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

FORM 10-Q

(Mark One)

[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2013

OR

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____ to _____

Commission File Number: 001-32433

PrestigeBrands

PRESTIGE BRANDS HOLDINGS, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**20-1297589**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

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

(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer x	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No x
As of July 26, 2013, there were 51,172,284 shares of common stock outstanding.

Prestige Brands Holdings, Inc.
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Trademarks and Trade Names

Trademarks and trade names used in this Quarterly Report on Form 10-Q are the property of Prestige Brands Holdings, Inc. or its subsidiaries, as the case may be. We have italicized our trademarks or trade names when they appear in this Quarterly Report on Form 10-Q.

PART I **FINANCIAL INFORMATION**

ITEM 1. **FINANCIAL STATEMENTS**

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

(In thousands, except per share data)	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012
Revenues		
Net sales	$ 142,101	$ 145,920
Other revenues	870	1,077
Total revenues	142,971	146,997
Cost of Sales		
Cost of sales (exclusive of depreciation shown below)	59,488	63,393
Gross profit	83,483	83,604
Operating Expenses		
Advertising and promotion	19,140	20,325
General and administrative	11,634	16,151
Depreciation and amortization	3,268	3,295
Total operating expenses	34,042	39,771
Operating income	49,441	43,833
Other (income) expense		
Interest income	(3)	(2)
Interest expense	15,908	19,850
Total other expense	15,905	19,848
Income before income taxes	33,536	23,985
Provision for income taxes	12,844	9,330
Net income	$ 20,692	$ 14,655
Earnings per share:		
Basic	$ 0.40	$ 0.29
Diluted	$ 0.40	$ 0.29
Weighted average shares outstanding:		
Basic	51,222	50,342
Diluted	52,040	51,106
Comprehensive income, net of tax:		
Currency translation adjustments	1	(42)
Total other comprehensive income (loss)	1	(42)
Comprehensive income	$ 20,693	$ 14,613

See accompanying notes.

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

(In thousands) **Assets**	**June 30, 2013**	**March 31, 2013**
Current assets		
Cash and cash equivalents	$ 19,306	$ 15,670
Accounts receivable, net	61,981	73,053
Inventories	66,917	60,201
Deferred income tax assets	6,067	6,349
Prepaid expenses and other current assets	8,713	8,900
Total current assets	162,984	164,173
Property and equipment, net	10,697	9,896
Goodwill	167,546	167,546
Intangible assets, net	1,370,535	1,373,240
Other long-term assets	24,332	24,944
Total Assets	$ 1,736,094	$ 1,739,799
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 42,222	$ 51,376
Accrued interest payable	13,721	13,894
Other accrued liabilities	25,792	31,398
Total current liabilities	81,735	96,668
Long-term debt		
Principal amount	960,000	978,000
Less unamortized discount	(6,755)	(7,100)
Long-term debt, net of unamortized discount	953,245	970,900
Deferred income tax liabilities	200,803	194,288
Total Liabilities	1,235,783	1,261,856
Commitments and Contingencies — Note 17		
Stockholders' Equity		
Preferred stock - $0.01 par value		
Authorized - 5,000 shares		
Issued and outstanding - None	—	—
Preferred share rights	283	283
Common stock - $0.01 par value		
Authorized - 250,000 shares		
Issued - 51,364 shares at June 30, 2013 and 51,311 shares at March 31, 2013	514	513
Additional paid-in capital	403,643	401,691
Treasury stock, at cost - 191 shares at June 30, 2013 and 181 shares at March 31, 2013	(965)	(687)
Accumulated other comprehensive loss, net of tax	(103)	(104)
Retained earnings	96,939	76,247
Total Stockholders' Equity	500,311	477,943
Total Liabilities and Stockholders' Equity	$ 1,736,094	$ 1,739,799

See accompanying notes.

