASER NOTICE SCHEDULE

IF TO GTCR FUND VIII, L.P., GTCR FUND VIII/B, L.P. OR GTCR CO-INVEST II, L.P.:
c/o GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

WITH A COPY TO:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Kevin R. Evanich, P.C.
Christopher J. Greeno

IF TO GTCR CAPITAL PARTNERS:

GTCR Capital Partners, L.P.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: Barry Dunn

WITH A COPY TO:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Kevin R. Evanich, P.C.
Christopher J. Greeno

IF TO THE TCW/CRESCENT LENDERS AND/OR TCW/CRESCENT PURCHASERS:

TCW/Crescent Mezzanine Partners III, L.P.
TCW/Crescent Mezzanine Trust III
TCW/Crescent Mezzanine Partners III Netherlands, L.P.
c/o TCW/Crescent Mezzanine, L.L.C.
200 Crescent Court, Suite 1600
Dallas, Texas 75201
Attention: Timothy P. Costello
Telecopier No.: (214) 740-7382

WITH A COPY TO:

Gardere Wynne Sewell LLP
3000 Thanksgiving Tower
1601 Elm Street
Dallas, Texas 75201
Attention: Gary B. Clark
Telecopier No.: (214) 999-4667

AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT (this "AGREEMENT") is made as of January 28, 2005, by and among Prestige International Holdings, LLC, a Delaware limited liability company ("HOLDINGS LLC"), Prestige Brands Holdings, Inc., a Delaware corporation (the "COMPANY"), Prestige Brands, Inc., a Delaware corporation ("EMPLOYER"), and Michael A. Fink ("EXECUTIVE").

This Agreement amends and restates the Senior Management Agreement (as amended prior to the date hereof, the "PRIOR AGREEMENT"), dated as of February 6, 2004, by and among Holdings LLC, Employer and Executive. The Company, Holdings LLC, Employer and Executive desire to amend and restate the Prior Agreement in connection with the transactions (the "EXCHANGE TRANSACTIONS") contemplated by the Exchange Agreement (the "EXCHANGE AGREEMENT"), dated as of the date hereof, among Holdings LLC, the Company and the Unitholders of Holdings LLC, which are being consummated in order to facilitate an initial public offering (the "INITIAL PUBLIC OFFERING") of the Company's common stock, par value \$.01 per share (the "COMMON SHARES").

Holdings LLC and Executive entered into the Prior Agreement pursuant to which Executive acquired from Holdings LLC, and Holdings LLC issued to Executive, 107.368 Class B Preferred Units of the Company (the "CLASS B PREFERRED UNITS") and 609,746 Common Units of the Company (the "COMMON UNITS"). Certain definitions are set forth in SECTION 10 of this Agreement.

The execution and delivery of this Agreement by Holdings LLC and Executive was a condition to (A) the purchase of Class B Preferred Units and Common Units by GTCR Fund VIII, L.P., a Delaware limited partnership ("GTCR FUND VIII"), GTCR Fund VIII/B, L.P., a Delaware limited partnership ("GTCR FUND VIII/B"), GTCR Co-Invest II, L.P., a Delaware limited partnership ("GTCR CO-INVEST") and the TCW/Crescent Purchasers (as defined herein) pursuant to the Unit Purchase Agreement among Holdings LLC and such Persons dated as of February 6, 2004 (as amended from time to time, the "PURCHASE AGREEMENT") and (B) the purchase of warrants to acquire Class B Preferred Units and Common Units by GTCR Capital Partners, L.P., a Delaware limited partnership ("GTCR CAPITAL PARTNERS") and the TCW/Crescent Lenders (as defined herein) pursuant to the Warrant Agreement between Holdings LLC and such Persons dated as of February 6, 2004. Certain provisions of this Agreement are intended for the benefit of, and will be enforceable by, the Purchasers (as defined herein).

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, (i) the parties to the Prior Agreement hereby amend and restate the Prior Agreement, effective upon consummation of the Exchange Transactions (the "EFFECTIVE DATE"), and (ii) the parties to this Agreement hereby agree as follows:

PROVISIONS RELATING TO EXECUTIVE SECURITIES

1. ACQUISITION OF CARRIED SHARES.

(a) Upon consummation of the Exchange Transactions, Executive will acquire _____ Common Shares in exchange for the _____ Common Units acquired by Executive pursuant to the Prior Agreement that were subject to vesting (the "CARRIED COMMON UNITS"). The Common Shares so acquired by Executive and described in this SECTION 1(a) are sometimes referred to herein as "CARRIED SHARES." The Company will deliver to Executive copies of the certificates representing such Common Shares. In exchange, Executive hereby authorizes Holdings LLC and the Company to cancel the certificate or certificates representing the Carried Common Units. The Common Shares acquired by Executive in exchange for Common Units acquired by Executive pursuant to the Prior Agreement that were not subject to vesting are sometimes referred to herein as "CO-INVEST COMMON SHARES").

(b) Within 30 days after the acquisition of the Carried Shares, Executive will make an effective election with the Internal Revenue Service under Section 83(b) of the Internal Revenue Code and the regulations promulgated thereunder in the form of EXHIBIT A attached hereto.

(c) Until released upon the occurrence of a Sale of the Company or a Public Offering as provided below, all certificates evidencing the Carried Shares shall be held by the Company for the benefit of Executive and the other holder(s) of Carried Shares, if any. Upon the occurrence of a Sale of the Company, the Company will return all certificates evidencing Carried Shares to the record holders thereof. Upon consummation of a Public Offering, the Company will return to the record holders thereof certificates evidencing Vested Shares (as defined in SECTION 2(f) below).

(d) Executive acknowledges and agrees that neither the issuance of the Carried Shares to Executive pursuant to the Exchange Agreement nor any provision contained herein shall entitle Executive to remain in the employment of the Company, Employer or any of their respective Subsidiaries or affect the right of the Company or Employer to terminate Executive's employment at any time for any reason, subject to the remaining terms of this Agreement and any other agreement between Executive and any such parties.

2. VESTING OF CARRIED SHARES.

(a) The Carried Shares issued to Executive in respect of Carried Common Units shall be subject to vesting in the manner specified in this

SECTION 2.

(b) The Carried Shares issued to Executive in respect of Carried Common Units that have vested pursuant to the Prior Agreement shall be vested when issued to Executive pursuant to the Exchange Agreement and, except as otherwise provided in this SECTION 2, the remaining Carried Shares shall become vested in

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accordance with the following schedule, if and only if as of each such date provided below, Executive has been continuously employed by the Company, Employer or any of their respective Subsidiaries from the Effective Date through and including such date:

CUMULATIVE PERCENTAGE OF DATE ALL CARRIED SHARES VESTED --- ----- ----- ----- ----- ----- ---
February 6, 2005 20.00%
February 6, 2006 40.00%
February 6, 2007 60.00%
February 6, 2008 80.00%
February 6, 2009 100.00%

(c) Notwithstanding anything in SECTION 2(b) above to the contrary, in the event that the Company consummates the Initial Public Offering, an additional 20.0% of the Carried Shares (representing 12 months of additional vesting) shall vest upon consummation of the Initial Public Offering and the remaining unvested Carried Shares shall vest on a straightline pro rata basis through February 6, 2009.

(d) If Executive ceases to be employed by the Company, Employer and their respective Subsidiaries on any date other than an anniversary date specified in the schedule above, the cumulative percentage of Carried Shares to become vested shall be determined on a PRO RATA basis according to the number of days elapsed since the Effective Date, or the most recent anniversary date, as the case may be.

(e) Upon the occurrence of a Sale of the Company, all Carried Shares which have not yet become vested shall become vested at the time of the consummation of the Sale of the Company, if, as of such time, Executive has been continuously employed by the Company, Employer or any of their respective Subsidiaries from the Effective Date through and including such date.

(f) Carried Shares that have become vested are referred to herein as "VESTED SHARES." All Carried Shares that have not vested are referred to herein as "UNVESTED SHARES."

3. REPURCHASE OPTION.

(a) Subject to the terms and conditions set forth in this SECTION 3(a) and SECTION 4 below, the Company will have the right to repurchase (the "SEPARATION REPURCHASE OPTION") from Executive and his transferees (other than the Company) all or any portion of the Unvested Shares, in the event Executive ceases to be employed by the Company, Employer and their respective Subsidiaries for any reason (a "SEPARATION REPURCHASE EVENT"). The Company may assign its repurchase rights set forth in this SECTION 3(a) to any Person.

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(b) For any Separation Repurchase Option, the purchase price for each Unvested Share will be the lesser of (i) Executive's Original Cost of the Carried Common Unit(s) or portion thereof in respect of which such Unvested Share was issued to Executive and (ii) the Fair Market Value of such Unvested Share as of the date upon which the Separation Repurchase Notice is delivered.

(c) The Company (with the approval of the Board) may elect to purchase all or any portion of the Unvested Shares by delivering written notice (the "SEPARATION REPURCHASE NOTICE") to the holder or holders of such securities within ninety (90) days after the Separation Repurchase Event. The

Separation Repurchase Notice will set forth the number of Unvested Shares to be acquired from each holder, the aggregate consideration to be paid for such shares and the time and place for the closing of the transaction. The number of Unvested Shares to be repurchased by the Company shall first be satisfied to the extent possible from the Unvested Shares held by Executive at the time of delivery of the Separation Repurchase Notice. If the number of Unvested Shares then held by Executive is less than the total number of Unvested Shares that the Company has elected to purchase, the Company shall purchase the remaining Unvested Shares elected to be purchased from the Permitted Transferee(s) of Unvested Shares under this Agreement, PRO RATA according to the number of Unvested Shares held by such Permitted Transferee(s) at the time of delivery of such Separation Repurchase Notice (determined as nearly as practicable to the nearest unit). The number of Unvested Shares to be repurchased hereunder will be allocated among Executive and the Permitted Transferee(s) of Unvested Shares (if any) PRO RATA according to the number of Unvested Shares to be purchased from such Person.

(d) The closing of the purchase of the Unvested Shares pursuant to the Separation Repurchase Option shall take place on the date designated by the Company in the Separation Repurchase Notice, which date shall not be more than 30 days nor less than five days after the delivery of such notice. The Company will pay for the Unvested Shares to be purchased by it pursuant to the Separation Repurchase Option by first offsetting amounts outstanding under any bona fide debts owed by Executive to the Company and will pay the remainder of the purchase price by, at its option, (A) a check or wire transfer of funds, (B) the issuance of a subordinated promissory note of the Company bearing interest at a rate equal to the prime rate (as published in THE WALL STREET JOURNAL from time to time) and having such maturity as the Company shall determine in good faith, not to exceed three years, or (C) any combination of clauses (A) and (B) as the Board may elect in its discretion. The Company will be entitled to receive customary representations and warranties from the sellers regarding such sale and to require that all sellers' signatures be guaranteed.

(e) Notwithstanding anything to the contrary contained in this Agreement, if the Fair Market Value of Unvested Shares is finally determined to be an amount at least 10% greater than the per share repurchase price for such Unvested Shares in the Separation Repurchase Notice, the Company shall have the right to revoke its exercise of the Separation Repurchase Option for all or any portion of the

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Unvested Shares elected to be repurchased by it by delivering notice of such revocation in writing to the holders of Unvested Shares during the thirty-day period beginning on the date that the Company is given written notice that the Fair Market Value of a share of Unvested Shares was finally determined to be an amount at least 10% greater than the per share repurchase price for Unvested Shares set forth in the Separation Repurchase Notice.

4. LIMITATIONS ON CERTAIN REPURCHASES. Notwithstanding anything to the contrary contained in this Agreement, all repurchases of Unvested Shares by the Company pursuant to the Separation Repurchase Option shall be subject to the ability of the Company to pay the purchase price from its readily available cash resources (without imposing any obligation on the Company to raise financing to fund the repurchases) and also subject to applicable restrictions contained in the Delaware General Corporation Law or such other governing corporate law, applicable federal and state securities laws, and in the Company's and its Subsidiaries' debt and equity financing agreements. If any such restrictions prohibit (A) the repurchase of Unvested Shares hereunder which the Company is otherwise entitled to make or (B) dividends or other transfers of funds from one or more Subsidiaries to the Company to enable such repurchases, then the Company may make such repurchases as soon as it is permitted to make repurchases or receive funds from Subsidiaries under such restrictions. Furthermore, in the event of a disagreement in accordance with the terms herein relating to the determination of the Fair Market Value of any Unvested Shares, the time periods described herein with respect to purchases of Executive Securities under SECTION 3 herein shall be tolled until any such determination has been made in accordance with the terms provided herein.

5. RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) TRANSFER OF EXECUTIVE SECURITIES. The holders of Executive Securities shall not Transfer any interest in any Executive Securities, except pursuant to (i) the provisions of SECTION 3 hereof, (ii) the provisions of SECTION 5(b) below or (iii) a Sale of the Company approved by the Board.

(b) CERTAIN PERMITTED TRANSFERS. The restrictions in this SECTION 5 will not apply with respect to any Transfer of (i) Executive Securities made pursuant to applicable laws of descent and distribution or to such Person's legal guardian in the case of any mental incapacity or among such Person's Family Group or (ii) Common Shares at such time as the Purchasers sell Common Shares in a Public Sale, but in the case of this clause (ii) only an amount of shares (the "TRANSFER AMOUNT") equal to the lesser of (A) the sum of the number of Vested Shares and Co-Invest Common Shares owned by Executive and (B) the result of the number of Common Shares owned by Executive multiplied by a fraction (the "TRANSFER FRACTION"), the numerator of which is the number of Common Shares sold by the Purchasers in such Public Sale and the denominator of which is the total number of Common Shares held by the Purchasers prior to the Public Sale; PROVIDED that, if at the time of a Public Sale of Common Shares by the Purchasers, Executive chooses not to Transfer the Transfer Amount, Executive shall retain the right to Transfer an amount of Common Shares at a future date equal to the

the sum of the number of Vested Shares and Co-Invest Common Shares owned by Executive at such future date and (y) the result of the number of Common Shares owned by Executive at such future date multiplied by the Transfer Fraction; PROVIDED further that the restrictions contained in this SECTION 5 will continue to be applicable to the Executive Securities after any Transfer of the type referred to in clause (i) above and the transferees of such Executive Securities must agree in writing to be bound by the provisions of this Agreement and the Registration Agreement. Any transferee of Executive Securities pursuant to a Transfer in accordance with the provisions of clause (i) of this SECTION 5(b) is herein referred to as a "PERMITTED TRANSFEREE." Upon the Transfer of Executive Securities pursuant to this SECTION 5(b), the transferring holder of Executive Securities will deliver a written notice (a "TRANSFER NOTICE") to the Company. In the case of a Transfer pursuant to clause (i) hereof, the Transfer Notice will disclose in reasonable detail the identity of the Permitted Transferee(s).

(c) TERMINATION OF RESTRICTIONS. The restrictions set forth in this SECTION 5 will continue with respect to each share of Executive Securities until the earlier of (i) the date on which such share of Executive Securities has been transferred in a Public Sale permitted by this SECTION 5, or (ii) the consummation of a Sale of the Company.

6. ADDITIONAL RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) LEGEND. The certificates representing the Executive Securities will bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED AS OF [DATE OF ISSUANCE], HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER, CERTAIN REPURCHASE OPTIONS AND CERTAIN OTHER AGREEMENTS SET FORTH IN AN AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT BETWEEN THE COMPANY AND AN EXECUTIVE OF THE COMPANY AND OTHER PARTIES, DATED AS OF JANUARY 28, 2005. A COPY OF SUCH AGREEMENT MAY BE OBTAINED BY THE HOLDER HEREOF AT THE COMPANY'S PRINCIPAL PLACE OF BUSINESS WITHOUT CHARGE."

(b) OPINION OF COUNSEL. No holder of Executive Securities may Transfer any Executive Securities (except pursuant to SECTION 3 or SECTION 5(b) of this Agreement or an effective registration statement under the Securities Act) without

first delivering to the Company a written notice describing in reasonable detail the proposed Transfer, together with an opinion of counsel (reasonably acceptable in form and substance to the Company) that neither registration nor qualification under the Securities Act and applicable state securities laws is required in connection with such transfer. In addition, if the holder of the Executive Securities delivers to the Company an opinion of counsel that no subsequent Transfer of such Executive Securities shall require registration under the Securities Act, the Company shall promptly upon such contemplated Transfer deliver new certificates for such Executive Securities that do not bear the Securities Act portion of the legend set forth in SECTION 6(a). If the Company is not required to deliver new certificates for such Executive Securities not bearing such legend, the holder thereof shall not Transfer the same until the prospective transferee has confirmed to the Company in writing its agreement to be bound by the conditions contained in this SECTION 6.

PROVISIONS RELATING TO EMPLOYMENT

7. EMPLOYMENT. Employer agrees to employ Executive and Executive accepts such employment for the period beginning as of the date of the Prior Agreement and ending upon his separation pursuant to SECTION 7(c) hereof (the "EMPLOYMENT PERIOD").

(a) POSITION AND DUTIES.

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

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

(b) SALARY, BONUS AND BENEFITS. During the Employment Period, Employer will pay Executive a base salary of \$195,000 per annum (the "ANNUAL BASE SALARY"). During fiscal year 2005, the Board shall develop a new bonus program which may incorporate subjective and objective criteria for bonus achievement different from the criteria contained in the existing Medtech/Denorex bonus program; PROVIDED, HOWEVER, THAT the maximum bonus payment potentials to Executive will not be decreased from those provided in the existing Medtech/Denorex bonus program. In addition, during the

Employment Period, Executive will be entitled to such other benefits approved by the Board and made available to the senior management of the Company, Employer and their Subsidiaries, which shall include vacation time (in an amount consistent with past practice) and medical, dental, life and disability insurance. The Board, on a

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basis consistent with past practice, shall review the Annual Base Salary of Executive and may increase the Annual Base Salary by such amount as the Board, in its sole discretion, shall deem appropriate. The term "Annual Base Salary" as used in this Agreement shall refer to the Annual Base Salary as it may be so increased.

(c) SEPARATION. The Employment Period will continue until (i) Executive's death, Disability or resignation from employment with the Company, Employer and their respective Subsidiaries or (ii) the Company, Employer and their respective Subsidiaries decide to terminate Executive's employment with or without Cause. If (A) Executive's employment is terminated without Cause pursuant to clause (ii) above or (B) Executive resigns from employment with the Company, Employer or any of their respective Subsidiaries for Good Reason, then during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination (the "SEVERANCE PERIOD"), Employer shall pay to Executive, in equal installments on the Employer's regular salary payment dates, an aggregate amount equal to (I) his Annual Base Salary, plus (II) an amount equal to the annual bonus, if any, paid or payable to Executive by Employer for the last fiscal year ended prior to the date of termination. In addition, if Executive is entitled on the date of termination to coverage under the medical and prescription portions of the Welfare Plans, such coverage shall continue for Executive and Executive's covered dependents for a period ending on the first anniversary of the date of termination at the active employee cost payable by Executive with respect to those costs paid by Executive prior to the date of termination; PROVIDED, that this coverage will count towards the depletion of any continued health care coverage rights that Executive and Executive's dependents may have pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"); PROVIDED further, that Executive's or Executive's covered dependents' rights to continued health care coverage pursuant to this SECTION 7(c) shall terminate at the time Executive or Executive's covered dependents become covered, as described in COBRA, under another group health plan, and shall also terminate as of the date Employer ceases to provide coverage to its senior executives generally under any such Welfare Plan. Notwithstanding the foregoing, (I) Executive shall not be entitled to receive any payments or benefits pursuant to this SECTION 7(c) unless Executive has executed and delivered to Employer a general release in form and substance satisfactory to Employer and (II) Executive shall be entitled to receive such payments and benefits only so long as Executive has not breached the provisions of SECTIONS 8 or 9 hereof. The release described in the foregoing sentence shall not require Executive to release any claims for any vested employee benefits, workers compensation benefits covered by insurance or self-insurance, claims to indemnification to which Executive may be entitled under the Company's or its Subsidiaries' certificate(s) of incorporation, by-laws or under any of the Company's or its Subsidiaries' directors or officers insurance policy(ies) or applicable law, or equity claims to contribution from the Company or its Subsidiaries or any other Person to which Executive is entitled as a matter of law in respect of any claim made against Executive for an alleged act or omission in

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Executive's official capacity and within the scope of Executive's duties as an officer, director or employee of the Company or its Subsidiaries. Not later than eighteen (18) months following the termination of Executive's employment, the Company and its Subsidiaries for which the Executive has acted in the capacity of a senior manager, shall sign and deliver to Executive a release of claims that the Company or its Subsidiaries has against Executive; PROVIDED THAT, such release shall not release any claims that the Company or its Subsidiaries commenced prior to the date of the release(s), any claims relating to matters actively concealed by Executive, any claims to contribution from Executive to which the Company or its Subsidiaries are entitled as a matter of law or any claims arising out of mistaken indemnification by the Company or any of its Subsidiaries. Except as otherwise provided in this SECTION 7(c) or in the Employer's employee benefit plans or as otherwise required by applicable law, Executive shall not be entitled to any other salary, compensation or benefits after termination of Executive's employment with Employer.

8. CONFIDENTIAL INFORMATION.

(a) OBLIGATION TO MAINTAIN CONFIDENTIALITY. Executive acknowledges that the information, observations and data (including trade secrets) obtained by him during the course of his performance under this Agreement concerning the business or affairs of the Company, Employer and their respective Subsidiaries and Affiliates ("CONFIDENTIAL INFORMATION") are the property of the Company, Employer or such Subsidiaries and Affiliates, including information concerning acquisition opportunities in or reasonably related to the Company's and Employer's business or industry of which Executive becomes aware during the Employment Period. Therefore, Executive agrees that he will not disclose to any unauthorized Person or use for his own account (for his commercial advantage or otherwise) any Confidential Information without the Board's written consent, unless and to the extent that the Confidential Information, (i) becomes generally known to and available for use by the public other than as a result of Executive's acts

or omissions to act, (ii) was known to Executive prior to Executive's employment with Employer, the Company or any of their Subsidiaries and Affiliates or (iii) is required to be disclosed pursuant to any applicable law, court order or other governmental decree. Executive shall deliver to the Company at a Separation, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) relating to the Confidential Information, Work Product (as defined below) or the business of the Company, Employer and their respective Subsidiaries and Affiliates (including, without limitation, all acquisition prospects, lists and contact information) which he may then possess or have under his control.

(b) OWNERSHIP OF PROPERTY. Executive acknowledges that all discoveries, concepts, ideas, inventions, innovations, improvements, developments, methods, processes, programs, designs, analyses, drawings, reports, patent applications, copyrightable work and mask work (whether or not including any Confidential

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Information) and all registrations or applications related thereto, all other proprietary information and all similar or related information (whether or not patentable) that relate to the Company's, Employer's or any of their respective Subsidiaries' or Affiliates' actual or anticipated business, research and development, or existing or future products or services and that are conceived, developed, contributed to, made, or reduced to practice by Executive (either solely or jointly with others) while employed by the Company, Employer or any of their respective Subsidiaries or Affiliates (including any of the foregoing that constitutes any proprietary information or records) ("WORK PRODUCT") belong to the Company, Employer or such Subsidiary or Affiliate and Executive hereby assigns, and agrees to assign, all of the above Work Product to the Company, Employer or to such Subsidiary or Affiliate. Any copyrightable work prepared in whole or in part by Executive in the course of his work for any of the foregoing entities shall be deemed a "work made for hire" under the copyright laws, and the Company, Employer or such Subsidiary or Affiliate shall own all rights therein. To the extent that any such copyrightable work is not a "work made for hire," Executive hereby assigns and agrees to assign to the Company, Employer or such Subsidiary or Affiliate all right, title, and interest, including without limitation, copyright in and to such copyrightable work. Executive shall promptly disclose such Work Product and copyrightable work to the Board and perform all actions reasonably requested by the Board (whether during or after the Employment Period) to establish and confirm the Company's, Employer's or such Subsidiary's or Affiliate's ownership (including, without limitation, assignments, consents, powers of attorney, and other instruments).

(c) THIRD PARTY INFORMATION. Executive understands that the Company, Employer and their respective Subsidiaries and Affiliates will receive from third parties confidential or proprietary information ("THIRD PARTY INFORMATION") subject to a duty on the Company's, Employer's and their respective Subsidiaries' and Affiliates' part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the Employment Period and thereafter, and without in any way limiting the provisions of SECTION 8(a) above, Executive will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than personnel and consultants of the Company, Employer or their respective Subsidiaries and Affiliates who need to know such information in connection with their work for the Company, Employer or any of their respective Subsidiaries and Affiliates) or use, except in connection with his work for the Company, Employer or any of their respective Subsidiaries and Affiliates, Third Party Information unless expressly authorized by a member of the Board (other than himself if Executive is on the Board) in writing.