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

(In thousands)	Three Months Ended June 30, 2013	2012
Operating Activities		
Net income	$ 20,692	$ 14,655
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,268	3,295
Deferred income taxes	6,797	7,076
Amortization of deferred financing costs	892	1,048
Stock-based compensation costs	1,193	913
Amortization of debt discount	345	404
(Gain) loss on sale or disposal of equipment	(2)	21
Changes in operating assets and liabilities, net of effects from acquisitions		
Accounts receivable	11,070	(9,214)
Inventories	(6,716)	(2,748)
Prepaid expenses and other current assets	187	6
Accounts payable	(9,147)	135
Accrued liabilities	(5,781)	(849)
Net cash provided by operating activities	22,798	14,742
Investing Activities		
Purchases of property and equipment	(1,364)	(1,198)
Proceeds from the sale of property and equipment	2	15
Acquisition of brands from GSK purchase price adjustments	—	(226)
Net cash used in investing activities	(1,362)	(1,409)
Financing Activities		
Repayments of long-term debt	—	(45,000)
Repayments under revolving credit agreement	(18,000)	(8,000)
Borrowings under revolving credit agreement	—	25,000
Payment of deferred financing costs	(280)	—
Proceeds from exercise of stock options	309	80
Excess tax benefits from share-based awards	452	—
Fair value of shares surrendered as payment of tax withholding	(278)	—
Net cash used in financing activities	(17,797)	(27,920)
Effects of exchange rate changes on cash and cash equivalents	(3)	(24)
Increase (decrease) in cash and cash equivalents	3,636	(14,611)
Cash and cash equivalents - beginning of period	15,670	19,015
Cash and cash equivalents - end of period	$ 19,306	$ 4,404
Interest paid	$ 14,826	$ 18,391
Income taxes paid	$ 657	$ 407

See accompanying notes.

Prestige Brands Holdings, Inc.
Notes to Consolidated Financial Statements (unaudited)

1.Business and Basis of Presentation

Nature of Business
Prestige Brands Holdings, Inc. (referred to herein as the "Company" or "we", which reference shall, unless the context requires otherwise, be deemed to refer to Prestige Brands Holdings, Inc. and all of its direct and indirect 100% owned subsidiaries on a consolidated basis) is engaged in the marketing, sales and distribution of over-the-counter ("OTC") healthcare and household cleaning products to mass merchandisers, drug stores, supermarkets, club, and dollar stores in the United States and Canada and in certain other international markets. Prestige Brands Holdings, Inc. is a holding company with no operations and is also the parent guarantor of the senior credit facility and the senior notes described in Note 10 to the Consolidated Financial Statements.

Basis of Presentation
The unaudited Consolidated Financial Statements presented herein have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial reporting and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. All significant intercompany transactions and balances have been eliminated in the Consolidated Financial Statements. In the opinion of management, the Consolidated Financial Statements include all adjustments, consisting of normal recurring adjustments that are considered necessary for a fair statement of our consolidated financial position, results of operations and cash flows for the interim periods presented. Our fiscal year ends on March 31st of each year. References in these Consolidated Financial Statements or notes to a year (e.g., "2014") mean our fiscal year ending or ended on March 31st of that year. Operating results for the three months ended June 30, 2013 are not necessarily indicative of results that may be expected for the fiscal year ending March 31, 2014. This financial information should be read in conjunction with our Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended March 30, 2013.

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

Cash and Cash Equivalents
We consider all short-term deposits and investments with original maturities of three months or less to be cash equivalents. Substantially all of our cash is held by a large regional bank with headquarters in California. We do not believe that, as a result of this concentration, we are subject to any unusual financial risk beyond the normal risk associated with commercial banking relationships. The Federal Deposit Insurance Corporation ("FDIC") and Securities Investor Protection Corporation ("SIPC") insure these balances up to $250,000 and $500,000, with a $250,000 limit for cash, respectively. Substantially all of the Company's cash balances at June 30, 2013 are uninsured.

Accounts Receivable
We extend non-interest-bearing trade credit to our customers in the ordinary course of business. We maintain an allowance for doubtful accounts receivable based upon historical collection experience and expected collectability of the accounts receivable. In an effort to reduce credit risk, we (i) have established credit limits for all of our customer relationships, (ii) perform ongoing credit evaluations of customers' financial condition, (iii) monitor the payment history and aging of customers' receivables, and (iv) monitor open orders against an individual customer's outstanding receivable balance.

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

Property and Equipment
Property and equipment are stated at cost and are depreciated using the straight-line method based on the following estimated useful lives:

	Years
Machinery	5
Computer equipment	3
Furniture and fixtures	7
Leasehold improvements	*

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

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

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

Goodwill
The excess of the purchase price over the fair market value of assets acquired and liabilities assumed in purchase business combinations is classified as goodwill. Goodwill is not amortized, although the carrying value is tested for impairment at least annually in the fourth fiscal quarter of each year, or more frequently if events or changes in circumstances indicate that the asset may be impaired. Goodwill is tested for impairment at the reporting unit “brand” level, which is one level below the operating segment level.