(d) USE OF INFORMATION OF PRIOR EMPLOYERS. During the Employment Period and thereafter, Executive will not improperly use or disclose any confidential information or trade secrets, if any, of any former employers or any other Person to whom Executive has an obligation of confidentiality, and will not bring onto the premises of the Company, Employer or any of their respective Subsidiaries or Affiliates any unpublished documents or any property belonging

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to any former employer or any other Person to whom Executive has an obligation of confidentiality unless consented to in writing by the former employer or Person. Executive will use in the performance of his duties only information which is (i) generally known and used by persons with training and experience comparable to Executive's and which is (x) common knowledge in the industry or (y) otherwise legally in the public domain, (ii) otherwise provided or developed by the Company, Employer or any of their respective Subsidiaries or Affiliates or (iii) in the case of materials, property or information belonging to any former employer or other Person to whom Executive has an obligation of confidentiality, approved for such use in writing by such former employer or Person.

9. NONCOMPETITION AND NONSOLICITATION. Executive acknowledges that in the course of his employment with Employer he will become familiar with the Company's, Employer's and their respective Subsidiaries' trade secrets and with other confidential information concerning the Company, Employer and such Subsidiaries and that his services will be of special, unique and extraordinary value to the Company, Employer and such Subsidiaries. Therefore, Executive agrees that:

(a) NONCOMPETITION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, he shall not anywhere in the United States, directly or indirectly, own, manage, control, participate in, consult with, render services for, or in any manner engage in any business (i) competing with a brand of the Company, Employer, Medtech, Denorex, Spic and Span, Comet, Prestige, any business acquired by such Persons, or any Subsidiaries of such Persons, representing 10% or more of the consolidated revenues or EBITDA of the Company and its Subsidiaries for the trailing 12 months ending on the last day of the last completed calendar month immediately preceding the date of termination of the Employment Period or (ii) in which the Company, Employer Medtech, Denorex, any business acquired by such Persons, or any Subsidiaries of such Persons has conducted discussions or has requested and received information relating to the acquisition of such business by such Person (x) within one year prior to the Separation and (y) during the Severance Period, if any. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation that is publicly traded, so long as Executive has no active participation in the business of such corporation.

(b) NONSOLICITATION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, Executive shall not directly or indirectly through another entity (i) induce or attempt to induce any employee of the Company, Employer or any of their respective Subsidiaries to leave the employ of the Company, Employer or any such Subsidiary, or in any way interfere with the relationship between the Company, Employer and any of their respective Subsidiaries and any employee thereof, (ii) hire any person who was an employee of the Company, Employer or any of their respective

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Subsidiaries within 180 days after such person ceased to be an employee of the Company, Employer or any of their respective Subsidiaries (PROVIDED, HOWEVER, THAT such restriction shall not apply for a particular employee if the Company has provided its written consent to such hire, which consent, in the case of any person who was not a key employee of the Company, Employer or any of their respective Subsidiaries, shall not be unreasonably withheld), (iii) induce or attempt to induce any customer, supplier, licensee or other business relation of the Company, Employer or any of their respective Subsidiaries to cease doing business with the Company, Employer or any such Subsidiary or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company, Employer or any Subsidiary or (iv) directly or indirectly acquire or attempt to acquire an interest in any business relating to the business of the Company, Employer or any of their respective Subsidiaries and with which the Company, Employer and any of their respective Subsidiaries has conducted discussions or has requested and received information relating to the acquisition of such business by the Company, Employer or any of their respective Subsidiaries in the two year period immediately preceding a Separation.

(c) ENFORCEMENT. If, at the time of enforcement of SECTION 8 or this SECTION 9, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum duration, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum duration, scope and area permitted by law. Because Executive's services are unique and because Executive has access to Confidential Information, the parties hereto agree that money damages would be an inadequate remedy for any breach of this Agreement. Therefore, in the event of a breach or threatened breach of this Agreement, the Company, Employer, their respective Subsidiaries or their successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security).

(d) ADDITIONAL ACKNOWLEDGMENTS. Executive acknowledges that the provisions of this SECTION 9 are in consideration of: (i) employment with the Employer, (ii) the issuance of the Executive Securities by the Company and (iii) additional good and valuable consideration as set forth in this Agreement. In addition, Executive agrees and acknowledges that the restrictions contained in SECTION 8 and this SECTION 9 do not preclude Executive from earning a livelihood, nor do they unreasonably impose limitations on Executive's ability to earn a living. In addition, Executive acknowledges (i) that the business of the Company, Employer and their respective Subsidiaries will be conducted throughout the United States, (ii) notwithstanding the state of incorporation or principal office of the Company, Employer or any of their respective Subsidiaries, or any of their respective executives or employees (including the Executive), it is expected that the Company and Employer will have business activities and have valuable

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business relationships within its industry throughout the United States and (iii) as part of his responsibilities, Executive will be traveling throughout the United States in furtherance of Employer's business and its relationships. Executive agrees and acknowledges that the potential harm to the Company and Employer of the non-enforcement of SECTION 8 and this

SECTION 9 outweighs any potential harm to Executive of its enforcement by injunction or otherwise. Executive acknowledges that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Executive by this Agreement, and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company, Employer and their Subsidiaries now existing or to be developed in the future. Executive expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

GENERAL PROVISIONS

10. DEFINITIONS.

"AFFILIATE" means, (i) with respect to any Person, any Person that controls, is controlled by or is under common control with such Person or an Affiliate of such Person, and (ii) with respect to any Purchaser, any general or limited partner of such Purchaser, any employee or owner of any such partner, or any other Person controlling, controlled by or under common control with such Purchaser.

"BOARD" means the Company's board of directors (or its equivalent).

"CAUSE" means (i) the intentional or knowing commission of a felony or a crime involving moral turpitude or the commission of any other act or omission involving dishonesty or fraud with respect to the Company, Employer or any of their respective Subsidiaries or any of their customers or suppliers, (ii) substantial and repeated failure to perform duties of the office held by Executive as reasonably directed by the Board, (iii) gross negligence or willful misconduct with respect to the Company, Employer or any of their respective Subsidiaries, (iv) conduct tending to bring the Company, Employer or any of their respective Subsidiaries into substantial public disgrace or disrepute or (v) any breach by Executive of SECTIONS 8 or 9 of this Agreement. Notwithstanding the foregoing, if it is alleged or determined that actions taken by Executive caused the Company, Employer or any of their respective Subsidiaries to engage in illegal activities or operations, the taking of such actions by Executive shall not constitute "Cause" hereunder if Executive had a reasonable and good faith belief that such actions were not in violation of any law, rule, regulation or court order, were in the best interests of the Company, Employer and their respective Subsidiaries and were taken in the ordinary course of business.

"COMET" means The Comet Products Corporation, a Delaware corporation.

"CREDIT AGREEMENT" means the Credit Agreement, dated as of April 6, 2004, among Employer, Prestige Brands International, LLC, a Delaware limited liability

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company, the lenders and issuers party thereto, Citicorp North America, Inc., as administrative agent and Tranche C Agent (as defined therein), Bank of America, N.A., as syndication agent for the lenders and issuers, Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., as documentation agent for the lenders and issuers, and the other parties named therein, as the same may be amended, supplemented or otherwise modified from time to time, at any renewal, extension, refunding, restructuring, replacement or refinancing thereof (whether with the original agent or lenders or another agent or agents or other lenders and whether provided under the original Credit Agreement or any other credit agreement).

"DENOREX" means The Denorex Company, a Delaware corporation.

"DISABILITY" means the disability of Executive caused by any physical or mental injury, illness or incapacity as a result of which Executive is unable to effectively perform the essential functions of Executive's duties as determined by the Board in good faith.

"EBITDA" means "Adjusted EBITDA" as such term is defined in the Credit Agreement.

"EXECUTIVE SECURITIES" means all Class B Preferred Units of Prestige Preferred Holdings, LLC acquired by Executive pursuant to the Prior Agreement and Common Shares acquired by Executive pursuant to the Exchange Agreement. Executive Securities will continue to be Executive Securities in the hands of any holder other than Executive (except for the Company and transferees in a Public Sale, which transferees shall not be subject to the provisions of this Agreement with respect to such securities), and except as otherwise provided herein, each such other holder of Executive Securities will succeed to all rights and obligations attributable to Executive as a holder of Executive Securities hereunder. Executive Securities (or, individually, any particular type of equity security included therein) will also include equity securities of the Company issued with respect to Executive Securities (or, individually, any particular type of equity security included therein) by way of a stock split, stock dividend, conversion, or other recapitalization. For the avoidance of doubt, all Unvested Shares shall remain Unvested Shares after a Transfer thereof, unless such Transfer is to the Company or a transferee in a Public Sale.

"FAIR MARKET VALUE" of each share of Executive Securities means the average of the closing prices of the sales of such Executive Securities on all securities exchanges on which such Executive Securities may at the time be listed, or, if there have been no sales on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day such Executive Securities are not so listed, the average of the representative bid and asked prices quoted in the NASDAQ

System as of 4:00 P.M., New York time, or, if on any day such Executive Securities are not quoted in the NASDAQ System, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau Incorporated, or any similar successor organization, in each such case averaged over a period of 21 days consisting of the day as of which the Fair Market Value is being determined and the 20 consecutive business days prior to such

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day. If at any time such Executive Securities are not listed on any securities exchange or quoted in the NASDAQ System or the over-the-counter market, the Fair Market Value will be the fair value of such Executive Securities as determined in good faith by the Board. If Executive reasonably disagrees with such determination, Executive shall deliver to the Board a written notice of objection (an "OBJECTION") within thirty (30) days after delivery of the Separation Repurchase Notice. Upon receipt of Executive's Objection, the Board and Executive will negotiate in good faith to agree on such Fair Market Value. If such agreement is not reached within 20 days after the delivery of the Objection, Fair Market Value shall be determined by an appraiser jointly selected by the Board and Executive, which appraiser shall submit to the Board and Executive a report within 30 days of its engagement setting forth such determination. If the parties are unable to agree on an appraiser within 25 days after delivery of the Objection, within seven days, each party shall submit the names of four nationally recognized firms that are engaged in the business of valuing non-public securities, and each party shall be entitled to strike two names from the other party's list of firms, and the appraiser shall be selected by lot from the remaining four investment banking firms. The expenses of such appraiser shall be borne equally by Executive and the Company. The determination of such appraiser as to Fair Market Value shall be final and binding upon all parties.

"FAMILY GROUP" means a Person's spouse and descendants (whether natural or adopted), and any trust, family limited partnership, limited liability company or other entity wholly owned, directly or indirectly, by such Person or such Person's spouse and/or descendants that is and remains solely for the benefit of such Person and/or such Person's spouse and/or descendants and any retirement plan for such Person.

"GOOD REASON" means (i) any material diminution in Executive's position, title, authority, powers, functions, duties or responsibilities with Employer, (ii) the permanent relocation or transfer of Employer's principal office outside a 30 mile radius from Irvington, New York or (iii) any failure of Employer to comply with the Annual Base Salary and bonus provisions of SECTION 7(b) hereof; provided, however, that either or both of clauses (i) or (ii) shall be disregarded for purposes of this definition if Peter Mann, as the Chief Executive Officer of Employer, consents to the circumstances described in such clause(s).

"MEDTECH" means Medtech Holdings, Inc., a Delaware corporation.

"ORIGINAL COST" means, with respect to each Carried Common Unit acquired pursuant to the Prior Agreement, \$0.10 (each as proportionately adjusted for all subsequent stock splits, stock dividends and other recapitalizations).

"PERSON" means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, investment fund, any other business entity and a governmental entity or any department, agency or political subdivision thereof.

"PRESTIGE" means Prestige Brands International, Inc., a Virginia corporation.

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"PUBLIC OFFERING" means the sale in an underwritten public offering registered under the Securities Act of equity securities of the Company or a corporate successor to the Company.

"PUBLIC SALE" means (i) any sale pursuant to a registered public offering under the Securities Act or (ii) any sale to the public pursuant to Rule 144 promulgated under the Securities Act effected through a broker, dealer or market maker (other than pursuant to Rule 144(k) prior to a Public Offering).

"PURCHASER" has the meaning set forth in the Exchange Agreement.

"REGISTRATION AGREEMENT" means the Registration Rights Agreement, dated as of February 6, 2004, by and among the Company and certain of its securityholders, as amended from time to time pursuant to its terms.

"SALE OF THE COMPANY" means any transaction or series of transactions pursuant to which any Person or group of related Persons other than the Purchasers or their Affiliates in the aggregate acquire(s) (i) equity securities of the Company possessing the voting power (other than voting rights accruing only in the event of a default, breach or event of noncompliance) to elect a majority of the Board (whether by merger, consolidation, reorganization, combination, sale or transfer of the Company's equity, securityholder or voting agreement, proxy, power of attorney or otherwise) or (ii) all or substantially all of the Company's assets determined on a consolidated basis; PROVIDED that a Public Offering shall not constitute a Sale of the Company.

"SECURITIES ACT" means the Securities Act of 1933, as amended from time to time.

"SEPARATION" means the cessation of employment of Executive with the

Company, Employer and their respective Subsidiaries for any reason.

"SPIC AND SPAN" means The Spic and Span Company, a Delaware corporation.

"SUBSIDIARY" means, with respect to any Person, any corporation, limited liability company, partnership, association, or business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association, or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association, or other business entity. For purposes hereof, references to a "SUBSIDIARY" of

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any Person shall be given effect only at such times that such Person has one or more Subsidiaries, and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Company.

"TCW/CRESCENT LENDERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

"TCW/CRESCENT PURCHASERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

"TRANSFER" means to sell, transfer, assign, pledge or otherwise dispose of (whether with or without consideration and whether voluntarily or involuntarily or by operation of law).

"WELFARE PLANS" mean the welfare benefit plans, practices, policies and programs provided by Employer to the extent applicable generally to other senior executives of the Company.

11. NOTICES. Any notice provided for in this Agreement must be in writing and must be either personally delivered, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated:

IF TO EMPLOYER:

Prestige Brands, Inc.
90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601

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Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO THE COMPANY:

Prestige International Holdings, LLC
90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601

IF TO EXECUTIVE:

Michael A. Fink
68 East Sherbrooke
Livingston, New Jersey 07039

WITH A COPY TO:

Ford Marrin Esposito Witmeyer & Gleser LLP
Wall Street Plaza
New York, New York 10005-1875
Attention: James M. Adrian

IF TO THE PURCHASERS:

See the attached PURCHASER NOTICE SCHEDULE.

or such other address or to the attention of such other Person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement will be deemed to have been given when so delivered or sent or, if mailed, five days after deposit in the U.S. mail.

12. GENERAL PROVISIONS.

(a) TRANSFERS IN VIOLATION OF AGREEMENT. Any Transfer or attempted Transfer of any Executive Securities in violation of any provision of this Agreement shall be void, and the Company shall not record such Transfer on its

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books or treat any purported transferee of such Executive Securities as the owner of such equity for any purpose.

(b) SEVERABILITY. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(c) COMPLETE AGREEMENT. This Agreement, those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(d) NO STRICT CONSTRUCTION. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(e) COUNTERPARTS. This Agreement may be executed and delivered in separate counterparts (including by means of facsimile), each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(f) SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by Executive, the Company, the Purchasers and their respective successors and assigns (including subsequent holders of Executive Securities); provided that the rights and obligations of Executive under this Agreement shall not be assignable except in connection with a permitted transfer of Executive Securities hereunder.

(g) CHOICE OF LAW. The law of the State of Delaware will govern all questions concerning the relative rights of the Company, Employer and its securityholders. All other questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto will be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(h) MUTUAL WAIVER OF JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN

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EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES HERETO, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH,

RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THE RELATIONSHIP ESTABLISHED AMONG THE PARTIES HEREUNDER.

(i) EXECUTIVE'S COOPERATION. During the Employment Period and thereafter, Executive shall cooperate with the Company, Employer and their respective Subsidiaries and Affiliates in any disputes with third parties, internal investigation or administrative, regulatory or judicial proceeding as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other permitted activities and commitments). In the event the Company requires Executive's cooperation in accordance with this paragraph after the Employment Period, the Company shall reimburse Executive for reasonable travel expenses (including lodging and meals, upon submission of receipts) and compensate Executive for his time at a rate that is mutually agreeable to Executive and the Company.

(j) REMEDIES. Each of the parties to this Agreement (and the Purchasers as third-party beneficiaries) will be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including attorney's fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

(k) AMENDMENT AND WAIVER. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company, Employer, Executive and the Majority Holders (as defined in the Exchange Agreement).

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(l) INSURANCE. The Company, at its discretion, may apply for and procure in its own name and for its own benefit life and/or disability insurance on Executive in any amount or amounts considered available. Executive agrees to cooperate in any medical or other examination, supply any information, and to execute and deliver any applications or other instruments in writing as may be reasonably necessary to obtain and constitute such insurance. Executive hereby represents that he has no reason to believe that his life is not insurable at rates now prevailing for healthy men of his age.

(m) BUSINESS DAYS. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(n) INDEMNIFICATION AND REIMBURSEMENT OF PAYMENTS ON BEHALF OF EXECUTIVE. The Company and its Subsidiaries shall be entitled to deduct or withhold from any amounts owing from the Company or any of its Subsidiaries to Executive any federal, state, local or foreign withholding taxes, excise taxes, or employment taxes ("TAXES") imposed with respect to Executive's compensation or other payments from the Company or any of its Subsidiaries or Executive's ownership interest in the Company, including, without limitation, wages, bonuses, dividends, the receipt or exercise of equity options and/or the receipt or vesting of restricted equity. In the event the Company or any of its Subsidiaries does not make such deductions or withholdings, Executive shall indemnify the Company and its Subsidiaries for any amounts paid with respect to any such Taxes, together with any interest, penalties and related expenses thereto.

(o) REASONABLE EXPENSES. Employer agrees to pay the reasonable fees and expenses of Executive's counsel arising in connection with the negotiation and execution of this Agreement and the consummation of the transactions contemplated by this Agreement.

(p) TERMINATION. This Agreement (except for the provisions of SECTIONS 7(a) and (b)) shall survive a Separation and shall remain in full force and effect after such Separation.

(q) ADJUSTMENTS OF NUMBERS. All numbers set forth herein that refer to share prices or amounts will be appropriately adjusted to reflect share splits, share dividends, combinations of shares and other recapitalizations affecting the subject class of equity.

(r) DEEMED TRANSFER OF EXECUTIVE SECURITIES. If the Company (and/or any other Person acquiring securities) shall make available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Executive Securities to be repurchased in accordance with the provisions of this Agreement, then from and after such time, the Person from whom such shares are

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to be repurchased shall no longer have any rights as a holder of such shares (other than the right to receive payment of such consideration in accordance with this Agreement), and such shares shall be deemed purchased

in accordance with the applicable provisions hereof and the Company (and/or any other Person acquiring securities) shall be deemed the owner and holder of such shares, whether or not the certificates therefor have been delivered as required by this Agreement.

(s) NO PLEDGE OR SECURITY INTEREST. The purpose of the Company's retention of Executive's certificates is solely to facilitate the repurchase provisions set forth in SECTION 3 and does not constitute a pledge by Executive of, or the granting of a security interest in, the underlying equity.

(t) RIGHTS GRANTED TO GTCR FUND VIII AND ITS AFFILIATES. Any rights granted to GTCR Fund VIII, GTCR Fund VIII/B, GTCR Co-Invest and their Affiliates hereunder may also be exercised (in whole or in part) by their designees.

* * * * *

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

PRESTIGE BRANDS HOLDINGS, INC.

By: _____
Name: _____
Title: _____

PRESTIGE INTERNATIONAL HOLDINGS, LLC

By: _____
Name: _____
Title: _____

PRESTIGE BRANDS, INC.

By: _____
Name: _____
Title: _____

MICHAEL A. FINK

Agreed and Accepted:

GTCR FUND VIII, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____
Name: David A. Donnini
Its: Principal

GTCR FUND VIII/B, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____

Name: David A. Donnini
Its: Principal

GTCR CO-INVEST II, L.P.

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____
Name: David A. Donnini
Its: Principal

GTCR CAPITAL PARTNERS, L.P.

By: GTCR Mezzanine Partners, L.P.
Its: General Partner

By: GTCR Partners VI, L.P.
Its: General Partner

By: GTCR Golder Rauner, L.L.C.
Its: General Partner

By: -----
Name:
Its: Principal

TCW/CRESCENT MEZZANINE PARTNERS III, L.P.
TCW/CRESCENT MEZZANINE TRUST III
TCW/CRESCENT MEZZANINE PARTNERS III
NETHERLANDS, L.P.

By: TCW/Crescent Mezzanine
Management III, L.L.C.,
its Investment Manager

By: TCW Asset Management Company,
its Sub-Advisor

By: -----

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Name: Timothy P. Costello
Its: Managing Director

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EXHIBIT A

_____, 2005

PROTECTIVE ELECTION TO INCLUDE MEMBERSHIP
INTEREST IN GROSS INCOME PURSUANT TO
SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned purchased shares of Common Stock, par value \$.01 per share (the "SHARES"), of Prestige Brands Holdings, Inc. (the "COMPANY") on January 28, 2005. Under certain circumstances, the Company has the right to repurchase the Shares at cost from the undersigned (or from the holder of the Shares, if different from the undersigned) should the undersigned cease to be employed by the Company and its subsidiaries. Hence, the Shares are subject to a substantial risk of forfeiture that may not be avoided by a transfer of the Shares to another person. The undersigned desires to make an election to have the Shares taxed under the provision of Code Section 83(b) at the time he purchased the Shares.

Therefore, pursuant to Code Section 83(b) and Treasury Regulation Section 1.83-2 promulgated thereunder, the undersigned hereby makes an election, with respect to the Shares (described below), to report as taxable income for calendar year 2005 the excess (if any) of the Shares' fair market value on January 28, 2005 over purchase price thereof.

The following information is supplied in accordance with Treasury Regulation Section 1.83-2(e):

1. The name, address and social security number of the undersigned:

2. A description of the property with respect to which the election is being made: _____ shares of Prestige Brands Holdings, Inc.'s Common Stock, par value \$.01 per share.

3. The date on which the property was transferred: January 28, 2005. The taxable year for which such election is made: calendar 2005.

4. The restrictions to which the property is subject: If the undersigned ceases to be employed by the Company or any of its subsidiaries, the unvested portion of the Shares will be subject to repurchase by the Company at the lower of cost or market value.

5. The fair market value on January 28, 2005 of the property with respect to which the election is being made, determined without regard to any lapse restrictions: \$_____ per share of Common Stock.

6. The amount paid for such property: \$_____ per share of Common Stock.

A copy of this election has been furnished to the Secretary of the Company pursuant to Treasury Regulations Section 1.83-2(d).

Dated:

[EXECUTIVE]

PURCHASER NOTICE SCHEDULE

IF TO GTCR FUND VIII, L.P., GTCR FUND VIII/B, L.P. OR GTCR CO-INVEST II, L.P.:
c/o GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

WITH A COPY TO:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Kevin R. Evanich, P.C.
Christopher J. Greeno

IF TO GTCR CAPITAL PARTNERS:

GTCR Capital Partners, L.P.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: Barry Dunn

WITH A COPY TO:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Kevin R. Evanich, P.C.
Christopher J. Greeno

IF TO THE TCW/CRESCENT LENDERS AND/OR TCW/CRESCENT PURCHASERS:

TCW/Crescent Mezzanine Partners III, L.P.
TCW/Crescent Mezzanine Trust III
TCW/Crescent Mezzanine Partners III Netherlands, L.P.
c/o TCW/Crescent Mezzanine, L.L.C.
200 Crescent Court, Suite 1600
Dallas, Texas 75201
Attention: Timothy P. Costello
Telecopier No.: (214) 740-7382

WITH A COPY TO:

Gardere Wynne Sewell LLP
3000 Thanksgiving Tower
1601 Elm Street
Dallas, Texas 75201
Attention: Gary B. Clark
Telecopier No.: (214) 999-4667

AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT (this "AGREEMENT") is made as of January 28, 2005, by and among Prestige International Holdings, LLC, a Delaware limited liability company ("HOLDINGS LLC"), Prestige Brands Holdings, Inc., a Delaware corporation (the "COMPANY"), Prestige Brands, Inc., a Delaware corporation ("EMPLOYER"), and Charles Schrank ("EXECUTIVE"). Certain provisions of this Agreement are intended for the benefit of and will be enforceable by the Purchasers.

This Agreement amends and restates the Senior Management Agreement (as amended prior to the date hereof, the "PRIOR AGREEMENT"), dated as of March 17, 2004, by and among Holdings LLC, Employer and Executive. The Company, Holdings LLC, Employer and Executive desire to amend and restate the Prior Agreement in connection with the transactions (the "EXCHANGE TRANSACTIONS") contemplated by the Exchange Agreement (the "EXCHANGE AGREEMENT"), dated as of the date hereof, among Holdings LLC, the Company and the Unitholders of Holdings LLC, which are being consummated in order to facilitate an initial public offering (the "INITIAL PUBLIC OFFERING") of the Company's common stock, par value \$.01 per share (the "COMMON SHARES").

Holdings LLC and Executive entered into the Prior Agreement pursuant to which Executive purchased from Holdings LLC, and Holdings LLC sold to Executive, 197,615 Common Units of the Company (the "COMMON UNITS"). Certain definitions are set forth in SECTION 10 of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, (i) the parties to the Prior Agreement hereby amend and restate the Prior Agreement, effective upon consummation of the Exchange Transactions (the "EFFECTIVE DATE"), and (ii) the parties to this Agreement hereby agree as follows:

PROVISIONS RELATING TO EXECUTIVE SECURITIES

1. ACQUISITION OF CARRIED SHARES.

(a) Upon consummation of the Exchange Transactions, Executive will acquire _____ Common Shares in exchange for the _____ Common Units acquired by Executive pursuant to the Prior Agreement. The Common Shares so acquired by Executive and described in this SECTION 1(a) are sometimes referred to herein as "CARRIED SHARES." The Company will deliver to Executive copies of the certificates representing such Common Shares. In exchange, Executive hereby authorizes Holdings LLC and the Company to cancel the certificate or certificates representing the Common Units.

(b) Within 30 days after the acquisition of the Carried Shares, Executive will make an effective election with the Internal Revenue Service under

Section 83(b) of the Internal Revenue Code and the regulations promulgated thereunder in the form of EXHIBIT A attached hereto.

(c) Until released upon the occurrence of a Sale of the Company or a Public Offering as provided below, all certificates evidencing the Carried Shares shall be held by the Company for the benefit of Executive and the other holder(s) of Carried Shares, if any. Upon the occurrence of a Sale of the Company, the Company will return all certificates evidencing Carried Shares to the record holders thereof. Upon consummation of a Public Offering, the Company will return to the record holders thereof certificates evidencing Vested Shares (as defined in SECTION 2(f) below).

(d) Executive acknowledges and agrees that neither the issuance of the Carried Shares to Executive pursuant to the Exchange Agreement nor any provision contained herein shall entitle Executive to remain in the employment of the Company, Employer or any of their respective Subsidiaries or affect the right of the Company or Employer to terminate Executive's employment at any time for any reason, subject to the remaining terms of this Agreement and any other agreement between Executive and any such parties.

2. VESTING OF CARRIED SHARES.

(a) The Carried Shares issued to Executive in respect of Common Units shall be subject to vesting in the manner specified in this SECTION 2.

(b) The Carried Shares issued to Executive in respect of Common Units that have vested pursuant to the Prior Agreement shall be vested when issued to Executive pursuant to the Exchange Agreement and, except as otherwise provided in this SECTION 2, the remaining Carried Shares shall become vested in accordance with the following schedule, if and only if as of each such date provided below, Executive has been continuously employed by the Company, Employer or any of their respective Subsidiaries from the Effective Date through and including such date:

CUMULATIVE
PERCENTAGE
OF DATE
ALL
CARRIED
SHARES

(d) The closing of the purchase of the Unvested Shares pursuant to the Separation Repurchase Option shall take place on the date designated by the Company in the Separation Repurchase Notice, which date shall not be more than 30 days nor less than five days after the delivery of such notice. The Company will pay for the Unvested Shares to be purchased by it pursuant to the Separation Repurchase Option by first offsetting amounts outstanding under any bona fide debts owed by Executive to the Company and will pay the remainder of the purchase price by, at its option, (A) a check or wire transfer of funds, (B) the issuance of a subordinated promissory note of the Company bearing interest at a rate equal to the prime rate (as published in THE WALL STREET JOURNAL from time to time) and having such maturity as the Company shall determine in good faith, not to exceed three years, or (C) any combination of clauses (A) and (B) as the Board may elect in its discretion. The Company will be entitled to receive customary representations and warranties from the sellers regarding such sale and to require that all sellers' signatures be guaranteed.

(e) Notwithstanding anything to the contrary contained in this Agreement, if the Fair Market Value of Unvested Shares is finally determined to be an amount at least 10% greater than the per share repurchase price for such Unvested Shares in the Separation Repurchase Notice, the Company shall have the right to revoke its exercise of the Separation Repurchase Option for all or any portion of the Unvested Shares elected to be repurchased by it by delivering notice of such revocation in writing to the holders of Unvested Shares during the thirty-day period beginning on the date that the Company is given written notice that the Fair Market Value of a share of Unvested Shares was finally determined to be an amount at least 10% greater than the per share repurchase price for Unvested Shares set forth in the Separation Repurchase Notice.

4. LIMITATIONS ON CERTAIN REPURCHASES. Notwithstanding anything to the contrary contained in this Agreement, all repurchases of Unvested Shares by the Company pursuant to the Separation Repurchase Option shall be subject to the ability of the Company to pay the purchase price from its readily available cash resources (without imposing any obligation on the Company to raise financing to fund the repurchases) and also subject to applicable restrictions contained in the Delaware General Corporation Law or such other governing corporate law, applicable federal and state securities laws, and in the Company's and its Subsidiaries' debt and equity financing agreements. If any such restrictions prohibit (A) the repurchase of Unvested Shares hereunder which the Company is otherwise entitled to make or (B) dividends or other transfers of funds from one or more Subsidiaries to the Company to enable such repurchases, then the Company may make such repurchases as soon as it is permitted to make repurchases or receive funds from Subsidiaries under such restrictions. Furthermore, in the event of a

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disagreement in accordance with the terms herein relating to the determination of the Fair Market Value of any Unvested Shares, the time periods described herein with respect to purchases of Executive Securities under SECTION 3 herein shall be tolled until any such determination has been made in accordance with the terms provided herein.

5. RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) TRANSFER OF EXECUTIVE SECURITIES. The holders of Executive Securities shall not Transfer any interest in any Executive Securities, except pursuant to (i) the provisions of SECTION 3 hereof, (ii) the provisions of SECTION 5(b) below or (iii) a Sale of the Company approved by the Board.

(b) CERTAIN PERMITTED TRANSFERS. The restrictions in this SECTION 5 will not apply with respect to any Transfer of (i) Executive Securities made pursuant to applicable laws of descent and distribution or to such Person's legal guardian in the case of any mental incapacity or among such Person's Family Group or (ii) Common Shares at such time as the Purchasers sell Common Shares in a Public Sale, but in the case of this clause (ii) only an amount of shares (the "TRANSFER AMOUNT") equal to the lesser of (A) the number of Vested Shares owned by Executive and (B) the result of the number of Common Shares owned by Executive multiplied by a fraction (the "TRANSFER FRACTION"), the numerator of which is the number of Common Shares sold by the Purchasers in such Public Sale and the denominator of which is the total number of Common Shares held by the Purchasers prior to the Public Sale; PROVIDED that, if at the time of a Public Sale of Common Shares by the Purchasers, Executive chooses not to Transfer the Transfer Amount, Executive shall retain the right to Transfer an amount of Common Shares at a future date equal to the lesser of (x) the number of Vested Shares owned by Executive at such future date and (y) the result of the number of Common Shares owned by Executive at such future date multiplied by the Transfer Fraction; PROVIDED further that the restrictions contained in this SECTION 5 will continue to be applicable to the Executive Securities after any Transfer of the type referred to in clause (i) above and the transferees of such Executive Securities must agree in writing to be bound by the provisions of this Agreement and the Registration Agreement. Any transferee of Executive Securities pursuant to a Transfer in accordance with the provisions of clause (i) of this SECTION 5(b) is herein referred to as a "PERMITTED TRANSFEREE." Upon the Transfer of Executive Securities pursuant to this SECTION 5(b), the transferring holder of Executive Securities will deliver a written notice (a "TRANSFER NOTICE") to the Company. In the case of a Transfer pursuant to clause (i) hereof, the Transfer Notice will disclose in reasonable detail the identity of the Permitted Transferee(s).

(c) TERMINATION OF RESTRICTIONS. The restrictions set forth in this SECTION 5 will continue with respect to each share of Executive Securities

until the earlier of (i) the date on which such share of Executive Securities has been transferred in a Public Sale permitted by this SECTION 5, or (ii) the consummation of a Sale of the Company.

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6. ADDITIONAL RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) LEGEND. The certificates representing the Executive Securities will bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED AS OF [DATE OF ISSUANCE], HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER, CERTAIN REPURCHASE OPTIONS AND CERTAIN OTHER AGREEMENTS SET FORTH IN AN AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT BETWEEN THE COMPANY AND AN EXECUTIVE OF THE COMPANY AND OTHER PARTIES, DATED AS OF JANUARY 28, 2005. A COPY OF SUCH AGREEMENT MAY BE OBTAINED BY THE HOLDER HEREOF AT THE COMPANY'S PRINCIPAL PLACE OF BUSINESS WITHOUT CHARGE."

(b) OPINION OF COUNSEL. No holder of Executive Securities may Transfer any Executive Securities (except pursuant to SECTION 3 or SECTION 5(b) of this Agreement or an effective registration statement under the Securities Act) without first delivering to the Company a written notice describing in reasonable detail the proposed Transfer, together with an opinion of counsel (reasonably acceptable in form and substance to the Company) that neither registration nor qualification under the Securities Act and applicable state securities laws is required in connection with such transfer. In addition, if the holder of the Executive Securities delivers to the Company an opinion of counsel that no subsequent Transfer of such Executive Securities shall require registration under the Securities Act, the Company shall promptly upon such contemplated Transfer deliver new certificates for such Executive Securities that do not bear the Securities Act portion of the legend set forth in SECTION 6(a). If the Company is not required to deliver new certificates for such Executive Securities not bearing such legend, the holder thereof shall not Transfer the same until the prospective transferee has confirmed to the Company in writing its agreement to be bound by the conditions contained in this SECTION 6.

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PROVISIONS RELATING TO EMPLOYMENT

7. EMPLOYMENT. Employer agrees to employ Executive and Executive accepts such employment for the period beginning as of the date of the Prior Agreement and ending upon his separation pursuant to SECTION 7(c) hereof (the "EMPLOYMENT PERIOD").

(a) POSITION AND DUTIES.

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

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

(b) SALARY, BONUS AND BENEFITS. During the Employment Period, Employer will pay Executive a base salary of \$188,000 per annum (the "ANNUAL BASE SALARY"). During fiscal year 2005, the Board shall develop a new bonus program which may incorporate subjective and objective criteria for bonus achievement different from the criteria contained in the existing Medtech/Denorex bonus program; PROVIDED, HOWEVER, THAT the maximum bonus payment potentials to Executive will not be decreased from those provided in the existing Medtech/Denorex bonus program. In addition, during the Employment Period, Executive will be entitled to such other benefits approved by the Board and made available to the senior management of the Company, Employer and their Subsidiaries, which shall include vacation time (in an amount consistent with past practice) and medical, dental, life and disability insurance. Following completion of the fiscal year ending March 31, 2005, the Board, on a basis consistent with past practice, shall review the Annual Base Salary of Executive and may increase the Annual Base Salary by such amount as the Board, in its sole discretion, shall deem appropriate. The term "Annual Base Salary" as used in this Agreement shall refer to the Annual Base Salary as it may be so increased.

(c) SEPARATION. The Employment Period will continue until (i) Executive's death, Disability or resignation from employment with the Company, Employer and their respective Subsidiaries or (ii) the Company, Employer and their respective Subsidiaries decide to terminate Executive's employment with or without Cause. If (A) Executive's employment is terminated without Cause pursuant to clause (ii) above or (B) Executive resigns from employment with the Company, Employer or any of their respective Subsidiaries for Good Reason, then during the period commencing on the date of termination of the Employment

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Period and ending on the first anniversary of the date of termination (the "SEVERANCE PERIOD"), Employer shall pay to Executive, in equal installments on the Employer's regular salary payment dates, an aggregate amount equal to (I) his Annual Base Salary, plus (II) an amount equal to the annual bonus, if any, paid or payable to Executive by Employer for the last fiscal year ended prior to the date of termination. In addition, if Executive is entitled on the date of termination to coverage under the medical and prescription portions of the Welfare Plans, such coverage shall continue for Executive and Executive's covered dependents for a period ending on the first anniversary of the date of termination at the active employee cost payable by Executive with respect to those costs paid by Executive prior to the date of termination; PROVIDED, that this coverage will count towards the depletion of any continued health care coverage rights that Executive and Executive's dependents may have pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"); PROVIDED further, that Executive's or Executive's covered dependents' rights to continued health care coverage pursuant to this SECTION 7(c) shall terminate at the time Executive or Executive's covered dependents become covered, as described in COBRA, under another group health plan, and shall also terminate as of the date Employer ceases to provide coverage to its senior executives generally under any such Welfare Plan. Notwithstanding the foregoing, (I) Executive shall not be entitled to receive any payments or benefits pursuant to this SECTION 7(c) unless Executive has executed and delivered to Employer a general release in form and substance satisfactory to Employer and (II) Executive shall be entitled to receive such payments and benefits only so long as Executive has not breached the provisions of SECTIONS 8 or 9 hereof. The release described in the foregoing sentence shall not require Executive to release any claims for any vested employee benefits, workers compensation benefits covered by insurance or self-insurance, claims to indemnification to which Executive may be entitled under the Company's or its Subsidiaries' certificate(s) of incorporation, by-laws or under any of the Company's or its Subsidiaries' directors or officers insurance policy(ies) or applicable law, or equity claims to contribution from the Company or its Subsidiaries or any other Person to which Executive is entitled as a matter of law in respect of any claim made against Executive for an alleged act or omission in Executive's official capacity and within the scope of Executive's duties as an officer, director or employee of the Company or its Subsidiaries. Not later than eighteen (18) months following the termination of Executive's employment, the Company and its Subsidiaries for which the Executive has acted in the capacity of a senior manager, shall sign and deliver to Executive a release of claims that the Company or its Subsidiaries has against Executive; PROVIDED THAT, such release shall not release any claims that the Company or its Subsidiaries commenced prior to the date of the release(s), any claims relating to matters actively concealed by Executive, any claims to contribution from Executive to which the Company or its Subsidiaries are entitled as a matter of law or any claims arising out of mistaken indemnification by the Company or any of its Subsidiaries. Except as otherwise provided in this SECTION 7(c) or in the Employer's employee benefit plans or as otherwise required by applicable law, Executive shall not be entitled to

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any other salary, compensation or benefits after termination of Executive's employment with Employer.

8. CONFIDENTIAL INFORMATION.

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

(b) OWNERSHIP OF PROPERTY. Executive acknowledges that all discoveries, concepts, ideas, inventions, innovations, improvements, developments, methods, processes, programs, designs, analyses, drawings, reports, patent applications, copyrightable work and mask work (whether or not including any Confidential Information) and all registrations or applications related thereto, all other proprietary information and all similar or related information (whether or not patentable) that relate to the Company's, Employer's or any of their respective Subsidiaries' or

Affiliates' actual or anticipated business, research and development, or existing or future products or services and that are conceived, developed, contributed to, made, or reduced to practice by Executive (either solely or jointly with others) while employed by the Company, Employer or any of their respective Subsidiaries or Affiliates (including any of the foregoing that constitutes any proprietary information or records) ("WORK PRODUCT") belong to the Company, Employer or such Subsidiary or Affiliate and Executive hereby assigns, and agrees to assign, all of the above Work Product to the Company, Employer or to such Subsidiary or Affiliate. Any copyrightable work prepared in whole or in part by Executive in the course of his work for any of the foregoing

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entities shall be deemed a "work made for hire" under the copyright laws, and the Company, Employer or such Subsidiary or Affiliate shall own all rights therein. To the extent that any such copyrightable work is not a "work made for hire," Executive hereby assigns and agrees to assign to the Company, Employer or such Subsidiary or Affiliate all right, title, and interest, including without limitation, copyright in and to such copyrightable work. Executive shall promptly disclose such Work Product and copyrightable work to the Board and perform all actions reasonably requested by the Board (whether during or after the Employment Period) to establish and confirm the Company's, Employer's or such Subsidiary's or Affiliate's ownership (including, without limitation, assignments, consents, powers of attorney, and other instruments).

(c) THIRD PARTY INFORMATION. Executive understands that the Company, Employer and their respective Subsidiaries and Affiliates will receive from third parties confidential or proprietary information ("THIRD PARTY INFORMATION") subject to a duty on the Company's, Employer's and their respective Subsidiaries' and Affiliates' part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the Employment Period and thereafter, and without in any way limiting the provisions of SECTION 8(a) above, Executive will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than personnel and consultants of the Company, Employer or their respective Subsidiaries and Affiliates who need to know such information in connection with their work for the Company, Employer or any of their respective Subsidiaries and Affiliates) or use, except in connection with his work for the Company, Employer or any of their respective Subsidiaries and Affiliates, Third Party Information unless expressly authorized by a member of the Board (other than himself if Executive is on the Board) in writing.

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

9. NONCOMPETITION AND NONSOLICITATION. Executive acknowledges that in the course of his employment with Employer he will become familiar with the Company's,

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Employer's and their respective Subsidiaries' trade secrets and with other confidential information concerning the Company, Employer and such Subsidiaries and that his services will be of special, unique and extraordinary value to the Company, Employer and such Subsidiaries. Therefore, Executive agrees that:

(a) NONCOMPETITION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, he shall not anywhere in the United States, directly or indirectly, own, manage, control, participate in, consult with, render services for, or in any manner engage in any business (i) competing with a brand of the Company, Employer, Medtech, Denorex, Spic and Span, Comet, Prestige, any business acquired by such Persons, or any Subsidiaries of such Persons, representing 10% or more of the consolidated revenues or EBITDA of the Company and its Subsidiaries for the trailing 12 months ending on the last day of the last completed calendar month immediately preceding the date of termination of the Employment Period or (ii) in which the Company, Employer Medtech, Denorex, any business acquired by such Persons, or any Subsidiaries of such Persons has conducted discussions or has requested and received information relating to the acquisition of such business by such Person (x) within one year prior to the Separation and (y) during the Severance Period, if any. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation that is publicly traded, so long as Executive has no active participation in the business of such corporation.

(b) NONSOLICITATION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, Executive shall not directly or indirectly through another entity (i) induce or attempt to induce any employee of the Company, Employer or any of their respective Subsidiaries to leave the employ of the Company, Employer or any such Subsidiary, or in any way interfere with the relationship between the Company, Employer and any of their respective Subsidiaries and any employee thereof, (ii) hire any person who was an employee of the Company, Employer or any of their respective Subsidiaries within 180 days after such person ceased to be an employee of the Company, Employer or any of their respective Subsidiaries (PROVIDED, HOWEVER, THAT such restriction shall not apply for a particular employee if the Company has provided its written consent to such hire, which consent, in the case of any person who was not a key employee of the Company, Employer or any of their respective Subsidiaries, shall not be unreasonably withheld), (iii) induce or attempt to induce any customer, supplier, licensee or other business relation of the Company, Employer or any of their respective Subsidiaries to cease doing business with the Company, Employer or any such Subsidiary or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company, Employer or any Subsidiary or (iv) directly or indirectly acquire or attempt to acquire an interest in any business relating to the business of the Company, Employer or any of their respective Subsidiaries and with which

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the Company, Employer and any of their respective Subsidiaries has conducted discussions or has requested and received information relating to the acquisition of such business by the Company, Employer or any of their respective Subsidiaries in the two year period immediately preceding a Separation.

(c) ENFORCEMENT. If, at the time of enforcement of SECTION 8 or this SECTION 9, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum duration, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum duration, scope and area permitted by law. Because Executive's services are unique and because Executive has access to Confidential Information, the parties hereto agree that money damages would be an inadequate remedy for any breach of this Agreement. Therefore, in the event of a breach or threatened breach of this Agreement, the Company, Employer, their respective Subsidiaries or their successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security).

(d) ADDITIONAL ACKNOWLEDGMENTS. Executive acknowledges that the provisions of this SECTION 9 are in consideration of: (i) employment with the Employer, (ii) the issuance of the Executive Securities by the Company and (iii) additional good and valuable consideration as set forth in this Agreement. In addition, Executive agrees and acknowledges that the restrictions contained in SECTION 8 and this SECTION 9 do not preclude Executive from earning a livelihood, nor do they unreasonably impose limitations on Executive's ability to earn a living. In addition, Executive acknowledges (i) that the business of the Company, Employer and their respective Subsidiaries will be conducted throughout the United States, (ii) notwithstanding the state of incorporation or principal office of the Company, Employer or any of their respective Subsidiaries, or any of their respective executives or employees (including the Executive), it is expected that the Company and Employer will have business activities and have valuable business relationships within its industry throughout the United States and (iii) as part of his responsibilities, Executive will be traveling throughout the United States in furtherance of Employer's business and its relationships. Executive agrees and acknowledges that the potential harm to the Company and Employer of the non-enforcement of SECTION 8 and this SECTION 9 outweighs any potential harm to Executive of its enforcement by injunction or otherwise. Executive acknowledges that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Executive by this Agreement, and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company, Employer and their Subsidiaries now existing or to be developed in the future. Executive expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

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GENERAL PROVISIONS

10. DEFINITIONS.

"AFFILIATE" means, (i) with respect to any Person, any Person that controls, is controlled by or is under common control with such Person or an Affiliate of such Person, and (ii) with respect to any Purchaser, any general or limited partner of such Purchaser, any employee or owner of any such partner, or any other Person controlling, controlled by or under common control with such Purchaser.

"BOARD" means the Company's board of directors (or its equivalent).

"CAUSE" means (i) the intentional or knowing commission of a felony or a crime involving moral turpitude or the commission of any other act or omission involving dishonesty or fraud with respect to the Company, Employer or any of their respective Subsidiaries or any of their customers or suppliers, (ii) substantial and repeated failure to perform duties of the office held by Executive as reasonably directed by the Chief Executive Officer of Employer and/or the Board, (iii) gross negligence or willful misconduct with respect to the Company, Employer or any of their respective Subsidiaries, (iv) conduct tending to bring the Company, Employer or any of their respective Subsidiaries into substantial public disgrace or disrepute or (v) any breach by Executive of SECTIONS 8 or 9 of this Agreement. Notwithstanding the foregoing, if it is alleged or determined that actions taken by Executive caused the Company, Employer or any of their respective Subsidiaries to engage in illegal activities or operations, the taking of such actions by Executive shall not constitute "Cause" hereunder if Executive had a reasonable and good faith belief that such actions were not in violation of any law, rule, regulation or court order, were in the best interests of the Company, Employer and their respective Subsidiaries and were taken in the ordinary course of business.

"COMET" means The Comet Products Corporation, a Delaware corporation.

"CREDIT AGREEMENT" means the Credit Agreement, dated as of April 6, 2004, among Employer, Prestige Brands International, LLC, a Delaware limited liability company, the lenders and issuers party thereto, Citicorp North America, Inc., as administrative agent and Tranche C Agent (as defined therein), Bank of America, N.A., as syndication agent for the lenders and issuers, Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., as documentation agent for the lenders and issuers, and the other parties named therein, as the same may be amended, supplemented or otherwise modified from time to time, at any renewal, extension, refunding, restructuring, replacement or refinancing thereof (whether with the original agent or lenders or another agent or agents or other lenders and whether provided under the original Credit Agreement or any other credit agreement).

"DENOREX" means The Denorex Company, a Delaware corporation.

"DISABILITY" means the disability of Executive caused by any physical or mental injury, illness or incapacity as a result of which Executive is unable to effectively

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perform the essential functions of Executive's duties as determined by the Board in good faith.

"EBITDA" means "Adjusted EBITDA" as such term is defined in the Credit Agreement.