Intangible Assets
Intangible assets, which are comprised primarily of trademarks, are stated at cost less accumulated amortization. For intangible assets with finite lives, amortization is computed using the straight-line method over estimated useful lives ranging from 3 to 30 years.

Indefinite-lived intangible assets are tested for impairment at least annually in the fourth fiscal quarter of each year. Intangible assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their fair values and may not be recoverable. An impairment loss is recognized if the carrying amount of the asset exceeds its fair value.

Deferred Financing Costs
We have incurred debt origination costs in connection with the issuance of long-term debt. These costs are capitalized as deferred financing costs and amortized using the effective interest method, over the term of the related debt. For a further discussion regarding accelerated amortization, refer to Note 10.

Revenue Recognition
Revenues are recognized when the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the selling price is fixed or determinable, (iii) the product has been shipped and the customer takes ownership and assumes the risk of loss, and (iv) collection of the resulting receivable is reasonably assured. We have determined that these criteria are met and the transfer of the risk of loss generally occurs when the product is received by the customer, and, accordingly, we recognize revenue at that time. Provisions are made for estimated discounts related to customer payment terms and estimated product returns at the time of sale based on our historical experience.

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

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

Cost of Sales
Cost of sales includes product costs, warehousing costs, inbound and outbound shipping costs, and handling and storage costs. Shipping, warehousing and handling costs were $6.6 million for the three months ended June 30, 2013 and $8.2 million for the three months ended June 30, 2012.

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

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

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

The Income Taxes topic of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) prescribes a recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The guidance only allows the recognition of those tax benefits that have a greater than 50% likelihood of being sustained upon examination by the various taxing authorities. As a result, we have applied a more-likely-than-not recognition threshold for all tax uncertainties.

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

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

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

Recently Issued Accounting Standards
In March 2013, the FASB issued ASU 2013-05, *Parent’s Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity,* relating to the release of cumulative translation adjustments into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets. The guidance is effective prospectively for annual reporting periods beginning after December 15, 2013, and interim periods within those annual periods. Early adoption is permitted. The adoption of ASU 2013-05 is not expected to have a material impact on our Consolidated Financial Statements.

In December 2011, the FASB issued ASU 2011-11, *Disclosures about Offsetting Assets and Liabilities*, regarding disclosures about offsetting assets and liabilities. The new disclosure requirements mandate that entities disclose both gross and net information about instruments and transactions eligible for offset in the statement of financial position, as well as instruments and transactions subject to an agreement similar to a master netting arrangement. In addition, the standard requires disclosure of collateral received and posted in connection with master netting agreements or similar arrangements. An entity will be required to disclose the following information for assets and liabilities within the scope of the new standard: (i) the gross amounts of those recognized assets and those recognized liabilities; (ii) the amounts offset to determine the net amounts presented in the statement of financial position; (iii) the net amounts presented in the statement of financial position; (iv) the amounts subject to an enforceable master netting arrangement or similar agreement not otherwise included in (ii); and (v) the net amount after deducting the amounts in (iv) from the amounts in (iii). The standard affects all entities with balances presented on a net basis in the financial statements, derivative assets and derivative liabilities, repurchase agreements, and financial assets and financial liabilities executed under a master netting or similar arrangement. This guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. This new guidance did not have a material impact on our Consolidated Financial Statements.

In February 2013, the FASB issued ASU 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*. ASU 2013-02 requires that for those items that are reclassified out of accumulated other comprehensive income and into net income in their entirety, the effect of the reclassification on each affected net income line item be disclosed. For accumulated other comprehensive income reclassification items that are not reclassified in their entirety into net income, a cross reference must be made to other required disclosures. The guidance is effective prospectively for annual reporting periods beginning after December 15, 2012, and interim periods within those annual periods. ASU 2013-02 did not have a significant impact on our financial statement presentation. See Note 13, Accumulated Other Comprehensive Income (Loss) for required disclosure.

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

2.Acquisitions

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

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

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

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

These acquisitions were accounted for in accordance with the Business Combinations topic of the FASB ASC-805, which requires that the total cost of an acquisition be allocated to the tangible and intangible assets acquired and liabilities assumed based upon their respective fair values at the date of acquisition.

The purchase price of the GSK Brands I and GSK Brands II was funded by cash provided by the issuance of long-term debt and additional bank borrowings, which are discussed further in Note 10. In April 2012, we received the post-closing inventory and apportionment adjustments, which required us to pay an additional $2.8 million to GSK, and in May 2012 we received a revised post-closing inventory and apportionment adjustment, which required us to pay an additional $0.2 million, for a total of $3.0 million, to GSK.