"EXECUTIVE SECURITIES" means all Common Shares acquired by Executive pursuant to the Exchange Agreement. Executive Securities will continue to be Executive Securities in the hands of any holder other than Executive (except for the Company and transferees in a Public Sale, which transferees shall not be subject to the provisions of this Agreement with respect to such securities), and except as otherwise provided herein, each such other holder of Executive Securities will succeed to all rights and obligations attributable to Executive as a holder of Executive Securities hereunder. Executive Securities (or, individually, any particular type of equity security included therein) will also include equity securities of the Company issued with respect to Executive Securities (or, individually, any particular type of equity security included therein) by way of a stock split, stock dividend, conversion, or other recapitalization. For the avoidance of doubt, all Unvested Shares shall remain Unvested Shares after a Transfer thereof, unless such Transfer is to the Company or a transferee in a Public Sale.

"FAIR MARKET VALUE" of each share of Executive Securities means the average of the closing prices of the sales of such Executive Securities on all securities exchanges on which such Executive Securities may at the time be listed, or, if there have been no sales on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day such Executive Securities are not so listed, the average of the representative bid and asked prices quoted in the NASDAQ System as of 4:00 P.M., New York time, or, if on any day such Executive Securities are not quoted in the NASDAQ System, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau Incorporated, or any similar successor organization, in each such case averaged over a period of 21 days consisting of the day as of which the Fair Market Value is being determined and the 20 consecutive business days prior to such day. If at any time such Executive Securities are not listed on any securities exchange or quoted in the NASDAQ System or the over-the-counter market, the Fair Market Value will be the fair value of such Executive Securities as determined in good faith by the Board. If Executive reasonably disagrees with such determination, Executive shall deliver to the Board a written notice of objection (an "OBJECTION") within thirty (30) days after delivery of the Separation Repurchase Notice. Upon receipt of Executive's Objection, the Board and Executive will negotiate in good faith to agree on such Fair Market Value. If such agreement is not reached within 20 days after the delivery of the Objection, Fair Market Value shall be determined by an appraiser jointly selected by the Board and Executive, which appraiser shall submit to the Board and Executive a report within 30 days of its engagement setting forth such determination. If the parties are unable to agree on an appraiser within 25 days after delivery of the Objection, within seven days, each party shall submit the names of four nationally recognized firms that are engaged in the business of valuing non-public securities, and each party shall be entitled to strike two names from the other party's list of firms, and the appraiser shall be selected

by lot from the remaining four investment banking firms. The expenses of such appraiser shall be borne equally by Executive and the Company. The determination of such appraiser as to Fair Market Value shall be final and binding upon all parties.

"FAMILY GROUP" means a Person's spouse and descendants (whether natural or adopted), and any trust, family limited partnership, limited liability company or other entity wholly owned, directly or indirectly, by such Person or such Person's spouse and/or descendants that is and remains solely for the benefit of such Person and/or such Person's spouse and/or descendants and any retirement plan for such Person.

"GOOD REASON" means (i) any material diminution in Executive's position, title, authority, powers, functions, duties or responsibilities with Employer, (ii) the permanent relocation or transfer of Employer's principal office outside a 30 mile radius from Irvington, New York or (iii) any failure of Employer to comply with the Annual Base Salary and bonus provisions of SECTION 7(b) hereof; provided, however, that either or both of clauses (i) or (ii) shall be disregarded for purposes of this definition if Peter Mann, as the Chief Executive Officer of Employer, consents to the circumstances described in such clause(s).

"GTCR CAPITAL PARTNERS" means GTCR Capital Partners, L.P., a Delaware limited partnership.

"GTCR CO-INVEST" means GTCR Co-Invest II, L.P., a Delaware limited partnership.

"GTCR FUND VIII" means GTCR Fund VIII, L.P., a Delaware limited partnership.

"GTCR FUND VIII/B" means GTCR Fund VIII/B, L.P., a Delaware limited partnership.

"MEDTECH" means Medtech Holdings, Inc., a Delaware corporation.

"ORIGINAL COST" means, with respect to each Common Unit acquired pursuant to the Prior Agreement, \$0.10 (each as proportionately adjusted for all subsequent stock splits, stock dividends and other recapitalizations).

"PERSON" means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, investment fund, any other business entity and a governmental entity or any department, agency or political subdivision thereof.

"PRESTIGE" means Prestige Brands International, Inc., a Virginia corporation.

"PUBLIC OFFERING" means the sale in an underwritten public offering registered under the Securities Act of equity securities of the Company or a corporate successor to the Company.

"PUBLIC SALE" means (i) any sale pursuant to a registered public offering under the Securities Act or (ii) any sale to the public pursuant to Rule 144 promulgated under the Securities Act effected through a broker, dealer or market maker (other than pursuant to Rule 144(k) prior to a Public Offering).

"PURCHASER" has the meaning set forth in the Exchange Agreement.

"REGISTRATION AGREEMENT" means the Registration Rights Agreement, dated as of February 6, 2004, by and among the Company and certain of its securityholders, as amended from time to time pursuant to its terms.

"SALE OF THE COMPANY" means any transaction or series of transactions pursuant to which any Person or group of related Persons other than the Purchasers or their Affiliates in the aggregate acquire(s) (i) equity securities of the Company possessing the voting power (other than voting rights accruing only in the event of a default, breach or event of noncompliance) to elect a majority of the Board (whether by merger, consolidation, reorganization, combination, sale or transfer of the Company's equity, securityholder or voting agreement, proxy, power of attorney or otherwise) or (ii) all or substantially all of the Company's assets determined on a consolidated basis; PROVIDED that a Public Offering shall not constitute a Sale of the Company.

"SECURITIES ACT" means the Securities Act of 1933, as amended from time to time.

"SEPARATION" means the cessation of employment of Executive with the Company, Employer and their respective Subsidiaries for any reason.

"SPIC AND SPAN" means The Spic and Span Company, a Delaware corporation.

"SUBSIDIARY" means, with respect to any Person, any corporation, limited liability company, partnership, association, or business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association, or other business entity (other than a corporation), a

majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association, or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association, or other business entity. For purposes hereof, references to a "SUBSIDIARY" of any Person shall be given effect only at such times that such Person has one or more Subsidiaries, and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Company.

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"TCW/CRESCENT LENDERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

"TCW/CRESCENT PURCHASERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

"TRANSFER" means to sell, transfer, assign, pledge or otherwise dispose of (whether with or without consideration and whether voluntarily or involuntarily or by operation of law).

"WELFARE PLANS" mean the welfare benefit plans, practices, policies and programs provided by Employer to the extent applicable generally to other senior executives of the Company.

11. NOTICES. Any notice provided for in this Agreement must be in writing and must be either personally delivered, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated:

IF TO EMPLOYER:

Prestige Brands, Inc.
90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO THE COMPANY:

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Prestige International Holdings, LLC
90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO EXECUTIVE:

Charles Schrank
86 Robin Hood Way
Wayne, New Jersey 07470

WITH A COPY TO:

Ford Marrin Esposito Witmeyer & Gleser LLP
Wall Street Plaza
New York, New York 10005-1875
Attention: James M. Adrian

IF TO THE PURCHASERS:

See the attached PURCHASER NOTICE SCHEDULE.

or such other address or to the attention of such other Person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement will be deemed to have been given when so delivered or sent or, if mailed, five days after deposit in the U.S. mail.

12. GENERAL PROVISIONS.

(a) TRANSFERS IN VIOLATION OF AGREEMENT. Any Transfer or attempted Transfer of any Executive Securities in violation of any provision of this Agreement shall be void, and the Company shall not record such Transfer on its books or treat any purported transferee of such Executive Securities as the owner of such equity for any purpose.

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(b) SEVERABILITY. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(c) COMPLETE AGREEMENT. This Agreement, those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way (including any offer of employment previously entered into between Spic and Span and Executive).

(d) NO STRICT CONSTRUCTION. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(e) COUNTERPARTS. This Agreement may be executed and delivered in separate counterparts (including by means of facsimile), each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(f) SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by Executive, the Company, the Purchasers and their respective successors and assigns (including subsequent holders of Executive Securities); provided that the rights and obligations of Executive under this Agreement shall not be assignable except in connection with a permitted transfer of Executive Securities hereunder.

(g) CHOICE OF LAW. The law of the State of Delaware will govern all questions concerning the relative rights of the Company, Employer and its securityholders. All other questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto will be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(h) MUTUAL WAIVER OF JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN

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ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES HERETO, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THE RELATIONSHIP ESTABLISHED AMONG THE PARTIES HEREUNDER.

(i) EXECUTIVE'S COOPERATION. During the Employment Period and thereafter, Executive shall cooperate with the Company, Employer and their respective Subsidiaries and Affiliates in any disputes with third parties, internal investigation or administrative, regulatory or judicial proceeding as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other permitted activities and commitments). In

the event the Company requires Executive's cooperation in accordance with this paragraph after the Employment Period, the Company shall reimburse Executive for reasonable travel expenses (including lodging and meals, upon submission of receipts) and compensate Executive for his time at a rate that is mutually agreeable to Executive and the Company.

(j) REMEDIES. Each of the parties to this Agreement (and the Purchasers as third-party beneficiaries) will be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including attorney's fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

(k) AMENDMENT AND WAIVER. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company, Employer, Executive and the Majority Holders (as defined in the Exchange Agreement).

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(l) INSURANCE. The Company, at its discretion, may apply for and procure in its own name and for its own benefit life and/or disability insurance on Executive in any amount or amounts considered available. Executive agrees to cooperate in any medical or other examination, supply any information, and to execute and deliver any applications or other instruments in writing as may be reasonably necessary to obtain and constitute such insurance. Executive hereby represents that he has no reason to believe that his life is not insurable at rates now prevailing for healthy men of his age.

(m) BUSINESS DAYS. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(n) INDEMNIFICATION AND REIMBURSEMENT OF PAYMENTS ON BEHALF OF EXECUTIVE. The Company and its Subsidiaries shall be entitled to deduct or withhold from any amounts owing from the Company or any of its Subsidiaries to Executive any federal, state, local or foreign withholding taxes, excise taxes, or employment taxes ("TAXES") imposed with respect to Executive's compensation or other payments from the Company or any of its Subsidiaries or Executive's ownership interest in the Company, including, without limitation, wages, bonuses, dividends, the receipt or exercise of equity options and/or the receipt or vesting of restricted equity. In the event the Company or any of its Subsidiaries does not make such deductions or withholdings, Executive shall indemnify the Company and its Subsidiaries for any amounts paid with respect to any such Taxes, together with any interest, penalties and related expenses thereto.

(o) REASONABLE EXPENSES. Employer agrees to pay the reasonable fees and expenses of Executive's counsel arising in connection with the negotiation and execution of this Agreement and the consummation of the transactions contemplated by this Agreement.

(p) TERMINATION. This Agreement (except for the provisions of SECTIONS 7(a) and (b)) shall survive a Separation and shall remain in full force and effect after such Separation.

(q) ADJUSTMENTS OF NUMBERS. All numbers set forth herein that refer to share prices or amounts will be appropriately adjusted to reflect share splits, share dividends, combinations of shares and other recapitalizations affecting the subject class of equity.

(r) DEEMED TRANSFER OF EXECUTIVE SECURITIES. If the Company (and/or any other Person acquiring securities) shall make available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Executive Securities to be repurchased in accordance with the provisions of this Agreement, then from and after such time, the Person from whom such shares are

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to be repurchased shall no longer have any rights as a holder of such shares (other than the right to receive payment of such consideration in accordance with this Agreement), and such shares shall be deemed purchased in accordance with the applicable provisions hereof and the Company (and/or any other Person acquiring securities) shall be deemed the owner and holder of such shares, whether or not the certificates therefor have been delivered as required by this Agreement.

(s) RIGHTS GRANTED TO GTCR FUND VIII AND ITS AFFILIATES. Any rights granted to GTCR Fund VIII, GTCR Fund VIII/B, GTCR Co-Invest and their Affiliates hereunder may also be exercised (in whole or in part) by their designees.

* * * * *

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

PRESTIGE BRANDS HOLDINGS, INC.

By: _____
Name: _____
Title: _____

PRESTIGE INTERNATIONAL HOLDINGS, LLC

By: _____
Name: _____
Title: _____

PRESTIGE BRANDS, INC.

By: _____
Name: _____
Title: _____

CHARLES SCHRANK

Agreed and Accepted:

GTCR FUND VIII, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____
Name: David A. Donnini
Its: Principal

GTCR FUND VIII/B, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____

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Name: David A. Donnini
Its: Principal

GTCR CO-INVEST II, L.P.

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____
Name: David A. Donnini
Its: Principal

GTCR CAPITAL PARTNERS, L.P.

By: GTCR Mezzanine Partners, L.P.
Its: General Partner

By: GTCR Partners VI, L.P.
Its: General Partner

By: GTCR Golder Rauner, L.L.C.
Its: General Partner

By: _____
Name: _____
Its: Principal

TCW/CRESCENT MEZZANINE PARTNERS III, L.P.
TCW/CRESCENT MEZZANINE TRUST III

By: TCW/Crescent Mezzanine
Management III, L.L.C.,
its Investment Manager

By: TCW Asset Management Company,
its Sub-Advisor

By: -----

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Name: Timothy P. Costello
Its: Managing Director

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EXHIBIT A

_____, 2005

PROTECTIVE ELECTION TO INCLUDE MEMBERSHIP
INTEREST IN GROSS INCOME PURSUANT TO
SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned purchased shares of Common Stock, par value \$.01 per share (the "SHARES"), of Prestige Brands Holdings, Inc. (the "COMPANY") on January 28, 2005. Under certain circumstances, the Company has the right to repurchase the Shares at cost from the undersigned (or from the holder of the Shares, if different from the undersigned) should the undersigned cease to be employed by the Company and its subsidiaries. Hence, the Shares are subject to a substantial risk of forfeiture that may not be avoided by a transfer of the Shares to another person. The undersigned desires to make an election to have the Shares taxed under the provision of Code Section 83(b) at the time he purchased the Shares.

Therefore, pursuant to Code Section 83(b) and Treasury Regulation Section 1.83-2 promulgated thereunder, the undersigned hereby makes an election, with respect to the Shares (described below), to report as taxable income for calendar year 2005 the excess (if any) of the Shares' fair market value on January 28, 2005 over purchase price thereof.

The following information is supplied in accordance with Treasury Regulation Section 1.83-2(e):

1. The name, address and social security number of the undersigned:

2. A description of the property with respect to which the election is being made: _____ shares of Prestige Brands Holdings, Inc.'s Common Stock, par value \$.01 per share.

3. The date on which the property was transferred: January 28, 2005. The taxable year for which such election is made: calendar 2005.

4. The restrictions to which the property is subject: If the undersigned ceases to be employed by the Company or any of its subsidiaries, the unvested portion of the Shares will be subject to repurchase by the Company at the lower of cost or market value.

5. The fair market value on January 28, 2005 of the property with respect to which the election is being made, determined without regard to any lapse restrictions: \$_____ per share of Common Stock.

6. The amount paid for such property: \$_____ per share of Common Stock.

A copy of this election has been furnished to the Secretary of the Company pursuant to Treasury Regulations Section 1.83-2(d).

Dated: -----

[EXECUTIVE]

PURCHASER NOTICE SCHEDULE

IF TO GTCR FUND VIII, L.P., GTCR FUND VIII/B, L.P. OR GTCR CO-INVEST II, L.P.:
c/o GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

WITH A COPY TO:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Kevin R. Evanich, P.C.
Christopher J. Greeno

IF TO GTCR CAPITAL PARTNERS:

GTCR Capital Partners, L.P.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: Barry Dunn

WITH A COPY TO:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Kevin R. Evanich, P.C.
Christopher J. Greeno

IF TO THE TCW/CRESCENT LENDERS AND/OR TCW/CRESCENT PURCHASERS:

TCW/Crescent Mezzanine Partners III, L.P.
TCW/Crescent Mezzanine Trust III
TCW/Crescent Mezzanine Partners III Netherlands, L.P.
c/o TCW/Crescent Mezzanine, L.L.C.
200 Crescent Court, Suite 1600
Dallas, Texas 75201
Attention: Timothy P. Costello
Telecopier No.: (214) 740-7382

WITH A COPY TO:

Gardere Wynne Sewell LLP
3000 Thanksgiving Tower
1601 Elm Street
Dallas, Texas 75201
Attention: Gary B. Clark
Telecopier No.: (214) 999-4667

AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT (this "AGREEMENT") is made as of January 28, 2005, by and among Prestige International Holdings, LLC, a Delaware limited liability company ("HOLDINGS LLC"), Prestige Brands Holdings, Inc., a Delaware corporation (the "COMPANY"), Prestige Brands, Inc., a Delaware corporation ("EMPLOYER"), and Eric M. Millar ("EXECUTIVE"). Certain provisions of this Agreement are intended for the benefit of and will be enforceable by the Purchasers.

This Agreement amends and restates the Senior Management Agreement (as amended prior to the date hereof, the "PRIOR AGREEMENT"), dated as of March 17, 2004, by and among Holdings LLC, Employer and Executive. The Company, Holdings LLC, Employer and Executive desire to amend and restate the Prior Agreement in connection with the transactions (the "EXCHANGE TRANSACTIONS") contemplated by the Exchange Agreement (the "EXCHANGE AGREEMENT"), dated as of the date hereof, among Holdings LLC, the Company and the Unitholders of Holdings LLC, which are being consummated in order to facilitate an initial public offering (the "INITIAL PUBLIC OFFERING") of the Company's common stock, par value \$.01 per share (the "COMMON SHARES").

Holdings LLC and Executive entered into the Prior Agreement pursuant to which Executive purchased from Holdings LLC, and Holdings LLC sold to Executive, 197,615 Common Units of the Company (the "COMMON UNITS"). Certain definitions are set forth in SECTION 10 of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, (i) the parties to the Prior Agreement hereby amend and restate the Prior Agreement, effective upon consummation of the Exchange Transactions (the "EFFECTIVE DATE"), and (ii) the parties to this Agreement hereby agree as follows:

PROVISIONS RELATING TO EXECUTIVE SECURITIES

1. ACQUISITION OF CARRIED SHARES.

(a) Upon consummation of the Exchange Transactions, Executive will acquire _____ Common Shares in exchange for the _____ Common Units acquired by Executive pursuant to the Prior Agreement. The Common Shares so acquired by Executive and described in this SECTION 1(a) are sometimes referred to herein as "CARRIED SHARES." The Company will deliver to Executive copies of the certificates representing such Common Shares. In exchange, Executive hereby authorizes Holdings LLC and the Company to cancel the certificate or certificates representing the Common Units.

(b) Within 30 days after the acquisition of the Carried Shares, Executive will make an effective election with the Internal Revenue Service under

Section 83(b) of the Internal Revenue Code and the regulations promulgated thereunder in the form of EXHIBIT A attached hereto.

(c) Until released upon the occurrence of a Sale of the Company or a Public Offering as provided below, all certificates evidencing the Carried Shares shall be held by the Company for the benefit of Executive and the other holder(s) of Carried Shares, if any. Upon the occurrence of a Sale of the Company, the Company will return all certificates evidencing Carried Shares to the record holders thereof. Upon consummation of a Public Offering, the Company will return to the record holders thereof certificates evidencing Vested Shares (as defined in SECTION 2(f) below).

(d) Executive acknowledges and agrees that neither the issuance of the Carried Shares to Executive pursuant to the Exchange Agreement nor any provision contained herein shall entitle Executive to remain in the employment of the Company, Employer or any of their respective Subsidiaries or affect the right of the Company or Employer to terminate Executive's employment at any time for any reason, subject to the remaining terms of this Agreement and any other agreement between Executive and any such parties.

2. VESTING OF CARRIED SHARES.

(a) The Carried Shares issued to Executive in respect of Common Units shall be subject to vesting in the manner specified in this SECTION 2.

(b) The Carried Shares issued to Executive in respect of Common Units that have vested pursuant to the Prior Agreement shall be vested when issued to Executive pursuant to the Exchange Agreement and, except as otherwise provided in this SECTION 2, the remaining Carried Shares shall become vested in accordance with the following schedule, if and only if as of each such date provided below, Executive has been continuously employed by the Company, Employer or any of their respective Subsidiaries from the Effective Date through and including such date:

CUMULATIVE
PERCENTAGE
OF DATE
ALL
CARRIED
SHARES

(d) The closing of the purchase of the Unvested Shares pursuant to the Separation Repurchase Option shall take place on the date designated by the Company in the Separation Repurchase Notice, which date shall not be more than 30 days nor less than five days after the delivery of such notice. The Company will pay for the Unvested Shares to be purchased by it pursuant to the Separation Repurchase Option by first offsetting amounts outstanding under any bona fide debts owed by Executive to the Company and will pay the remainder of the purchase price by, at its option, (A) a check or wire transfer of funds, (B) the issuance of a subordinated promissory note of the Company bearing interest at a rate equal to the prime rate (as published in THE WALL STREET JOURNAL from time to time) and having such maturity as the Company shall determine in good faith, not to exceed three years, or (C) any combination of clauses (A) and (B) as the Board may elect in its discretion. The Company will be entitled to receive customary representations and warranties from the sellers regarding such sale and to require that all sellers' signatures be guaranteed.

(e) Notwithstanding anything to the contrary contained in this Agreement, if the Fair Market Value of Unvested Shares is finally determined to be an amount at least 10% greater than the per share repurchase price for such Unvested Shares in the Separation Repurchase Notice, the Company shall have the right to revoke its exercise of the Separation Repurchase Option for all or any portion of the Unvested Shares elected to be repurchased by it by delivering notice of such revocation in writing to the holders of Unvested Shares during the thirty-day period beginning on the date that the Company is given written notice that the Fair Market Value of a share of Unvested Shares was finally determined to be an amount at least 10% greater than the per share repurchase price for Unvested Shares set forth in the Separation Repurchase Notice.

4. LIMITATIONS ON CERTAIN REPURCHASES. Notwithstanding anything to the contrary contained in this Agreement, all repurchases of Unvested Shares by the Company pursuant to the Separation Repurchase Option shall be subject to the ability of the Company to pay the purchase price from its readily available cash resources (without imposing any obligation on the Company to raise financing to fund the repurchases) and also subject to applicable restrictions contained in the Delaware General Corporation Law or such other governing corporate law, applicable federal and state securities laws, and in the Company's and its Subsidiaries' debt and equity financing agreements. If any such restrictions prohibit (A) the repurchase of Unvested Shares hereunder which the Company is otherwise entitled to make or (B) dividends or other transfers of funds from one or more Subsidiaries to the Company to enable such repurchases, then the Company may make such repurchases as soon as it is permitted to make repurchases or receive funds from Subsidiaries under such restrictions. Furthermore, in the event of a

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disagreement in accordance with the terms herein relating to the determination of the Fair Market Value of any Unvested Shares, the time periods described herein with respect to purchases of Executive Securities under SECTION 3 herein shall be tolled until any such determination has been made in accordance with the terms provided herein.

5. RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) TRANSFER OF EXECUTIVE SECURITIES. The holders of Executive Securities shall not Transfer any interest in any Executive Securities, except pursuant to (i) the provisions of SECTION 3 hereof, (ii) the provisions of SECTION 5(b) below or (iii) a Sale of the Company approved by the Board.

(b) CERTAIN PERMITTED TRANSFERS. The restrictions in this SECTION 5 will not apply with respect to any Transfer of (i) Executive Securities made pursuant to applicable laws of descent and distribution or to such Person's legal guardian in the case of any mental incapacity or among such Person's Family Group or (ii) Common Shares at such time as the Purchasers sell Common Shares in a Public Sale, but in the case of this clause (ii) only an amount of shares (the "TRANSFER AMOUNT") equal to the lesser of (A) the number of Vested Shares owned by Executive and (B) the result of the number of Common Shares owned by Executive multiplied by a fraction (the "TRANSFER FRACTION"), the numerator of which is the number of Common Shares sold by the Purchasers in such Public Sale and the denominator of which is the total number of Common Shares held by the Purchasers prior to the Public Sale; PROVIDED that, if at the time of a Public Sale of Common Shares by the Purchasers, Executive chooses not to Transfer the Transfer Amount, Executive shall retain the right to Transfer an amount of Common Shares at a future date equal to the lesser of (x) the number of Vested Shares owned by Executive at such future date and (y) the result of the number of Common Shares owned by Executive at such future date multiplied by the Transfer Fraction; PROVIDED further that the restrictions contained in this SECTION 5 will continue to be applicable to the Executive Securities after any Transfer of the type referred to in clause (i) above and the transferees of such Executive Securities must agree in writing to be bound by the provisions of this Agreement and the Registration Agreement. Any transferee of Executive Securities pursuant to a Transfer in accordance with the provisions of clause (i) of this SECTION 5(b) is herein referred to as a "PERMITTED TRANSFEREE." Upon the Transfer of Executive Securities pursuant to this SECTION 5(b), the transferring holder of Executive Securities will deliver a written notice (a "TRANSFER NOTICE") to the Company. In the case of a Transfer pursuant to clause (i) hereof, the Transfer Notice will disclose in reasonable detail the identity of the Permitted Transferee(s).

(c) TERMINATION OF RESTRICTIONS. The restrictions set forth in this SECTION 5 will continue with respect to each share of Executive Securities

until the earlier of (i) the date on which such share of Executive Securities has been transferred in a Public Sale permitted by this SECTION 5, or (ii) the consummation of a Sale of the Company.

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6. ADDITIONAL RESTRICTIONS ON TRANSFER OF EXECUTIVE SECURITIES.

(a) LEGEND. The certificates representing the Executive Securities will bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED AS OF [DATE OF ISSUANCE], HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER, CERTAIN REPURCHASE OPTIONS AND CERTAIN OTHER AGREEMENTS SET FORTH IN AN AMENDED AND RESTATED SENIOR MANAGEMENT AGREEMENT BETWEEN THE COMPANY AND AN EXECUTIVE OF THE COMPANY AND OTHER PARTIES, DATED AS OF JANUARY 28, 2005. A COPY OF SUCH AGREEMENT MAY BE OBTAINED BY THE HOLDER HEREOF AT THE COMPANY'S PRINCIPAL PLACE OF BUSINESS WITHOUT CHARGE."

(b) OPINION OF COUNSEL. No holder of Executive Securities may Transfer any Executive Securities (except pursuant to SECTION 3 or SECTION 5(b) of this Agreement or an effective registration statement under the Securities Act) without first delivering to the Company a written notice describing in reasonable detail the proposed Transfer, together with an opinion of counsel (reasonably acceptable in form and substance to the Company) that neither registration nor qualification under the Securities Act and applicable state securities laws is required in connection with such transfer. In addition, if the holder of the Executive Securities delivers to the Company an opinion of counsel that no subsequent Transfer of such Executive Securities shall require registration under the Securities Act, the Company shall promptly upon such contemplated Transfer deliver new certificates for such Executive Securities that do not bear the Securities Act portion of the legend set forth in SECTION 6(a). If the Company is not required to deliver new certificates for such Executive Securities not bearing such legend, the holder thereof shall not Transfer the same until the prospective transferee has confirmed to the Company in writing its agreement to be bound by the conditions contained in this SECTION 6.

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PROVISIONS RELATING TO EMPLOYMENT

7. EMPLOYMENT. Employer agrees to employ Executive and Executive accepts such employment for the period beginning as of the date of the Prior Agreement and ending upon his separation pursuant to SECTION 7(c) hereof (the "EMPLOYMENT PERIOD").

(a) POSITION AND DUTIES.

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

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

(b) SALARY, BONUS AND BENEFITS. During the Employment Period, Employer will pay Executive a base salary of \$205,000 per annum (the "ANNUAL BASE SALARY"). During fiscal year 2005, the Board shall develop a new bonus program which may incorporate subjective and objective criteria for bonus achievement different from the criteria contained in the existing Medtech/Denorex bonus program; PROVIDED, HOWEVER, THAT the maximum bonus payment potentials to Executive will not be decreased from those provided in the existing Medtech/Denorex bonus program. In addition, during the Employment Period, Executive will be entitled to such other benefits approved by the Board and made available to the senior management of the Company, Employer and their Subsidiaries, which shall include vacation time (in an amount consistent with past practice) and medical, dental, life and disability insurance. Following completion of the fiscal year ending March 31, 2005, the Board, on a basis consistent with past practice, shall review the Annual Base Salary of Executive and may increase the Annual Base Salary by such amount as the Board, in its sole discretion, shall deem appropriate. The term "Annual Base Salary" as used in this Agreement shall refer to the Annual Base Salary as it may be so increased.

(c) SEPARATION. The Employment Period will continue until (i) Executive's death, Disability or resignation from employment with the Company, Employer and their respective Subsidiaries or (ii) the Company, Employer and their respective Subsidiaries decide to terminate Executive's employment with or without Cause. If (A) Executive's employment is terminated without Cause pursuant to clause (ii) above or (B) Executive resigns from employment with the Company, Employer or any of their respective Subsidiaries for Good Reason, then during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination (the

"SEVERANCE PERIOD"), Employer shall pay to Executive, in equal installments on the Employer's regular salary payment dates, an aggregate amount equal to (I) his Annual Base Salary, plus (II) an amount equal to the annual bonus, if any, paid or payable to Executive by Employer for the last fiscal year ended prior to the date of termination. In addition, if Executive is entitled on the date of termination to coverage under the medical and prescription portions of the Welfare Plans, such coverage shall continue for Executive and Executive's covered dependents for a period ending on the first anniversary of the date of termination at the active employee cost payable by Executive with respect to those costs paid by Executive prior to the date of termination; PROVIDED, that this coverage will count towards the depletion of any continued health care coverage rights that Executive and Executive's dependents may have pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"); PROVIDED further, that Executive's or Executive's covered dependents' rights to continued health care coverage pursuant to this SECTION 7(c) shall terminate at the time Executive or Executive's covered dependents become covered, as described in COBRA, under another group health plan, and shall also terminate as of the date Employer ceases to provide coverage to its senior executives generally under any such Welfare Plan. Notwithstanding the foregoing, (I) Executive shall not be entitled to receive any payments or benefits pursuant to this SECTION 7(c) unless Executive has executed and delivered to Employer a general release in form and substance satisfactory to Employer and (II) Executive shall be entitled to receive such payments and benefits only so long as Executive has not breached the provisions of SECTIONS 8 or 9 hereof. The release described in the foregoing sentence shall not require Executive to release any claims for any vested employee benefits, workers compensation benefits covered by insurance or self-insurance, claims to indemnification to which Executive may be entitled under the Company's or its Subsidiaries' certificate(s) of incorporation, by-laws or under any of the Company's or its Subsidiaries' directors or officers insurance policy(ies) or applicable law, or equity claims to contribution from the Company or its Subsidiaries or any other Person to which Executive is entitled as a matter of law in respect of any claim made against Executive for an alleged act or omission in Executive's official capacity and within the scope of Executive's duties as an officer, director or employee of the Company or its Subsidiaries. Not later than eighteen (18) months following the termination of Executive's employment, the Company and its Subsidiaries for which the Executive has acted in the capacity of a senior manager, shall sign and deliver to Executive a release of claims that the Company or its Subsidiaries has against Executive; PROVIDED THAT, such release shall not release any claims that the Company or its Subsidiaries commenced prior to the date of the release(s), any claims relating to matters actively concealed by Executive, any claims to contribution from Executive to which the Company or its Subsidiaries are entitled as a matter of law or any claims arising out of mistaken indemnification by the Company or any of its Subsidiaries. Except as otherwise provided in this SECTION 7(c) or in the Employer's employee benefit plans or as otherwise required by applicable law, Executive shall not be entitled to

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any other salary, compensation or benefits after termination of Executive's employment with Employer.

8. CONFIDENTIAL INFORMATION.

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

(b) OWNERSHIP OF PROPERTY. Executive acknowledges that all discoveries, concepts, ideas, inventions, innovations, improvements, developments, methods, processes, programs, designs, analyses, drawings, reports, patent applications, copyrightable work and mask work (whether or not including any Confidential Information) and all registrations or applications related thereto, all other proprietary information and all similar or related information (whether or not patentable) that relate to the Company's, Employer's or any of their respective Subsidiaries' or

Affiliates' actual or anticipated business, research and development, or existing or future products or services and that are conceived, developed, contributed to, made, or reduced to practice by Executive (either solely or jointly with others) while employed by the Company, Employer or any of their respective Subsidiaries or Affiliates (including any of the foregoing that constitutes any proprietary information or records) ("WORK PRODUCT") belong to the Company, Employer or such Subsidiary or Affiliate and Executive hereby assigns, and agrees to assign, all of the above Work Product to the Company, Employer or to such Subsidiary or Affiliate. Any copyrightable work prepared in whole or in part by Executive in the course of his work for any of the foregoing

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entities shall be deemed a "work made for hire" under the copyright laws, and the Company, Employer or such Subsidiary or Affiliate shall own all rights therein. To the extent that any such copyrightable work is not a "work made for hire," Executive hereby assigns and agrees to assign to the Company, Employer or such Subsidiary or Affiliate all right, title, and interest, including without limitation, copyright in and to such copyrightable work. Executive shall promptly disclose such Work Product and copyrightable work to the Board and perform all actions reasonably requested by the Board (whether during or after the Employment Period) to establish and confirm the Company's, Employer's or such Subsidiary's or Affiliate's ownership (including, without limitation, assignments, consents, powers of attorney, and other instruments).

(c) THIRD PARTY INFORMATION. Executive understands that the Company, Employer and their respective Subsidiaries and Affiliates will receive from third parties confidential or proprietary information ("THIRD PARTY INFORMATION") subject to a duty on the Company's, Employer's and their respective Subsidiaries' and Affiliates' part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the Employment Period and thereafter, and without in any way limiting the provisions of SECTION 8(a) above, Executive will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than personnel and consultants of the Company, Employer or their respective Subsidiaries and Affiliates who need to know such information in connection with their work for the Company, Employer or any of their respective Subsidiaries and Affiliates) or use, except in connection with his work for the Company, Employer or any of their respective Subsidiaries and Affiliates, Third Party Information unless expressly authorized by a member of the Board (other than himself if Executive is on the Board) in writing.

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

9. NONCOMPETITION AND NONSOLICITATION. Executive acknowledges that in the course of his employment with Employer he will become familiar with the Company's,

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Employer's and their respective Subsidiaries' trade secrets and with other confidential information concerning the Company, Employer and such Subsidiaries and that his services will be of special, unique and extraordinary value to the Company, Employer and such Subsidiaries. Therefore, Executive agrees that:

(a) NONCOMPETITION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, he shall not anywhere in the United States, directly or indirectly, own, manage, control, participate in, consult with, render services for, or in any manner engage in any business (i) competing with a brand of the Company, Employer, Medtech, Denorex, Spic and Span, Comet, Prestige, any business acquired by such Persons, or any Subsidiaries of such Persons, representing 10% or more of the consolidated revenues or EBITDA of the Company and its Subsidiaries for the trailing 12 months ending on the last day of the last completed calendar month immediately preceding the date of termination of the Employment Period or (ii) in which the Company, Employer Medtech, Denorex, any business acquired by such Persons, or any Subsidiaries of such Persons has conducted discussions or has requested and received information relating to the acquisition of such business by such Person (x) within one year prior to the Separation and (y) during the Severance Period, if any. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation that is publicly traded, so long as Executive has no active participation in the business of such corporation.

(b) NONSOLICITATION. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination, Executive shall not directly or indirectly through another entity (i) induce or attempt to induce any employee of the Company, Employer or any of their respective Subsidiaries to leave the employ of the Company, Employer or any such Subsidiary, or in any way interfere with the relationship between the Company, Employer and any of their respective Subsidiaries and any employee thereof, (ii) hire any person who was an employee of the Company, Employer or any of their respective Subsidiaries within 180 days after such person ceased to be an employee of the Company, Employer or any of their respective Subsidiaries (PROVIDED, HOWEVER, THAT such restriction shall not apply for a particular employee if the Company has provided its written consent to such hire, which consent, in the case of any person who was not a key employee of the Company, Employer or any of their respective Subsidiaries, shall not be unreasonably withheld), (iii) induce or attempt to induce any customer, supplier, licensee or other business relation of the Company, Employer or any of their respective Subsidiaries to cease doing business with the Company, Employer or any such Subsidiary or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company, Employer or any Subsidiary or (iv) directly or indirectly acquire or attempt to acquire an interest in any business relating to the business of the Company, Employer or any of their respective Subsidiaries and with which

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the Company, Employer and any of their respective Subsidiaries has conducted discussions or has requested and received information relating to the acquisition of such business by the Company, Employer or any of their respective Subsidiaries in the two year period immediately preceding a Separation.

(c) ENFORCEMENT. If, at the time of enforcement of SECTION 8 or this SECTION 9, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum duration, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum duration, scope and area permitted by law. Because Executive's services are unique and because Executive has access to Confidential Information, the parties hereto agree that money damages would be an inadequate remedy for any breach of this Agreement. Therefore, in the event of a breach or threatened breach of this Agreement, the Company, Employer, their respective Subsidiaries or their successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security).

(d) ADDITIONAL ACKNOWLEDGMENTS. Executive acknowledges that the provisions of this SECTION 9 are in consideration of: (i) employment with the Employer, (ii) the issuance of the Executive Securities by the Company and (iii) additional good and valuable consideration as set forth in this Agreement. In addition, Executive agrees and acknowledges that the restrictions contained in SECTION 8 and this SECTION 9 do not preclude Executive from earning a livelihood, nor do they unreasonably impose limitations on Executive's ability to earn a living. In addition, Executive acknowledges (i) that the business of the Company, Employer and their respective Subsidiaries will be conducted throughout the United States, (ii) notwithstanding the state of incorporation or principal office of the Company, Employer or any of their respective Subsidiaries, or any of their respective executives or employees (including the Executive), it is expected that the Company and Employer will have business activities and have valuable business relationships within its industry throughout the United States and (iii) as part of his responsibilities, Executive will be traveling throughout the United States in furtherance of Employer's business and its relationships. Executive agrees and acknowledges that the potential harm to the Company and Employer of the non-enforcement of SECTION 8 and this SECTION 9 outweighs any potential harm to Executive of its enforcement by injunction or otherwise. Executive acknowledges that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Executive by this Agreement, and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company, Employer and their Subsidiaries now existing or to be developed in the future. Executive expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

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GENERAL PROVISIONS

10. DEFINITIONS.

"AFFILIATE" means, (i) with respect to any Person, any Person that controls, is controlled by or is under common control with such Person or an Affiliate of such Person, and (ii) with respect to any Purchaser, any general or limited partner of such Purchaser, any employee or owner of any such partner, or any other Person controlling, controlled by or under common control with such Purchaser.

"BOARD" means the Company's board of directors (or its equivalent).

"CAUSE" means (i) the intentional or knowing commission of a felony or a crime involving moral turpitude or the commission of any other act or omission involving dishonesty or fraud with respect to the Company, Employer or any of their respective Subsidiaries or any of their customers or suppliers, (ii) substantial and repeated failure to perform duties of the office held by Executive as reasonably directed by the Chief Executive Officer of Employer and/or the Board, (iii) gross negligence or willful misconduct with respect to the Company, Employer or any of their respective Subsidiaries, (iv) conduct tending to bring the Company, Employer or any of their respective Subsidiaries into substantial public disgrace or disrepute, (v) any breach by Executive of SECTIONS 8 or 9 of this Agreement or (vi) with respect to the U.S. visa held by Executive, failure to comply with the expiration terms thereof. Notwithstanding the foregoing, if it is alleged or determined that actions taken by Executive caused the Company, Employer or any of their respective Subsidiaries to engage in illegal activities or operations, the taking of such actions by Executive shall not constitute "Cause" hereunder if Executive had a reasonable and good faith belief that such actions were not in violation of any law, rule, regulation or court order, were in the best interests of the Company, Employer and their respective Subsidiaries and were taken in the ordinary course of business.

"COMET" means The Comet Products Corporation, a Delaware corporation.

"CREDIT AGREEMENT" means the Credit Agreement, dated as of April 6, 2004, among Employer, Prestige Brands International, LLC, a Delaware limited liability company, the lenders and issuers party thereto, Citicorp North America, Inc., as administrative agent and Tranche C Agent (as defined therein), Bank of America, N.A., as syndication agent for the lenders and issuers, Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., as documentation agent for the lenders and issuers, and the other parties named therein, as the same may be amended, supplemented or otherwise modified from time to time, at any renewal, extension, refunding, restructuring, replacement or refinancing thereof (whether with the original agent or lenders or another agent or agents or other lenders and whether provided under the original Credit Agreement or any other credit agreement).

"DENOREX" means The Denorex Company, a Delaware corporation.

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"DISABILITY" means the disability of Executive caused by any physical or mental injury, illness or incapacity as a result of which Executive is unable to effectively perform the essential functions of Executive's duties as determined by the Board in good faith.

"EBITDA" means "Adjusted EBITDA" as such term is defined in the Credit Agreement.

"EXECUTIVE SECURITIES" means all Common Shares acquired by Executive pursuant to the Exchange Agreement. Executive Securities will continue to be Executive Securities in the hands of any holder other than Executive (except for the Company and transferees in a Public Sale, which transferees shall not be subject to the provisions of this Agreement with respect to such securities), and except as otherwise provided herein, each such other holder of Executive Securities will succeed to all rights and obligations attributable to Executive as a holder of Executive Securities hereunder. Executive Securities (or, individually, any particular type of equity security included therein) will also include equity securities of the Company issued with respect to Executive Securities (or, individually, any particular type of equity security included therein) by way of a stock split, stock dividend, conversion, or other recapitalization. For the avoidance of doubt, all Unvested Shares shall remain Unvested Shares after a Transfer thereof, unless such Transfer is to the Company or a transferee in a Public Sale.

"FAIR MARKET VALUE" of each share of Executive Securities means the average of the closing prices of the sales of such Executive Securities on all securities exchanges on which such Executive Securities may at the time be listed, or, if there have been no sales on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day such Executive Securities are not so listed, the average of the representative bid and asked prices quoted in the NASDAQ System as of 4:00 P.M., New York time, or, if on any day such Executive Securities are not quoted in the NASDAQ System, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau Incorporated, or any similar successor organization, in each such case averaged over a period of 21 days consisting of the day as of which the Fair Market Value is being determined and the 20 consecutive business days prior to such day. If at any time such Executive Securities are not listed on any securities exchange or quoted in the NASDAQ System or the over-the-counter market, the Fair Market Value will be the fair value of such Executive Securities as determined in good faith by the Board. If Executive reasonably disagrees with such determination, Executive shall deliver to the Board a written notice of objection (an "OBJECTION") within thirty (30) days after delivery of the Separation Repurchase Notice. Upon receipt of Executive's Objection, the Board and Executive will negotiate in good faith to agree on such Fair Market Value. If such agreement is not reached within 20 days after the delivery of the Objection, Fair Market Value shall be determined by an appraiser jointly selected by the Board and Executive, which appraiser shall submit to the Board and Executive a report within 30 days of its engagement setting forth such determination. If the parties are unable to agree on an appraiser within 25 days after delivery of the Objection, within seven days, each party shall submit the names of four nationally recognized firms that are

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engaged in the business of valuing non-public securities, and each party shall be entitled to strike two names from the other party's list of firms, and the appraiser shall be selected by lot from the remaining four investment banking firms. The expenses of such appraiser shall be borne equally by Executive and the Company. The determination of such appraiser as to Fair Market Value shall be final and binding upon all parties.

"FAMILY GROUP" means a Person's spouse and descendants (whether natural or adopted), and any trust, family limited partnership, limited liability company or other entity wholly owned, directly or indirectly, by such Person or such Person's spouse and/or descendants that is and remains solely for the benefit of such Person and/or such Person's spouse and/or descendants and any retirement plan for such Person.

"GOOD REASON" means (i) any material diminution in Executive's position, title, authority, powers, functions, duties or responsibilities with Employer, (ii) the permanent relocation or transfer of Employer's principal office outside a 30 mile radius from Irvington, New York or (iii) any failure of Employer to comply with the Annual Base Salary and bonus provisions of SECTION 7(b) hereof; provided, however, that either or both of clauses (i) or (ii) shall be disregarded for purposes of this definition if Peter Mann, as the Chief Executive Officer of Employer, consents to the circumstances described in such clause(s). For the avoidance of doubt, if Executive's resignation is due to the expiration (or anticipated expiration) of his U.S. visa, such termination of employment shall be treated hereunder as a resignation other than for Good Reason.

"GTCR CAPITAL PARTNERS" means GTCR Capital Partners, L.P., a Delaware limited partnership.

"GTCR CO-INVEST" means GTCR Co-Invest II, L.P., a Delaware limited partnership.

"GTCR FUND VIII" means GTCR Fund VIII, L.P., a Delaware limited partnership.

"GTCR FUND VIII/B" means GTCR Fund VIII/B, L.P., a Delaware limited partnership.

"MEDTECH" means Medtech Holdings, Inc., a Delaware corporation.

"ORIGINAL COST" means, with respect to each Common Unit acquired pursuant to the Prior Agreement, \$0.10 (each as proportionately adjusted for all subsequent stock splits, stock dividends and other recapitalizations).

"PERSON" means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, investment fund, any other business entity and a governmental entity or any department, agency or political subdivision thereof.

"PRESTIGE" means Prestige Brands International, Inc., a Virginia corporation.

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"PUBLIC OFFERING" means the sale in an underwritten public offering registered under the Securities Act of equity securities of the Company or a corporate successor to the Company.

"PUBLIC SALE" means (i) any sale pursuant to a registered public offering under the Securities Act or (ii) any sale to the public pursuant to Rule 144 promulgated under the Securities Act effected through a broker, dealer or market maker (other than pursuant to Rule 144(k) prior to a Public Offering).

"PURCHASER" has the meaning set forth in the Exchange Agreement.

"REGISTRATION AGREEMENT" means the Registration Rights Agreement, dated as of February 6, 2004, by and among the Company and certain of its securityholders, as amended from time to time pursuant to its terms.

"SALE OF THE COMPANY" means any transaction or series of transactions pursuant to which any Person or group of related Persons other than the Purchasers or their Affiliates in the aggregate acquire(s) (i) equity securities of the Company possessing the voting power (other than voting rights accruing only in the event of a default, breach or event of noncompliance) to elect a majority of the Board (whether by merger, consolidation, reorganization, combination, sale or transfer of the Company's equity, securityholder or voting agreement, proxy, power of attorney or otherwise) or (ii) all or substantially all of the Company's assets determined on a consolidated basis; PROVIDED that a Public Offering shall not constitute a Sale of the Company.

"SECURITIES ACT" means the Securities Act of 1933, as amended from time to time.

"SEPARATION" means the cessation of employment of Executive with the Company, Employer and their respective Subsidiaries for any reason.

"SPIC AND SPAN" means The Spic and Span Company, a Delaware corporation.

"SUBSIDIARY" means, with respect to any Person, any corporation, limited liability company, partnership, association, or business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries

of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association, or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association, or other business entity. For purposes hereof, references to a "SUBSIDIARY" of

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any Person shall be given effect only at such times that such Person has one or more Subsidiaries, and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Company.

"TCW/CRESCENT LENDERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

"TCW/CRESCENT PURCHASERS" means collectively, TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

"TRANSFER" means to sell, transfer, assign, pledge or otherwise dispose of (whether with or without consideration and whether voluntarily or involuntarily or by operation of law).

"WELFARE PLANS" mean the welfare benefit plans, practices, policies and programs provided by Employer to the extent applicable generally to other senior executives of the Company.

11. NOTICES. Any notice provided for in this Agreement must be in writing and must be either personally delivered, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated:

IF TO EMPLOYER:

Prestige Brands, Inc.
90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601

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Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO THE COMPANY:

Prestige International Holdings, LLC
90 North Broadway
Irvington, New York 10533
Attention: Chief Executive Officer

WITH COPIES TO:

GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, Illinois 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Kevin R. Evanich, P.C. and Christopher J. Greeno

IF TO EXECUTIVE:

Eric M. Millar
31 Landing Drive
Dobbs Ferry, New York 10522

WITH A COPY TO:

IF TO THE PURCHASERS:

See the attached PURCHASER NOTICE SCHEDULE.

or such other address or to the attention of such other Person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement will be deemed to have been given when so delivered or sent or, if mailed, five days after deposit in the U.S. mail.

12. GENERAL PROVISIONS.

(a) TRANSFERS IN VIOLATION OF AGREEMENT. Any Transfer or attempted Transfer of any Executive Securities in violation of any provision of this Agreement shall be void, and the Company shall not record such Transfer on its

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books or treat any purported transferee of such Executive Securities as the owner of such equity for any purpose.

(b) SEVERABILITY. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(c) COMPLETE AGREEMENT. This Agreement, those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way (including any offer of employment previously entered into between Spic and Span and Executive).