Concurrent with the closing of the GSK Brands I transaction, we entered into a Transitional Services Agreement with GSK (the “TSA”), whereby GSK provided us with various services, including marketing, operations, finance and other services, from the GSK Brands I acquisition date primarily through June 30, 2012, with additional finance support through August 31, 2012. As part of the TSA, GSK, among other things, shipped products, invoiced customers, collected from customers and paid certain vendors on our behalf. Our initial costs under the TSA were approximately $2.5 million per month for the length of the agreement and were reduced during the service period as we removed certain services and those processes to us. We incurred $6.8 million in TSA costs for the three months ended June 30, 2012. Pursuant to the TSA, we received on a monthly basis the amount owed to us for revenues and expenses, net of GSK's TSA fees and inventory that GSK purchased on our behalf.

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

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

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

The fair value of the trade names is comprised of $556.9 million of non-amortizable intangible assets and $67.2 million of amortizable intangible assets. We are amortizing the purchased amortizable intangible assets on a straight-line basis over an estimated weighted average useful life of 19.3 years. The weighted average remaining life for amortizable intangible assets at June 30, 2013 was 17.7 years.

3. Divestitures

Sale of the Phazyme Brand

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

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

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

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

4.Accounts Receivable

Accounts receivable consist of the following:

(In thousands)	June 30, 2013	March 31, 2013
Components of Accounts Receivable		
Trade accounts receivable	$ 67,931	$ 79,746
Other receivables	641	615
	68,572	80,361
Less allowances for discounts, returns and uncollectible accounts	(6,591)	(7,308)
Accounts receivable, net	$ 61,981	$ 73,053

5.Inventories

Inventories consist of the following:

(In thousands)	June 30, 2013	March 31, 2013
Components of Inventories		
Packaging and raw materials	$ 1,164	$ 1,875
Finished goods	65,753	58,326
Inventories	$ 66,917	$ 60,201

Inventories are carried at the lower of cost or market, which includes a reduction in inventory values of $2.3 million and $1.3 million at June 30, 2013 and March 31, 2013, respectively, related to obsolete and slow-moving inventory.

6. Property and Equipment

Property and equipment consist of the following:

(In thousands)	June 30, 2013	March 31, 2013
Components of Property and Equipment		
Machinery	$ 1,580	$ 1,580
Computer equipment	7,914	6,559
Furniture and fixtures	1,519	1,510
Leasehold improvements	4,713	4,713
	15,726	14,362
Accumulated depreciation	(5,029)	(4,466)
Property and equipment, net	$ 10,697	$ 9,896

We recorded depreciation expense of $0.6 million and $0.2 million for the three months ended June 30, 2013 and June 30, 2012, respectively.

7.Goodwill

A reconciliation of the activity affecting goodwill by operating segment is as follows:

(In thousands)	OTC Healthcare	Household Cleaning	Consolidated
Balance — March 31, 2013			
Goodwill	$ 290,327	$ 72,549	$ 362,876
Accumulated impairment losses	(130,170)	(65,160)	(195,330)
	160,157	7,389	167,546
Balance — June 30, 2013			
Goodwill	290,327	72,549	362,876
Accumulated impairment losses	(130,170)	(65,160)	(195,330)
	$ 160,157	$ 7,389	$ 167,546

At March 31, 2013, during our annual test for goodwill impairment, there were no indicators of impairment under the analysis. Accordingly, no impairment charge was recorded in 2013. As of June 30, 2013, no indicators of impairment existed and no impairment charge was recorded.

The discounted cash flow methodology is a widely-accepted valuation technique to estimate fair value utilized by market participants in the transaction evaluation process and has been applied consistently. We also considered our market capitalization at March 31, 2013, as compared to the aggregate fair values of our reporting units, to assess the reasonableness of our estimates pursuant to the discounted cash flow methodology. The estimates and assumptions made in assessing the fair value of our reporting units and the valuation of the underlying assets and liabilities are inherently subject to significant uncertainties. Consequently, changing rates of interest and inflation, declining sales or margins, increases in competition, changing consumer preferences, technical advances, or reductions in advertising and promotion may require impairments in the future.

8.Intangible Assets

A reconciliation of the activity affecting intangible assets is as follows:

(In thousands)	Indefinite Lived Trademarks	Finite Lived Trademarks	Non