(d) NO STRICT CONSTRUCTION. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(e) COUNTERPARTS. This Agreement may be executed and delivered in separate counterparts (including by means of facsimile), each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(f) SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by Executive, the Company, the Purchasers and their respective successors and assigns (including subsequent holders of Executive Securities); provided that the rights and obligations of Executive under this Agreement shall not be assignable except in connection with a permitted transfer of Executive Securities hereunder.

(g) CHOICE OF LAW. The law of the State of Delaware will govern all questions concerning the relative rights of the Company, Employer and its securityholders. All other questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto will be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(h) MUTUAL WAIVER OF JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE

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MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES HERETO, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THE RELATIONSHIP ESTABLISHED AMONG THE PARTIES HEREUNDER.

(i) EXECUTIVE'S COOPERATION. During the Employment Period and thereafter, Executive shall cooperate with the Company, Employer and their respective Subsidiaries and Affiliates in any disputes with third parties, internal investigation or administrative, regulatory or judicial proceeding as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for

interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other permitted activities and commitments). In the event the Company requires Executive's cooperation in accordance with this paragraph after the Employment Period, the Company shall reimburse Executive for reasonable travel expenses (including lodging and meals, upon submission of receipts) and compensate Executive for his time at a rate that is mutually agreeable to Executive and the Company.

(j) REMEDIES. Each of the parties to this Agreement (and the Purchasers as third-party beneficiaries) will be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including attorney's fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

(k) AMENDMENT AND WAIVER. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company,

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Employer, Executive and the Majority Holders (as defined in the Exchange Agreement).

(l) INSURANCE. The Company, at its discretion, may apply for and procure in its own name and for its own benefit life and/or disability insurance on Executive in any amount or amounts considered available. Executive agrees to cooperate in any medical or other examination, supply any information, and to execute and deliver any applications or other instruments in writing as may be reasonably necessary to obtain and constitute such insurance. Executive hereby represents that he has no reason to believe that his life is not insurable at rates now prevailing for healthy men of his age.

(m) BUSINESS DAYS. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(n) INDEMNIFICATION AND REIMBURSEMENT OF PAYMENTS ON BEHALF OF EXECUTIVE. The Company and its Subsidiaries shall be entitled to deduct or withhold from any amounts owing from the Company or any of its Subsidiaries to Executive any federal, state, local or foreign withholding taxes, excise taxes, or employment taxes ("TAXES") imposed with respect to Executive's compensation or other payments from the Company or any of its Subsidiaries or Executive's ownership interest in the Company, including, without limitation, wages, bonuses, dividends, the receipt or exercise of equity options and/or the receipt or vesting of restricted equity. In the event the Company or any of its Subsidiaries does not make such deductions or withholdings, Executive shall indemnify the Company and its Subsidiaries for any amounts paid with respect to any such Taxes, together with any interest, penalties and related expenses thereto.

(o) REASONABLE EXPENSES. Employer agrees to pay the reasonable fees and expenses of Executive's counsel arising in connection with the negotiation and execution of this Agreement and the consummation of the transactions contemplated by this Agreement.

(p) TERMINATION. This Agreement (except for the provisions of SECTIONS 7(a) and (b)) shall survive a Separation and shall remain in full force and effect after such Separation.

(q) ADJUSTMENTS OF NUMBERS. All numbers set forth herein that refer to share prices or amounts will be appropriately adjusted to reflect share splits, share dividends, combinations of shares and other recapitalizations affecting the subject class of equity.

(r) DEEMED TRANSFER OF EXECUTIVE SECURITIES. If the Company (and/or any other Person acquiring securities) shall make available, at the time and place and

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in the amount and form provided in this Agreement, the consideration for the Executive Securities to be repurchased in accordance with the provisions of this Agreement, then from and after such time, the Person from whom such shares are to be repurchased shall no longer have any rights as a holder of such shares (other than the right to receive payment of such consideration in accordance with this Agreement), and such shares shall be deemed purchased in accordance with the applicable provisions hereof and the Company (and/or any other Person acquiring securities) shall be deemed the owner and holder of such shares, whether or not the certificates therefor have been delivered as required by this Agreement.

(s) RIGHTS GRANTED TO GTCR FUND VIII AND ITS AFFILIATES. Any rights granted to GTCR Fund VIII, GTCR Fund VIII/B, GTCR Co-Invest and their

Affiliates hereunder may also be exercised (in whole or in part) by their designees.

* * * * *

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

PRESTIGE BRANDS HOLDINGS, INC.

By: _____
Name: _____
Title: _____

PRESTIGE INTERNATIONAL HOLDINGS, LLC

By: _____
Name: _____
Title: _____

PRESTIGE BRANDS, INC.

By: _____
Name: _____
Title: _____

ERIC M. MILLAR

Agreed and Accepted:

GTCR FUND VIII, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____
Name: David A. Donnini
Its: Principal

GTCR FUND VIII/B, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____

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Name: David A. Donnini
Its: Principal

GTCR CO-INVEST II, L.P.

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By: _____
Name: David A. Donnini
Its: Principal

GTCR CAPITAL PARTNERS, L.P.

By: GTCR Mezzanine Partners, L.P.
Its: General Partner

By: GTCR Partners VI, L.P.
Its: General Partner

By: GTCR Golder Rauner, L.L.C.
Its: General Partner

By: -----

Name:
Its: Principal

TCW/CRESCENT MEZZANINE PARTNERS III, L.P.
TCW/CRESCENT MEZZANINE TRUST III
TCW/CRESCENT MEZZANINE PARTNERS III
NETHERLANDS, L.P.

By: TCW/Crescent Mezzanine
Management III, L.L.C.,
its Investment Manager

By: TCW Asset Management Company,
its Sub-Advisor

By: -----

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Name: Timothy P. Costello
Its: Managing Director

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EXHIBIT A

_____, 2005

PROTECTIVE ELECTION TO INCLUDE MEMBERSHIP
INTEREST IN GROSS INCOME PURSUANT TO
SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned purchased shares of Common Stock, par value \$.01 per share (the "SHARES"), of Prestige Brands Holdings, Inc. (the "COMPANY") on January 28, 2005. Under certain circumstances, the Company has the right to repurchase the Shares at cost from the undersigned (or from the holder of the Shares, if different from the undersigned) should the undersigned cease to be employed by the Company and its subsidiaries. Hence, the Shares are subject to a substantial risk of forfeiture that may not be avoided by a transfer of the Shares to another person. The undersigned desires to make an election to have the Shares taxed under the provision of Code Section 83(b) at the time he purchased the Shares.

Therefore, pursuant to Code Section 83(b) and Treasury Regulation Section 1.83-2 promulgated thereunder, the undersigned hereby makes an election, with respect to the Shares (described below), to report as taxable income for calendar year 2005 the excess (if any) of the Shares' fair market value on January 28, 2005 over purchase price thereof.

The following information is supplied in accordance with Treasury Regulation Section 1.83-2(e):

1. The name, address and social security number of the undersigned:

2. A description of the property with respect to which the election is being made: _____ shares of Prestige Brands Holdings, Inc.'s Common Stock, par value \$.01 per share.

3. The date on which the property was transferred: January 28, 2005. The taxable year for which such election is made: calendar 2005.

4. The restrictions to which the property is subject: If the undersigned ceases to be employed by the Company or any of its subsidiaries, the unvested portion of the Shares will be subject to repurchase by the Company at the lower of cost or market value.

5. The fair market value on January 28, 2005 of the property with respect to which the election is being made, determined without regard to any lapse restrictions: \$_____ per share of Common Stock.

6. The amount paid for such property: \$_____ per share of Common Stock.

A copy of this election has been furnished to the Secretary of the Company pursuant to Treasury Regulations Section 1.83-2(d).

Dated: -----
[EXECUTIVE]

IF TO GTCR FUND VIII, L.P., GTCR FUND VIII/B, L.P. OR GTCR CO-INVEST II, L.P.:
c/o GTCR Golder Rauner II, L.L.C.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: David A. Donnini and Vincent J. Hemmer

WITH A COPY TO:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Kevin R. Evanich, P.C.
Christopher J. Greeno

IF TO GTCR CAPITAL PARTNERS:

GTCR Capital Partners, L.P.
6100 Sears Tower
Chicago, IL 60606-6402
Attention: Barry Dunn

WITH A COPY TO:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
Attention: Kevin R. Evanich, P.C.
Christopher J. Greeno

IF TO THE TCW/CRESCENT LENDERS AND/OR TCW/CRESCENT PURCHASERS:

TCW/Crescent Mezzanine Partners III, L.P.
TCW/Crescent Mezzanine Trust III
TCW/Crescent Mezzanine Partners III Netherlands, L.P.
c/o TCW/Crescent Mezzanine, L.L.C.
200 Crescent Court, Suite 1600
Dallas, Texas 75201
Attention: Timothy P. Costello
Telecopier No.: (214) 740-7382

WITH A COPY TO:

Gardere Wynne Sewell LLP
3000 Thanksgiving Tower
1601 Elm Street
Dallas, Texas 75201
Attention: Gary B. Clark
Telecopier No.: (214) 999-4667

PRESTIGE BRANDS HOLDINGS, INC.
2005 LONG-TERM EQUITY INCENTIVE PLAN

1. PURPOSE

This plan shall be known as the Prestige Brands Holdings, Inc. 2005 Long-Term Equity Incentive Plan (the "Plan"). The purpose of the Plan shall be to promote the long-term growth and profitability of Prestige Brands Holdings, Inc. (the "Company") and its Subsidiaries by (i) providing certain directors, officers and employees of, and certain other individuals who perform services for, the Company and its Subsidiaries with incentives to maximize stockholder value and otherwise contribute to the success of the Company and (ii) enabling the Company to attract, retain and reward the best available persons for positions of responsibility. Grants of incentive or non-qualified stock options, restricted stock, restricted stock units, deferred stock units, performance awards, or any combination of the foregoing may be made under the Plan.

2. DEFINITIONS

(a) "Board of Directors" and "Board" mean the board of directors of the Company.

(b) "Cause" means the occurrence of one or more of the following events:

(i) Conviction of a felony or any crime or offense lesser than a felony involving the property of the Company or a Subsidiary; or

(ii) Conduct that has caused demonstrable and serious injury to the Company or a Subsidiary, monetary or otherwise; or

(iii) Willful refusal to perform or substantial disregard of duties properly assigned, as determined by the Company or a Subsidiary, as the case may be; or

(iv) Breach of duty of loyalty to the Company or a Subsidiary or other act of fraud or dishonesty with respect to the Company or a Subsidiary.

(c) "Change in Control" means the occurrence of one of the following events:

(i) if any "person" or "group" as those terms are used in Sections 13(d) and 14(d) of the Exchange Act or any successors thereto, other than an Exempt Person, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act or any successor thereto), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities; or

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board and any new directors whose election by the Board or nomination for election by the Company's stockholders was approved by at least two-thirds of

the directors then still in office who either were directors at the beginning of the period or whose election was previously so approved, cease for any reason to constitute a majority thereof; or

(iii) consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation (A) which would result in all or a portion of the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (B) by which the corporate existence of the Company is not affected and following which the Company's chief executive officer and directors retain their positions with the Company (and constitute at least a majority of the Board); or

(iv) consummation of a plan of complete liquidation of the Company or a sale or disposition by the Company of all or substantially all the Company's assets, other than a sale to an Exempt Person.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Committee" means the Compensation Committee of the Board, which shall consist solely of two or more members of the Board.

(f) "Common Stock" means the Common Stock, par value \$0.01 per share, of the Company, and any other shares into which such stock may be changed by reason of a recapitalization, reorganization, merger, consolidation or any other change in the corporate structure or capital stock of the Company.

(g) "Competition" is deemed to occur if a person whose employment with the Company or its Subsidiaries has terminated obtains a position as a full-time or part-time employee of, as a member of the board of directors of, or as a consultant or advisor with or to, or acquires an ownership interest in excess of 5% of, a corporation, partnership, firm or other entity that engages in any of the businesses of the Company or any Subsidiary with which the person was involved in a management role at any time during his or her last five years of employment with or other service for the Company or any Subsidiaries.

(h) "Disability" means a disability that would entitle an eligible participant to payment of monthly disability payments under any Company disability plan or as otherwise determined by the Committee.

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

(j) "Exempt Person" means (i) GTCR Golder Rauner, L.L.C., GTCR Golder Rauner II, L.L.C. or any of their respective affiliates, (ii) any person, entity or group under the control of any party included in clause (i), or (iii) any employee benefit plan of the Company or a trustee or other administrator or fiduciary holding securities under an employee benefit plan of the Company.

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(k) "Family Member" has the meaning given to such term in General Instructions A.1(a)(5) to Form S-8 under the Securities Act of 1933, as amended, and any successor thereto.

(l) "Fair Market Value" of a share of Common Stock of the Company means, as of the date in question, the officially-quoted closing selling price of the stock (or if no selling price is quoted, the bid price) on the principal securities exchange on which the Common Stock is then listed for trading (including for this purpose the New York Stock Exchange) (the "Market") for the applicable trading day or, if the Common Stock is not then listed or quoted in the Market, the Fair Market Value shall be the fair value of the Common Stock determined in good faith by the Board; provided, however, that when shares received upon exercise of an option are immediately sold in the open market, the net sale price received may be used to determine the Fair Market Value of any shares used to pay the exercise price or applicable withholding taxes and to compute the withholding taxes.

(m) "Incentive Stock Option" means an option conforming to the requirements of Section 422 of the Code and any successor thereto.

(n) "Non-Employee Director" has the meaning given to such term in Rule 16b-3 under the Exchange Act and any successor thereto.

(o) "Non-qualified Stock Option" means any stock option other than an Incentive Stock Option.

(p) "Other Company Securities" mean securities of the Company other than Common Stock, which may include, without limitation, unbundled stock units or components thereof, debentures, preferred stock, warrants and securities convertible into or exchangeable for Common Stock or other property.

(q) "Retirement" means retirement as defined under any Company pension plan or retirement program or termination of one's employment on retirement with the approval of the Committee.

(r) "Subsidiary" means a corporation or other entity of which outstanding shares or ownership interests representing 50% or more of the combined voting power of such corporation or other entity entitled to elect the management thereof, or such lesser percentage as may be approved by the Committee, are owned directly or indirectly by the Company.

3. ADMINISTRATION.

The Plan shall be administered by the Committee; provided that the Board may, in its discretion, at any time and from time to time, resolve to administer the Plan, in which case the term "Committee" shall be deemed to mean the Board for all purposes herein. Subject to the provisions of the Plan, the Committee shall be authorized to (i) select persons to participate in the Plan, (ii) determine the form and substance of grants made under the Plan to each participant, and the conditions and restrictions, if any, subject to which such grants will be made, (iii) certify that the conditions and restrictions applicable to any grant have been met, (iv) modify the terms of

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grants made under the Plan, (v) interpret the Plan and grants made thereunder, (vi) make any adjustments necessary or desirable in connection with grants made under the Plan to eligible participants located outside the United States and (vii) adopt, amend, or rescind such rules and regulations, and make such other determinations, for carrying out the Plan as it may deem appropriate. Decisions of the Committee on all matters relating to the Plan shall be in the Committee's sole discretion and shall be conclusive and binding on all parties. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with applicable federal and state laws and rules and regulations promulgated pursuant thereto and the rules and regulations of the principal securities exchange on which the Common Stock is then listed for trading. No member of the Committee and no officer of the Company shall be liable for any action taken or omitted to be taken by such member, by any other member of the Committee or by any officer of the Company in connection with the performance of duties under the Plan, except for such person's own willful misconduct or as expressly provided by statute.

The expenses of the Plan shall be borne by the Company. The Plan shall not be required to establish any special or separate fund or make any other segregation of assets to assume the payment of any award under the Plan, and rights to the payment of such awards shall be no greater than the rights of the Company's general creditors.

4. SHARES AVAILABLE FOR THE PLAN.

Subject to adjustments as provided in Section 16 hereof, an aggregate of five million (5,000,000) shares of Common Stock (the "Shares") may be issued pursuant to the Plan. Such Shares may be in whole or in part authorized and unissued or held by the Company as treasury shares. If any grant under the Plan expires or terminates unexercised, becomes unexercisable or is forfeited as to any Shares, or is tendered or withheld as to any shares in payment of the exercise price of the grant or the taxes payable with respect to the exercise, then such unpurchased, forfeited, tendered or withheld Shares shall thereafter be available for further grants under the Plan.

Without limiting the generality of the foregoing provisions of this Section 4 or the generality of the provisions of Sections 3, 6 or 18 or any other section of this Plan, the Committee may, at any time or from time to time, and on such terms and conditions (that are consistent with and not in contravention of the other provisions of this Plan) as the Committee may, in its sole discretion, determine, enter into agreements (or take other actions with respect to the options) for new options containing terms (including exercise prices) more (or less) favorable than the outstanding options.

5. PARTICIPATION.

Participation in the Plan shall be limited to those directors (including Non-Employee Directors), officers (including non-employee officers) and employees of, and other individuals performing services for, the Company and its Subsidiaries selected by the Committee (including participants located outside the United States). Nothing in the Plan or in any grant thereunder shall confer any right on a participant to continue in the service or employ as a

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director or officer of or in the performance of services for the Company or a Subsidiary or shall interfere in any way with the right of the Company or a Subsidiary to terminate the employment or performance of services or to reduce the compensation or responsibilities of a participant at any time. By accepting any award under the Plan, each participant and each person claiming under or through him or her shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, any action taken under the Plan by the Company, the Board or the Committee.

Incentive Stock Options or Non-qualified Stock Options, restricted stock awards, restricted stock unit or deferred stock unit awards, performance awards, or any combination thereof, may be granted to such persons and for such number of Shares as the Committee shall determine (such individuals to whom grants are made being sometimes herein called "optionees" or "grantees," as the case may be). Determinations made by the Committee under the Plan need not be uniform and may be made selectively among eligible individuals under the Plan, whether or not such individuals are similarly situated. A grant of any type made hereunder in any one year to an eligible participant shall neither guarantee nor preclude a further grant of that or any other type to such participant in that year or subsequent years.

6. INCENTIVE AND NON-QUALIFIED OPTIONS.

The Committee may from time to time grant to eligible participants Incentive Stock Options, Non-qualified Stock Options, or any combination thereof; provided that the Committee may grant Incentive Stock Options only to eligible employees of the Company or its subsidiaries (as defined for this purpose in Section 424(f) of the Code or any successor thereto). In any one calendar year, the Committee shall not grant to any one participant options to purchase a number of shares of Common Stock in excess of one million two hundred fifty thousand (1,250,000) (as adjusted pursuant to Section 16 hereof). The options granted shall take such form as the Committee shall determine, subject to the following terms and conditions.

It is the Company's intent that Non-qualified Stock Options granted under the Plan not be classified as Incentive Stock Options, that Incentive Stock Options be consistent with and contain or be deemed to contain all provisions required under Section 422 of the Code and any successor thereto, and that any ambiguities in construction be interpreted in order to effectuate such intent. If an Incentive Stock Option granted under the Plan does not qualify as such for any reason, then to the extent of such non-qualification, the stock option represented thereby shall be regarded as a Non-qualified Stock Option duly granted under the Plan, provided that such stock option otherwise meets the Plan's requirements for Non-qualified Stock Options.

(a) PRICE. The price per Share deliverable upon the exercise of each option ("exercise price") may not be less than 100% of the Fair Market Value of a share of Common Stock as of the date of grant of the option, and in the case of the grant of any Incentive Stock Option to an employee who, at the time of the grant, owns more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries, the exercise price may not be less than 110% of the Fair Market Value of a share of Common Stock as of the date of grant of the option, in each case unless otherwise permitted by Section 422 of the Code or any successor thereto.

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(b) PAYMENT. Options may be exercised, in whole or in part, upon payment of the exercise price of the Shares to be acquired. Unless otherwise determined by the Committee, payment shall be made (i) in cash (including check, bank draft, money order or wire transfer of immediately available funds), (ii) by delivery of outstanding shares of Common Stock with a Fair Market Value on the date of exercise equal to the aggregate exercise price payable with respect to the options' exercise, (iii) by simultaneous sale through a broker reasonably

acceptable to the Committee of Shares acquired on exercise, as permitted under Regulation T of the Federal Reserve Board or (iv) by any combination of the foregoing.

In the event a grantee elects to pay the exercise price payable with respect to an option pursuant to clause (ii) above, (A) only a whole number of share(s) of Common Stock (and not fractional shares of Common Stock) may be tendered in payment, (B) such grantee must present evidence acceptable to the Company that he or she has owned any such shares of Common Stock tendered in payment of the exercise price (and that such tendered shares of Common Stock have not been subject to any substantial risk of forfeiture) for at least six months prior to the date of exercise, and (C) Common Stock must be delivered to the Company. Delivery for this purpose may, at the election of the grantee, be made either by (1) physical delivery of the certificate(s) for all such shares of Common Stock tendered in payment of the price, accompanied by duly executed instruments of transfer in a form acceptable to the Company, or (2) direction to the grantee's broker to transfer, by book entry, such shares of Common Stock from a brokerage account of the grantee to a brokerage account specified by the Company. When payment of the exercise price is made by delivery of Common Stock, the difference, if any, between the aggregate exercise price payable with respect to the option being exercised and the Fair Market Value of the shares of Common Stock tendered in payment (plus any applicable taxes) shall be paid in cash. No grantee may tender shares of Common Stock having a Fair Market Value exceeding the aggregate exercise price payable with respect to the option being exercised (plus any applicable taxes).

(c) TERMS OF OPTIONS. The term during which each option may be exercised shall be determined by the Committee, but if required by the Code and except as otherwise provided herein, no option shall be exercisable in whole or in part more than ten years from the date it is granted, and no Incentive Stock Option granted to an employee who at the time of the grant owns more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries shall be exercisable more than five years from the date it is granted. All rights to purchase Shares pursuant to an option shall, unless sooner terminated, expire at the date designated by the Committee. The Committee shall determine the date on which each option shall become exercisable and may provide that an option shall become exercisable in installments. The Shares constituting each installment may be purchased in whole or in part at any time after such installment becomes exercisable, subject to such minimum exercise requirements as may be designated by the Committee. Prior to the exercise of an option and delivery of the Shares represented thereby, the optionee shall have no rights as a stockholder with respect to any Shares covered by such outstanding option (including any dividend or voting rights).

(d) LIMITATIONS ON GRANTS. If required by the Code, the aggregate Fair Market Value (determined as of the grant date) of Shares for which an Incentive Stock Option is

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exercisable for the first time during any calendar year under all equity incentive plans of the Company and its Subsidiaries (as defined in Section 422 of the Code or any successor thereto) may not exceed \$100,000.

(e) TERMINATION; FORFEITURE.

(i) DEATH OR DISABILITY. If a participant ceases to be a director, officer or employee of, or to perform other services for, the Company or any Subsidiary due to death or Disability, (A) all of the participant's options that were exercisable on the date of death or Disability shall remain exercisable for, and shall otherwise terminate at the end of, a period of 180 days after the date of death or Disability, but in no event after the expiration date of the options; provided that the participant does not engage in Competition during such 180 day period unless he or she receives written consent to do so from the Board or the Committee; provided further that the Board or Committee may extend such exercise period (and related non-Competition period) in its discretion, but in no event may such extended exercise period extend past the date that is two and one-half months after the end of the tax year in which the exercise period is so extended or beyond the expiration date of the options, and (B) all of the participant's options that were not exercisable on the date of death or Disability shall be forfeited immediately upon such death or Disability; provided, however, that such options may become fully vested and exercisable in the discretion of the Committee. Notwithstanding the foregoing, if the Disability giving rise to the termination of employment is not within the meaning of Section 22(e)(3) of the Code or any successor thereto, Incentive Stock Options not exercised by such participant within 90 days after the date of termination of employment will cease to qualify as Incentive Stock Options and will be treated as Non-qualified Stock Options under the Plan if required to be so treated under the Code.

(ii) RETIREMENT. If a participant ceases to be a director, officer or employee of, or to perform other services for, the Company or any Subsidiary upon the occurrence of his or her Retirement, (A) all of the participant's options that were exercisable on the date of Retirement shall remain exercisable for, and shall otherwise terminate at the end of, a period of 90 days after the date of Retirement, but in no event after the expiration date of the options; provided that the participant does not engage in Competition during such 90 day period unless he or she receives written consent to do so from the Board or the Committee; provided further that the Board or Committee may extend such exercise period (and related non-Competition period) in its discretion, but in no event may such extended exercise period extend past the date that is two and one-half months after the end of the tax year in which the exercise period is so extended or beyond the expiration date of the options, and (B) all of the participant's options that were not exercisable on the date of Retirement shall be forfeited immediately upon such Retirement; provided, however, that such options may become fully vested and exercisable in the

discretion of the Committee. Notwithstanding the foregoing, Incentive Stock Options not exercised by such participant within 90 days after Retirement will cease to qualify as Incentive Stock Options and will be treated as Non-qualified Stock Options under the Plan if required to be so treated under the Code.

(iii) DISCHARGE FOR CAUSE. If a participant ceases to be a director, officer or employee of, or to perform other services for, the Company or a Subsidiary due to Cause, all

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of the participant's options shall expire and be forfeited immediately upon such cessation, whether or not then exercisable.

(iv) OTHER TERMINATION. Unless otherwise determined by the Committee, if a participant ceases to be a director, officer or employee of, or to otherwise perform services for, the Company or a Subsidiary for any reason other than death, Disability, Retirement or Cause, (A) all of the participant's options that were exercisable on the date of such cessation shall remain exercisable for, and shall otherwise terminate at the end of, a period of 30 days after the date of such cessation, but in no event after the expiration date of the options; provided that the participant does not engage in Competition during such 30-day period unless he or she receives written consent to do so from the Board or the Committee; provided further that the Board or Committee may extend such exercise period (and related non-Competition period) in its discretion, but in no event may such extended exercise period extend past the date that is two and one-half months after the end of the tax year in which the exercise period is so extended or beyond the expiration date of the options, and (B) all of the participant's options that were not exercisable on the date of such cessation shall be forfeited immediately upon such cessation.

(v) CHANGE IN CONTROL. If there is a Change in Control of the Company and a participant is terminated (other than for Cause, in which case Section 6(e)(iii) shall control) from being a director, officer or employee of, or from performing other services for, the Company or a Subsidiary within one year after such Change in Control, all of the participant's options shall become fully vested and exercisable upon such termination and shall remain so for up to one year after the date of termination, but in no event may such exercise period extend past the date that is two and one-half months after the end of the tax year in which the termination occurs or beyond the expiration date of the options. In addition, the Committee shall have the authority to grant options that become fully vested and exercisable automatically upon a Change in Control, whether or not the grantee is subsequently terminated.

(f) FORFEITURE. If a participant exercises any of his or her options and, within one year thereafter, either (i) is terminated from the Company or a Subsidiary for any of the reasons specified in the definition of "Cause" set forth in Section 2(b), or (ii) engages in Competition without having received written consent to do so from the Board or the Committee, then the participant may, in the discretion of the Committee, be required to pay the Company the gain represented by the difference between the aggregate selling price of the Shares acquired upon the options' exercise (or, if the Shares were not then sold, their aggregate Fair Market Value on the date of exercise) and the aggregate exercise price of the options exercised (the "Option Gain"), without regard to any subsequent increase or decrease in the Fair Market Value of the Common Stock. In addition, the Company may, in its discretion, deduct from any payment of any kind (including salary or bonus) otherwise due to any such participant an amount equal to the Option Gain.

(g) GRANT OF RELOAD OPTIONS. The Committee may provide (either at the time of grant or exercise of an option), in its discretion, for the grant to a grantee who exercises all or any portion of an option ("Exercised Options") and who pays all or part of such exercise price with shares of Common Stock, of an additional option (a "Reload Option") for a number of shares of Common Stock equal to the sum (the "Reload Number") of the number of shares of

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Common Stock tendered for the Exercised Options plus, if so provided by the Committee, the number of shares of Common Stock, if any, tendered by the grantee in connection with the exercise of the Exercised Options to satisfy any federal, state or local tax withholding requirements. The terms of each Reload Option, including the date of its expiration and the terms and conditions of its exercisability and transferability, shall be the same as the terms of the Exercised Option to which it relates, except that (i) the grant date for each Reload Option shall be the date of exercise of the Exercised Option to which it relates and (ii) the exercise price for each Reload Option shall be the Fair Market Value of the Common Stock on the grant date of the Reload Option.

7. [INTENTIONALLY OMITTED].

8. RESTRICTED STOCK.

The Committee may at any time and from time to time grant Shares of restricted stock under the Plan to such participants and in such amounts as it determines. Each grant of Shares of restricted stock shall specify the applicable restrictions on such Shares, the duration of such restrictions (which shall be at least six months except as otherwise determined by the Committee or provided in this Section 8), and the time or times at which such restrictions shall lapse with respect to all or a specified number of Shares that are part of the grant.

The participant will be required to pay the Company the aggregate par value of any Shares of restricted stock (or such larger amount as the Board may determine to constitute capital under Section 154 of the Delaware General

Corporation Law, as amended, or any successor thereto) within ten days of the date of grant, unless such Shares of restricted stock are treasury shares. Unless otherwise determined by the Committee, certificates representing Shares of restricted stock granted under the Plan will be held in escrow by the Company on the participant's behalf during any period of restriction thereon and will bear an appropriate legend specifying the applicable restrictions thereon, and the participant will be required to execute a blank stock power therefor. Except as otherwise provided by the Committee, during such period of restriction the participant shall have all of the rights of a holder of Common Stock, including but not limited to the rights to receive dividends and to vote, and any stock or other securities received as a distribution with respect to such participant's restricted stock shall be subject to the same restrictions as then in effect for the restricted stock.

If a participant ceases to be a director, officer or employee of, or to otherwise perform services for, the Company or any Subsidiary due to death, Disability or Retirement during any period of restriction, all Shares of restricted stock granted to such participant on which the restrictions have not lapsed shall be immediately forfeited to the Company; provided, however, in its sole discretion, the Committee may provide that all restrictions on such Shares that have not lapsed shall lapse. Subject to the immediately following paragraph, at such time as a participant ceases to be a director, officer or employee of, or otherwise performing services for, the Company or its Subsidiaries for any other reason, all Shares of restricted stock granted to such participant on which the restrictions have not lapsed shall be immediately forfeited to the Company.

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If there is a Change in Control of the Company and a participant is terminated (other than for Cause, in which case all Shares of restricted stock granted to such participant on which the restrictions have not lapsed shall be immediately forfeited to the Company) from being a director, officer or employee of, or from performing other services for, the Company or a Subsidiary within one year after such Change in Control, all restrictions on Shares of restricted stock granted to such participant shall lapse. In addition, the Committee shall have the authority to grant shares of restricted stock with respect to which all restrictions shall lapse automatically upon a Change in Control, whether or not the grantee is subsequently terminated.

9. RESTRICTED STOCK UNITS; DEFERRED STOCK UNITS.

The Committee may at any time and from time to time grant restricted stock units under the Plan to such participants and in such amounts as it determines. Each grant of restricted stock units shall specify the applicable restrictions on such units, the duration of such restrictions (which shall be at least six months except as otherwise determined by the Committee or provided in the third paragraph of this Section 9), and the time or times at which such restrictions shall lapse with respect to all or a specified number of units that are part of the grant.

Each restricted stock unit shall be equivalent in value to one share of Common Stock and shall entitle the participant to receive from the Company at the end of the vesting period (the "Vesting Period") applicable to such unit one Share, unless the participant elects in a timely fashion to defer the receipt of such Shares, as provided below. Restricted stock units may be granted without payment of cash or consideration to the Company; provided that participants shall be required to pay to the Company the aggregate par value of the Shares received from the Company within ten days of the issuance of such Shares unless such Shares are treasury shares.

Except as otherwise provided by the Committee, during the restriction period the participant shall not have any rights as a shareholder of the Company; provided that the participant shall have the right to receive accumulated dividends or distributions with respect to the corresponding number of shares of Common Stock underlying each restricted stock unit at the end of the Vesting Period, unless such restricted stock units are converted into deferred stock units, in which case such accumulated dividends or distributions shall be paid by the Company to the participant at such time as the deferred stock units are converted into Shares.

If a participant ceases to be a director, officer or employee of, or to otherwise perform services for, the Company or any Subsidiary due to death, Disability or Retirement during any period of restriction, all restricted units granted to such participant on which the restrictions have not lapsed shall be immediately forfeited to the Company; provided, however, in its sole discretion, the Committee may provide that all restrictions on such restricted stock units that have not lapsed shall lapse. Subject to the immediately following paragraph, at such time as a participant ceases to be a director, officer or employee of, or otherwise performing services for, the Company or its Subsidiaries for any other reason, all restricted units granted to such participant on which the restrictions have not lapsed shall be immediately forfeited to the Company.

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If there is a Change in Control of the Company and a participant is terminated (other than for Cause, in which case all restricted units granted to such participant on which the restrictions have not lapsed shall be immediately forfeited to the Company) from being a director, officer or employee of, or from performing other services for, the Company or a Subsidiary within one year after such Change in Control, all restrictions on restricted stock units granted to such participant shall lapse. In addition, the Committee shall have the authority to grant restricted stock units with respect to which all restrictions shall lapse automatically upon a Change in Control, whether or not the grantee

is subsequently terminated.

A participant may elect by written notice to the Company, which notice must be made before the later of (i) the close of the tax year preceding the year in which the restricted stock units are granted or (ii) 30 days of first becoming eligible to participate in the Plan (or, if earlier, the last day of the tax year in which the participant first becomes eligible to participate in the plan) and on or prior to the date the restricted stock units are granted, to defer the receipt of all or a portion of the Shares due with respect to the vesting of such restricted stock units; provided that the Committee may impose such additional restrictions with respect to the time at which a participant may elect to defer receipt of Shares subject to the deferral election, and any other terms with respect to a grant of restricted stock units to the extent the Committee deems necessary to enable the participant to defer recognition of income with respect to such units until the Shares underlying such units are issued or distributed to the participant. Upon such deferral, the restricted stock units so deferred shall be converted into deferred stock units. Except as provided below, delivery of Shares with respect to deferred stock units shall be made at the end of the deferral period set forth in the participant's deferral election notice (the "Deferral Period"). Deferral Periods shall be no less than one year after the vesting date of the applicable restricted stock units.

Except as otherwise provided by the Committee, during such Deferral Period the participant shall not have any rights as a shareholder of the Company; provided that, the participant shall have the right to receive accumulated dividends or distributions with respect to the corresponding number of shares of Common Stock underlying each deferred stock unit at the end of the Deferral Period when such deferred stock units are converted into Shares.

Except as otherwise provided by the Committee, if a Participant ceases to be a director, officer or employee of, or to otherwise perform services for, the Company or any Subsidiary upon his or her death prior to the end of the Deferral Period, the participant shall receive payment in Shares in respect of such participant's deferred stock units which would have matured or been earned at the end of such Deferral Period as if the applicable Deferral Period had ended as of the date of such participant's death.

Except as otherwise provided by the Committee, if a participant ceases to be a director, officer or employee of, or to otherwise perform services for, the Company or any Subsidiary upon becoming disabled (as defined under Section 409A(a)(2)(C) of the Code) or Retirement or for any other reason except termination for Cause prior to the end of the Deferral Period, the participant shall receive payment in Shares in respect of such participant's deferred stock units at the end of the applicable Deferral Period or on such accelerated basis as the

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Committee may determine, to the extent permitted by regulations issued under Section 409A(a)(3) of the Code.

Except as otherwise provided by the Committee, if a participant ceases to be a director, officer or employee of, or to otherwise perform services for, the Company or any Subsidiary due to termination for Cause such participant shall immediately forfeit any deferred stock units which would have matured or been earned at the end of the applicable Deferral Period.

Except as otherwise provided by the Committee, in the event of a Change in Control that also constitutes a "change in the ownership or effective control of" the Company, or a change in the ownership of a substantial portion of the Company's assets (in each case as determined under regulations or other published guidance (including, without limitation, Notice 2005-1) issued pursuant to Section 409A(a)(2)(A)(v) of the Code), a participant shall receive payment in Shares in respect of such participant's deferred stock units which would have matured or been earned at the end of the applicable Deferral Period as if such Deferral Period had ended immediately prior to the Change in Control; provided, however, that if an event that constitutes a Change in Control hereunder does not constitute a "change in control" under Section 409A of the Code (or the regulations promulgated thereunder), no payments with respect to the deferred stock units shall be made under this paragraph to the extent such payments would constitute an impermissible acceleration under Section 409A of the Code.

10. PERFORMANCE AWARDS.

Performance awards may be granted to participants at any time and from time to time as determined by the Committee. The Committee shall have complete discretion in determining the size and composition of performance awards granted to a participant. The period over which performance is to be measured (a "performance cycle") shall commence on the date specified by the Committee and shall end on the last day of a fiscal year specified by the Committee. A performance award shall be paid no later than the 15th day of the third month following the completion of a performance cycle. Performance awards may include (i) specific dollar-value target awards (ii) performance units, the value of each such unit being determined by the Committee at the time of issuance, and/or (iii) performance Shares, the value of each such Share being equal to the Fair Market Value of a share of Common Stock.

The value of each performance award may be fixed or it may be permitted to fluctuate based on a performance factor (e.g., return on equity) selected by the Committee.

The Committee shall establish performance goals and objectives for each performance cycle on the basis of such criteria and objectives as the Committee may select from time to time, including, without limitation, the performance of the participant, the Company, one or more of its Subsidiaries or

divisions or any combination of the foregoing. During any performance cycle, the Committee shall have the authority to adjust the performance goals and objectives for such cycle for such reasons as it deems equitable.

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The Committee shall determine the portion of each performance award that is earned by a participant on the basis of the Company's performance over the performance cycle in relation to the performance goals for such cycle. The earned portion of a performance award may be paid out in Shares, cash, Other Company Securities, or any combination thereof, as the Committee may determine.

A participant must be a director, officer or employee of, or otherwise perform services for, the Company or its Subsidiaries at the end of the performance cycle in order to be entitled to payment of a performance award issued in respect of such cycle; provided, however, that except as otherwise determined by the Committee, if a participant ceases to be a director, officer or employee of, or to otherwise perform services for, the Company and its Subsidiaries upon his or her death, Retirement, or Disability prior to the end of the performance cycle, the participant shall earn a proportionate portion of the performance award based upon the elapsed portion of the performance cycle and the Company's performance over that portion of such cycle.

In the event of a Change in Control, a participant shall earn no less than the portion of the performance award that the participant would have earned if the applicable performance cycle(s) had terminated as of the date of the Change in Control. Such performance award shall be paid no later than two and one-half months after the last day of the tax year in which such Change in Control occurred (or in the event that such Change in Control causes the tax year to end, no later than two and one-half months after the closing of such Change in Control).

11. WITHHOLDING TAXES.

(a) PARTICIPANT ELECTION. Unless otherwise determined by the Committee, a participant may elect to deliver shares of Common Stock (or have the Company withhold shares acquired upon exercise of an option or deliverable upon grant or vesting of restricted stock, as the case may be) to satisfy, in whole or in part, the amount the Company is required to withhold for taxes in connection with the exercise of an option or the delivery of restricted stock upon grant or vesting, as the case may be. Such election must be made on or before the date the amount of tax to be withheld is determined. Once made, the election shall be irrevocable. The fair market value of the shares to be withheld or delivered will be the Fair Market Value as of the date the amount of tax to be withheld is determined. In the event a participant elects to deliver or have the Company withhold shares of Common Stock pursuant to this Section 11(a), such delivery or withholding must be made subject to the conditions and pursuant to the procedures set forth in Section 6(b) with respect to the delivery or withholding of Common Stock in payment of the exercise price of options.

(b) COMPANY REQUIREMENT. The Company may require, as a condition to any grant or exercise under the Plan or to the delivery of certificates for Shares issued hereunder, that the grantee make provision for the payment to the Company, either pursuant to Section 11(a) or this Section 11(b), of federal, state or local taxes of any kind required by law to be withheld with respect to any grant or delivery of Shares. The Company, to the extent permitted or required by law, shall have the right to deduct from any payment of any kind (including salary or bonus)

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otherwise due to a grantee, an amount equal to any federal, state or local taxes of any kind required by law to be withheld with respect to any grant or delivery of Shares under the Plan.

12. WRITTEN AGREEMENT; VESTING.

Unless the Committee determines otherwise, each employee to whom a grant is made under the Plan shall enter into a written agreement with the Company that shall contain such provisions, including without limitation vesting requirements, consistent with the provisions of the Plan, as may be approved by the Committee. Unless the Committee determines otherwise and except as otherwise provided in Sections 6, 7, 8, 9 and 10 in connection with a Change in Control or certain occurrences of termination, no grant under this Plan may be exercised, and no restrictions relating thereto may lapse, within six months of the date such grant is made.

13. TRANSFERABILITY.

Unless the Committee determines otherwise, no award granted under the Plan shall be transferable by a participant other than by will or the laws of descent and distribution or to a participant's Family Member by gift or a qualified domestic relations order as defined by the Code. Unless the Committee determines otherwise, an option may be exercised only by the optionee or grantee thereof; by his or her Family Member if such person has acquired the option by gift or qualified domestic relations order; by the executor or administrator of the estate of any of the foregoing or any person to whom the option is transferred by will or the laws of descent and distribution; or by the guardian or legal representative of any of the foregoing; provided that Incentive Stock Options may be exercised by any Family Member, guardian or legal representative only if permitted by the Code and any regulations thereunder. All provisions of this Plan shall in any event continue to apply to any award granted under the Plan and transferred as permitted by this Section 13, and any transferee of any such award shall be bound by all provisions of this Plan as and to the same

extent as the applicable original grantee.

14. LISTING, REGISTRATION AND QUALIFICATION.

If the Committee determines that the listing, registration or qualification upon any securities exchange or under any law of Shares subject to any option, performance award, restricted stock unit, deferred stock unit or restricted stock grant is necessary or desirable as a condition of, or in connection with, the granting of same or the issue or purchase of Shares thereunder, no such option may be exercised in whole or in part, no such performance award may be paid out, and no Shares may be issued, unless such listing, registration or qualification is effected free of any conditions not acceptable to the Committee.

15. TRANSFER OF EMPLOYEE.

The transfer of an employee from the Company to a Subsidiary, from a Subsidiary to the Company, or from one Subsidiary to another shall not be considered a termination of employment; nor shall it be considered a termination of employment if an employee is placed on military or sick leave or such other leave of absence which is considered by the Committee as continuing intact the employment relationship.

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16. ADJUSTMENTS.

In the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, distribution of assets, or any other change in the corporate structure or shares of the Company, the Committee shall make such adjustment as it deems appropriate in the number and kind of Shares or other property available for issuance under the Plan (including, without limitation, the total number of Shares available for issuance under the Plan pursuant to Section 4), in the number and kind of options, Shares, restricted stock units, deferred stock units or other property covered by grants previously made under the Plan, and in the exercise price of outstanding options; provided, however, that the Committee shall not be required to make any adjustment that would (i) require the inclusion of any compensation deferred pursuant to provisions of the Plan (or an award thereunder) in a participant's gross income pursuant to Section 409A of the Code and the regulations issued thereunder from time to time and/or (ii) cause any award made pursuant to the Plan to be treated as providing for the deferral of compensation pursuant to such Code section and regulations. Any such adjustment shall be final, conclusive and binding for all purposes of the Plan. In the event of any merger, consolidation or other reorganization in which the Company is not the surviving or continuing corporation or in which a Change in Control is to occur, all of the Company's obligations regarding awards that were granted hereunder and that are outstanding on the date of such event shall, on such terms as may be approved by the Committee prior to such event, be (a) canceled in exchange for cash or other property (but, with respect to vested deferred stock units, only if such merger, consolidation, other reorganization, or Change in Control constitutes a "change in ownership or control" of the Company or a "change in the ownership of a substantial portion" of the Company's assets, as determined pursuant to regulations issued under Section 409A(a)(2)(A)(v) of the Code) or (b) assumed by the surviving or continuing corporation.

Without limitation of the foregoing, in connection with any transaction of the type specified by clause (iii) of the definition of a Change in Control in Section 2(c), the Committee may, in its discretion, (i) cancel any or all outstanding options under the Plan in consideration for payment to the holders thereof of an amount equal to the portion of the consideration that would have been payable to such holders pursuant to such transaction if their options had been fully exercised immediately prior to such transaction, less the aggregate exercise price that would have been payable therefor, or (ii) if the amount that would have been payable to the option holders pursuant to such transaction if their options had been fully exercised immediately prior thereto would be equal to or less than the aggregate exercise price that would have been payable therefor, cancel any or all such options for no consideration or payment of any kind. Payment of any amount payable pursuant to the preceding sentence may be made in cash or, in the event that the consideration to be received in such transaction includes securities or other property, in cash and/or securities or other property in the Committee's discretion.

17. AMENDMENT AND TERMINATION OF THE PLAN.

The Board of Directors or the Committee, without approval of the stockholders, may amend or terminate the Plan, except that no amendment shall become effective without prior approval of the stockholders of the Company if stockholder approval would be required by

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applicable law or regulations or by any listing requirement of the principal stock exchange on which the Common Stock is then listed.

Notwithstanding any other provisions of the Plan, and in addition to the powers of amendment set forth in this Section 17 and Section 18 hereof or otherwise, the provisions hereof and the provisions of any award made hereunder may be amended unilaterally by the Committee from time to time to the extent necessary (and only to the extent necessary) to prevent the implementation, application or existence (as the case may be) of any such provision from (i) requiring the inclusion of any compensation deferred pursuant to the provisions of the Plan (or an award thereunder) in a participant's gross income pursuant to section 409A of the Code, and the regulations issued thereunder from time to time and/or (ii) inadvertently causing any award hereunder to be treated as

providing for the deferral of compensation pursuant to such Code section and regulations.

18. AMENDMENT OR SUBSTITUTION OF AWARDS UNDER THE PLAN.

The terms of any outstanding award under the Plan may be amended from time to time by the Committee in its discretion in any manner that it deems appropriate, including, but not limited to, acceleration of the date of exercise of any award and/or payments thereunder or of the date of lapse of restrictions on Shares (but only to the extent permitted by regulations issued under Section 409A(a)(3) of the Code); provided that, except as otherwise provided in Section 16, no such amendment shall adversely affect in a material manner any right of a participant under the award without his or her written consent, and provided further that the Committee shall not reduce the exercise price of any options awarded under the Plan without approval of the stockholders of the Company. The Committee may, in its discretion, permit holders of awards under the Plan to surrender outstanding awards in order to exercise or realize rights under other awards, or in exchange for the grant of new awards, or require holders of awards to surrender outstanding awards as a condition precedent to the grant of new awards under the Plan, but only if such surrender, exercise, realization, exchange, or grant (a) would not constitute a distribution of deferred compensation for purposes of Section 409A(a)(3) of the Code or (b) constitutes a distribution of deferred compensation that is permitted under regulations issued pursuant to Section 409A(a)(3) of the Code.

19. COMMENCEMENT DATE; TERMINATION DATE.

The date of commencement of the Plan shall be the date on which the Company's Registration Statement on Form S-1 (File No. 333-117700) is declared effective by the Securities and Exchange Commission.

Unless previously terminated upon the adoption of a resolution of the Board terminating the Plan, the Plan shall terminate at the close of business on the ten year anniversary of the date on which the Company's Registration Statement on Form S-1 (File No. 333-117700) is declared effective by the Securities and Exchange Commission. No termination of the Plan shall materially and adversely affect any of the rights or obligations of any person, without his or her written consent, under any grant of options or other incentives theretofore granted under the Plan.

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20. SEVERABILITY. Whenever possible, each provision of the Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Plan is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of the Plan.

21. GOVERNING LAW. The Plan shall be governed by the corporate laws of the State of Delaware, without giving effect to any choice of law provisions that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

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EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT (the "AGREEMENT") is made as of _____, 2005, by and among Prestige Brands Holdings, Inc., a Delaware corporation (the "COMPANY"), Prestige International Holdings, LLC, a Delaware limited liability company ("HOLDINGS LLC"), and the common unitholders of Holdings LLC listed on the SCHEDULE OF UNITHOLDERS attached hereto under the heading "Unitholders" (the "UNITHOLDERS").

WHEREAS, Holdings LLC and the Unitholders are parties to the Third Amended and Restated Limited Liability Company Agreement, dated as of April 6, 2004 (the "LLC AGREEMENT");

WHEREAS, the Unitholders own all of the outstanding Common Units of Holdings LLC (the "COMMON UNITS");

WHEREAS, the Company expects to offer its Common Stock, par value \$.01 per share ("COMMON STOCK"), for sale to the public in an initial public offering pursuant to a Registration Statement on Form S-1 filed with the Securities and Exchange Commission (the "INITIAL PUBLIC OFFERING"); and

WHEREAS, in order to facilitate the Initial Public Offering and pursuant to Section 15.7(a) of the LLC Agreement, the Company, Holdings LLC and the Unitholders desire to enter into an agreement pursuant to which each Unitholder shall transfer to the Company all of the Common Units held by such Unitholder in exchange for the issuance by the Company to such Unitholder of shares of Common Stock.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

ARTICLE I
EXCHANGE OF COMMON UNITS FOR COMMON STOCK

1.01 AUTHORIZATION OF COMMON STOCK. The Company shall authorize the issuance to each Unitholder of the number of shares of Common Stock set forth opposite such Unitholder's name on the attached SCHEDULE OF UNITHOLDERS.

1.02 EXCHANGE. At the Closing (as defined below), (a) the Company shall issue to each Unitholder the number of shares of Common Stock set forth opposite such Unitholder's name on the attached SCHEDULE OF UNITHOLDERS, and (b) each Unitholder shall transfer to the Company all of the Common Units then held by such Unitholder.

1.03 CLOSING. The closing of the transactions contemplated by this Agreement (the "CLOSING") shall take place at the offices of Kirkland & Ellis LLP at 10:00 a.m. on the date hereof, or at such other place or on such other date as may be mutually agreeable to the Company and Holdings LLC. At the Closing, the Company shall deliver to each Unitholder a stock certificate evidencing the Common Stock to be issued to such Unitholder hereunder, and

each Unitholder shall deliver to the Company unit certificates representing all of the Common Units then held by such Unitholder.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

As a material inducement to the Unitholders to enter into this Agreement and to consummate the transactions contemplated hereby, the Company hereby represents and warrants that:

2.01 ORGANIZATION AND CORPORATE POWER. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is qualified to do business in every jurisdiction in which its ownership of property or conduct of business requires it to qualify. The Company has all requisite corporate power and authority and, all material licenses, permits and authorizations necessary to own and operate its properties, to carry on its businesses as now conducted and presently proposed to be conducted and to carry out the transactions contemplated by this Agreement.

2.02 AUTHORIZATION: NO BREACH. The execution, delivery and performance of this Agreement have been duly authorized by the Company. This Agreement constitutes a valid and binding obligation of the Company, enforceable in accordance with its terms. The execution and delivery by the Company of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of and compliance with the respective terms hereof by the Company, do not and shall not (i) conflict with or result in a breach of the terms, conditions or provisions of, (ii) constitute a default under, (iii) result in the creation of any lien, security interest charge or encumbrance upon the Company's or any Subsidiary's capital stock or assets pursuant to, (iv) give any third party the right to modify, terminate or accelerate any obligation under, (v) result in a violation of, or (vi) require any authorization, consent, approval, exemption or other action by or notice to any court or administrative or governmental body pursuant to, the charter or bylaws of the Company or any Subsidiary, or any material law, statute, rule or regulation to which the Company or any such Subsidiary is subject, or any material agreement, instrument, order, judgment or decree to which the Company or any subsidiary is subject.

ARTICLE III
TRANSFER OF RESTRICTED SECURITIES

3.01 GENERALLY. Restricted Securities are transferable only pursuant to (a) public offerings registered under the Securities Act, (b) Rule 144 or Rule 144A of the Securities and Exchange Commission (or any similar rule or rules then in force) if such rule is available and (c) subject to the conditions specified in SECTION 3.02 below, any other legally available means of transfer, subject in each case to any transfer restrictions contained in any Senior Management Agreement between the Company and a particular holder of Restricted Securities.

3.02 OPINION OF COUNSEL. In connection with the transfer of any Restricted Securities (subject in each case to any additional transfer restrictions contained in any Senior Management Agreement between the Company and a particular holder of Restricted Securities), the holder thereof shall, at the request of the Company, deliver written notice to the Company describing in reasonable detail the transfer or proposed transfer, together with an opinion of Kirkland & Ellis

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LLP or other counsel which (to the Company's reasonable satisfaction) is knowledgeable in securities law matters, to the effect that such transfer of Restricted Securities may be effected without registration of such Restricted Securities under the Securities Act. In addition, if the holder of the Restricted Securities delivers to the Company an opinion of Kirkland & Ellis LLP or such other counsel that no subsequent transfer of such Restricted Securities shall require registration under the Securities Act, the Company shall promptly upon such contemplated transfer deliver new certificates for such Restricted Securities which do not bear the Securities Act legend set forth in SECTION 3.03. If the Company is not required to deliver new certificates for such Restricted Securities not bearing such legend, the holder thereof shall not transfer the same until the prospective transferee has confirmed to the Company in writing its agreement to be bound by the conditions contained in this paragraph and SECTION 3.03.

3.03 LEGEND. Each certificate for Restricted Securities shall be imprinted with a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED AS OF _____, 2005, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER SET FORTH IN THE EXCHANGE AGREEMENT, DATED AS OF _____ 2005, BY AND AMONG THE ISSUER (THE "COMPANY") AND CERTAIN OF ITS STOCKHOLDERS, AS THE SAME MAY BE AMENDED FROM TIME TO TIME. A COPY OF SUCH EXCHANGE AGREEMENT MAY BE OBTAINED BY THE HOLDER HEREOF AT THE COMPANY'S PRINCIPAL PLACE OF BUSINESS WITHOUT CHARGE."

ARTICLE IV
REPRESENTATIONS OF UNITHOLDERS

In connection with the acquisition and issuance of the Common Stock, each Unitholder represents and warrants to the Company that:

4.01 The Common Stock to be acquired by such Unitholder pursuant to this Agreement will be acquired for such Unitholder's own account and not with a view to, or intention of, distribution thereof in violation of the Securities Act, or any applicable state securities laws, and the Common Stock will not be disposed of in contravention of the Securities Act or any applicable state securities laws.

4.02 Such Unitholder has had an opportunity to ask questions and receive answers concerning the terms and conditions of the distribution of Common Stock and has had full access to such other information concerning the Company as he has requested.

4.03 This Agreement constitutes the legal, valid and binding obligation of such Unitholder, enforceable in accordance with its terms, and the execution, delivery and

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performance of this Agreement by such Unitholder does not and will not conflict with, violate or cause a breach of any agreement, contract or instrument to which such Unitholder is a party or any judgment, order or decree to which such Unitholder is subject.

ARTICLE V
COVENANTS OF THE COMPANY

5.01 FINANCIAL STATEMENTS AND OTHER INFORMATION. The Company shall deliver the following to each Purchaser (so long as such Purchaser holds at least 10% of the Common Stock held by such Purchaser as of immediately after the consummation of the Initial Public Offering):

(a) as soon as available but in any event within 30 days after the end of each monthly accounting period in each fiscal year, unaudited consolidating and consolidated statements of income and cash flows of the Company and its Subsidiaries for such monthly period and for the period from the beginning of the fiscal year to the end of such month, and consolidating and consolidated balance sheets of the Company and its Subsidiaries as of the end of

such monthly period, all prepared in accordance with United States generally accepted accounting principles, consistently applied, subject to the absence of footnote disclosures and to normal year-end adjustments;

(b) within 90 days after the end of each fiscal year, consolidating and consolidated statements of income and cash flows of the Company and its Subsidiaries for such fiscal year, and consolidating and consolidated balance sheets of the Company and its Subsidiaries as of the end of such fiscal year, setting forth in each case comparisons to the annual budget and to the preceding fiscal year, all prepared in accordance with United States generally accepted accounting principles, consistently applied, and accompanied by (i) with respect to the consolidated portions of such statements (except with respect to budget data), an opinion of an independent accounting firm of recognized national standing and (ii) a copy of such accounting firm's annual management letter to the Board;

(c) promptly upon receipt thereof, any additional reports, management letters or other detailed information concerning significant aspects of the Company's operations or financial affairs given to the Company by its independent accountants (and not otherwise contained in other materials provided hereunder);

(d) at least 30 days prior to the beginning of each fiscal year, an annual budget prepared on a monthly basis for the Company and its Subsidiaries for such fiscal year (displaying anticipated statements of income and cash flows), and promptly upon preparation thereof any other significant budgets prepared by the Company and any revisions of such annual or other budgets, and within 30 days after any monthly period in which there is a material adverse deviation from the annual budget, a written notice explaining the deviation and what actions the Company has taken and proposes to take with respect thereto;

(e) promptly (but in any event within five business days) after:

(i) the discovery or receipt of notice of any default under any agreement to which the Company or any of its Subsidiaries is a party that is reasonably likely to have a Material Adverse Effect;

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(ii) any litigation, action, investigation or proceeding is commenced, or to the knowledge of the Company or any Subsidiary, is threatened to be, or has a reasonable likelihood of being (based on the existence of any material dispute with any Person or otherwise), commenced and that is, or any pending litigation, action, investigation or proceeding that becomes, reasonably likely to (A) have a material adverse effect on the ability of the Company or any Subsidiary to perform its material obligations under its agreements, (B) have a Material Adverse Effect or (C) constitute or result in a material breach of any representation, warranty, covenant or agreement set forth in any agreements;

(iii) any material casualty, damage, destruction, loss or forfeiture (whether or not covered by insurance and whether or not in the ordinary course of business or consistent with past practice) having a Material Adverse Effect;

(iv) any material change in the conduct of the business of the Company or any Subsidiary, or any material change in the manner in which the Company or any Subsidiary markets, produces, distributes or sells its products and services which has had or may reasonably be expected to have a Material Adverse Effect;

(v) any material change in any accounting procedures, practices or the basis of accounting of the Company or any Subsidiary; or

(vi) any other transaction, event or circumstance affecting the Company or any Subsidiary reasonably likely to have a Material Adverse Effect (including any material alteration or change in the business plan or strategy of the Company or any Subsidiary);

a written notice specifying the nature and period of existence thereof and what actions the Company and its Subsidiaries have taken and propose to take with respect thereto, and, to the extent applicable, until such matter(s) are finally resolved, subsequent written notice shall be delivered at the end of every 90-day period beginning after the initial written notice is required to be delivered under this SECTION 5.01(f) specifying the current status of such matter(s); for purposes of this SECTION 5.01(f), "MATERIAL ADVERSE EFFECT" shall mean a material adverse effect on the business, liabilities, operations, properties, assets, operating results, prospects or condition (financial or otherwise) of the Company or any Subsidiary;

(f) within 10 days after transmission thereof, copies of all financial statements, proxy statements, reports and any other general written communications that the Company sends to its equityholders and copies of all registration statements and all regular, special or periodic reports that it files, or any of its officers or directors file with respect to the Company, with the Securities and Exchange Commission or with any securities exchange on which any of the Company's securities are then listed, and copies of all press releases and other statements made available generally by the Company to the public concerning material developments in the Company's and its Subsidiaries' businesses; and

(g) with reasonable promptness, such other information and financial data concerning the Company and its Subsidiaries as such Purchaser may reasonably request.

Notwithstanding the foregoing, in the event any Purchaser provides written

notice to the Company of its election not to receive the foregoing statements, reports, documents or other

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information, the Company shall not deliver such statements, reports, documents or other information to such Purchaser for such period of time as such Purchaser has indicated in its written notice.

5.02 CURRENT PUBLIC INFORMATION. At all times after the Company has filed a registration statement with the Securities and Exchange Commission pursuant to the requirements of either the Securities Act or the Securities Exchange Act, the Company (or its successor) shall file all reports required to be filed by it under the Securities Act and the Securities Exchange Act and the rules and regulations adopted by the Securities and Exchange Commission thereunder and shall take such further action as any holder or holders of Investor Common may reasonably request, all to the extent required to enable such holders to sell Restricted Securities pursuant to (i) Rule 144 adopted by the Securities and Exchange Commission under the Securities Act (as such rule may be amended from time to time) or any similar rule or regulation hereafter adopted by the Securities and Exchange Commission or (ii) a registration statement on Form S-2 or S-3 or any similar registration form hereafter adopted by the Securities and Exchange Commission. Upon request, the Company (or its successor) shall deliver to any holder of Investor Common a written statement as to whether it has complied with such requirements.

5.03 PUBLIC DISCLOSURES. The Company shall not, nor shall it permit any Subsidiary to, disclose any Purchaser's or any of its Affiliates' name or identity as an investor in the Company in any press release or other public announcement or in any document or material filed with any governmental entity, without the prior written consent of such Purchaser, unless such disclosure is required by applicable law or governmental regulations or by order of a court of competent jurisdiction, in which case prior to making such disclosure the Company shall give written notice to such Purchaser describing in reasonable detail the proposed content of such disclosure and shall permit such Purchaser to review and comment upon the form and substance of such disclosure.

5.04 HART-SCOTT-RODINO COMPLIANCE. In connection with any transaction in which the Company is involved (a "TRANSACTION") that is required to be reported under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended from time to time (the "HSR ACT"), the Company shall prepare and file all documents with the Federal Trade Commission and the United States Department of Justice which may be required to comply with the HSR Act, and shall promptly furnish all materials thereafter requested by any of the regulatory agencies having jurisdiction over such filings, in connection with a Transaction. The Company shall take all reasonable actions and shall file and use reasonable best efforts to have declared effective or approved all documents and notifications with any governmental or regulatory bodies, as may be necessary or may reasonably be requested under federal antitrust laws for the consummation of the Transaction. Notwithstanding the foregoing, if any Purchaser, rather than the Company, is required to make a filing under the HSR Act in connection with a Transaction, the Company will provide to such Purchaser all necessary information for such filing, will facilitate such filing and will pay all fees and expenses associated with such filing.

5.05 ADDITIONAL ACCOUNTING PROCEDURES. Upon the request of the GTCR Purchasers, the Company and its Subsidiaries will cause its accounting firm to conduct additional procedures

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with respect to, and monitor and evaluate, the Company's and any Subsidiary's executive compensation, expense reimbursement and related-party transactions policies and practices.

5.06 EQUITY ISSUANCES. After the consummation of the Initial Public Offering, the Company shall not issue or grant any stock-based compensation to Peter C. Mann, Peter J. Anderson, Gerald F. Butler, Michael A. Fink, Eric M. Millar or Charles Schrank without the prior written consent of the GTCR Purchasers. The right of the GTCR Purchasers under this SECTION 5.06 shall terminate upon the GTCR Purchasers failing to hold at least 50% of the Common Stock held by the GTCR Purchasers as of immediately after the closing of the Company's Initial Public Offering.

5.07 EXPENSES. The Company agrees to pay, and hold each Purchaser harmless against liability for the payment of, (i) the reasonable fees and expenses of its counsel arising in connection with the negotiation and execution of this Agreement and the consummation of the transactions contemplated by this Agreement, (ii) the fees and expenses incurred with respect to any amendments or waivers (whether or not the same become effective) under or in respect of this Agreement, the Senior Management Agreements, the Registration Agreement and the other agreements contemplated hereby, (iii) stamp and other taxes that may be payable in respect of the execution and delivery of this Agreement or the issuance, delivery or acquisition of any Common Stock acquired hereunder, (iv) the fees and expenses incurred with respect to the interpretation or enforcement of the rights granted under this Agreement, the Senior Management Agreements, the Registration Agreement, and the other agreements contemplated hereby and (v) such reasonable travel expenses, legal fees and other out-of-pocket fees and expenses as have been or may be incurred by any Purchaser, its Affiliates or its Affiliates' directors, officers or employees in connection with any Company-related financing or in connection with the rendering of any other services by a Purchaser or its Affiliates (including, but not limited to, fees and expenses incurred in attending Board or other Company-related meetings).

DEFINITIONS

For the purposes of this Agreement, the following terms have the meanings set forth below:

"AFFILIATE" of any particular Person or entity means any other person or entity controlling, controlled by or under common control with such particular person or entity. For purposes of this Agreement, all holdings of Common Stock by Persons who are Affiliates of each other shall be aggregated for purposes of meeting any threshold tests under this Agreement.

"BOARD" means the Company's board of directors.

"GTCR PURCHASER" means each of GTCR Fund VIII, L.P., a Delaware limited partnership, GTCR Fund VIII/B, L.P., a Delaware limited partnership, GTCR Co-Invest II, L.P., a Delaware limited partnership, and any investment fund managed by GTCR Golder Rauner II, L.L.C. or GTCR Golder Rauner, L.L.C. that becomes a holder of Common Stock.

"INVESTOR COMMON" means (i) any shares of Common Stock issued to the Purchasers pursuant to this Agreement and (ii) any shares of Common Stock issued or issuable with respect

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to the shares of Common Stock referred to in clause (i) above by way of stock dividends or stock splits or in connection with a combination of stock, recapitalization, merger, consolidation or other reorganization. As to any particular shares of Investor Common, such shares shall cease to be Investor Common when they have been (a) effectively registered under the Securities Act and disposed of in accordance with the registration statement covering them or (b) distributed to the public through a broker, dealer or market maker pursuant to Rule 144 under the Securities Act (or any similar rule then in force).

"MAJORITY HOLDERS" means the holders of a majority of the Investor Common.

"PERSON" means an individual, a partnership, a corporation, a limited liability company, association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"PURCHASER" mean each of the GTCR Purchasers, the TCW/Crescent Purchasers and GTCR Capital Partners, L.P., a Delaware limited partnership.

"REGISTRATION AGREEMENT" means the Amended and Restated Registration Agreement, dated as of the date hereof, among the Company and the Unitholders.

"RESTRICTED SECURITIES" means (i) the Common Stock issued hereunder and (ii) any securities issued with respect to the securities referred to in clause (i) above by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization. As to any particular Restricted Securities, such securities shall cease to be Restricted Securities when they have (a) been effectively registered under the Securities Act and disposed of in accordance with the registration statement covering them, (b) become eligible for sale pursuant to Rule 144 (or any similar provision then in force) under the Securities Act or (c) been otherwise transferred and new certificates for them not bearing the Securities Act legend set forth in SECTION 3.03 have been delivered by the Company in accordance with SECTION 3.02. Whenever any particular securities cease to be Restricted Securities, the holder thereof shall be entitled to receive from the Company, without expense, new securities of like tenor not bearing a Securities Act legend of the character set forth in SECTION 3.03.

"SECURITIES ACT" means the Securities Act of 1933, as amended, or any similar federal law then in force.

"SECURITIES AND EXCHANGE COMMISSION" includes any governmental body or agency succeeding to the functions thereof.

"SECURITIES EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, or any similar federal law then in force.

"SENIOR MANAGEMENT AGREEMENT" means any Senior Management Agreement entered into from time to time among the Company, or any Subsidiary and its executives, as the same may be amended from time to time pursuant to the terms thereof.

"SUBSIDIARY" means any corporation of which the securities having a majority of the ordinary voting power in electing the board of directors are, at the time as of which any determination is being made, owned by the Company either directly or through one or more Subsidiaries.

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"TCW/CRESCENT PURCHASER" means each of TCW/Crescent Mezzanine Partners III, L.P., a Delaware limited partnership, TCW/Crescent Mezzanine Trust III, a Delaware business trust, and TCW/Crescent Mezzanine Partners III Netherlands, L.P., a Delaware limited partnership, any of their Affiliates or any investment fund for whom Trust Company of the West or any Affiliate of Trust Company of the West acts as an account manager.

ARTICLE VII MISCELLANEOUS

7.01 REMEDIES. The Unitholders shall have all rights and remedies set forth in this Agreement and all of the rights which the Unitholders have under

any law. Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law.

7.02 CONSENT TO AMENDMENTS. Except as otherwise expressly provided herein, the provisions of this Agreement may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Majority Holders. No other course of dealing between the Company and any Unitholder or any delay in exercising any rights hereunder shall operate as a waiver of any rights of any such Person.

7.03 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All representations and warranties contained herein or made in writing by any party in connection herewith shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, regardless of any investigation made by any Unitholder or on such Unitholder's behalf.

7.04 SUCCESSORS AND ASSIGNS. Except as otherwise expressly provided herein, all covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

7.05 SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

7.06 COUNTERPARTS. This Agreement may be executed simultaneously in two or more counterparts, any of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same Agreement.

7.07 DESCRIPTIVE HEADINGS: INTERPRETATION. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The use of the word "including" in this Agreement shall be by way of example rather than by limitation.

7.08 GOVERNING LAW. All questions concerning the construction, validity, enforcement and interpretation of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

7.09 NOTICES. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered personally to the recipient, sent to the recipient by reputable express courier service (charges prepaid) or mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, at the address indicated on the Company's corporate records for such Person.

7.10 ENTIRE AGREEMENT. Except as otherwise expressly set forth herein, this Agreement embodies the complete agreement among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

* * * * *

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

PRESTIGE BRANDS HOLDINGS, INC.

By: _____
Name: _____
Its: _____

PRESTIGE INTERNATIONAL HOLDINGS, LLC

By: _____
Name: _____
Its: _____

GTCR FUND VIII, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By:

Name: David A. Donnini
Its: Principal

GTCR FUND VIII/B, L.P.

By: GTCR Partners VIII, L.P.
Its: General Partner

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By:

Name: David A. Donnini
Its: Principal

SIGNATURE PAGES TO EXCHANGE AGREEMENT

GTCR CO-INVEST II, L.P.

By: GTCR Golder Rauner II, L.L.C.
Its: General Partner

By:

Name: David A. Donnini
Its: Principal

GTCR CAPITAL PARTNERS, L.P.

By: GTCR Mezzanine Partners, L.P.
Its: General Partner

By: GTCR Partners VI, L.P.
Its: General Partner

By: GTCR Golder Rauner, L.L.C.
Its: General Partner

By:

Name: David A. Donnini
Its: Principal

TCW/CRESCENT MEZZANINE PARTNERS III, L.P.
TCW/CRESCENT MEZZANINE TRUST III
TCW/CRESCENT MEZZANINE PARTNERS III
NETHERLANDS, L.P.

By: TCW/Crescent Mezzanine Management III, ___ L.L.C.
Its: Investment Manager

By: TCW Asset Management Company
Its: Sub-Advisor

By:

Name:

Title:

Peter C. Mann

SIGNATURE PAGES TO EXCHANGE AGREEMENT

Peter J. Anderson

Michael A. Fink

Gerald F. Butler

Eric M. Millar

Charles Schrank

Carlton Blackburn

Ron Franko

Robert Dooley

Brian Fisher

Steve Garcia

Philip Henschel

Sam Blankenship

SIGNATURE PAGES TO EXCHANGE AGREEMENT

David Talbert

Kirk T. Anderson

Rita Holmes

Elaine Connolly

Adam Blumenthal

Steven Kornhauser

Mark Zabrowsky

Douglas Mann

Christopher Maynard

Fred Goldsmith

Cheryl Yancey-Biron

SIGNATURE PAGES TO EXCHANGE AGREEMENT

James Rogers

Harris Semegram

Dale Johnson

Victoria Ann DeCora

Julie McKnight

Lynda Yazzolino

John Capalonga

Richard Thome

Keith Kolakoski

Robert Pritchard

Kyra Malinich

Judy Manus

SIGNATURE PAGES TO EXCHANGE AGREEMENT

Phillip Kennedy

Dru-Anne Heun

Sally Walton

SIGNATURE PAGES TO EXCHANGE AGREEMENT

SCHEDULE OF UNITHOLDERS

See attached.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1/A of Prestige Brands Holdings, Inc. of our reports dated November 8, 2004 relating to the financial statements and financial statement schedule of Prestige International Holdings, LLC (successor basis); dated July 2, 2004, relating to the combined financial statements and financial statement schedule of Medtech Holdings, Inc. and The Denorex Company (predecessor basis); and dated March 18, 2004 relating to the financial statements of The Spic and Span Company, all of which appear in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Salt Lake City, Utah
January 21, 2005

CONSENT OF INDEPENDENT REGISTERED CERTIFIED
PUBLIC ACCOUNTANTS

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated February 20, 2004, with respect to the financial statements of Bonita Bay Holdings, Inc. in the Amendment No. 3 to the Registration Statement (Form S-1 No. 333-117700) and related Prospectus of Prestige Brands, Inc. for the registration of its Common Stock.

/s/ Ernst & Young LLP

Tampa, Florida
January 19, 2005

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the inclusion of our report dated August 20, 2004, except with respect to Note H, as to which the date is October 6, 2004, on our audits of Vetco, Inc. financial statements as of December 31, 2003 and 2002 and for each of the years in the two-year period ended December 31, 2003 in the Registration Statement on Form S-1, Amendment No. 3 (File No. 333-117700) of Prestige Brands Holdings, Inc.

We also consent to the reference to us under the caption "Experts" in the Prospectus.

/s/ Eisner LLP

New York, New York
January 21, 2005

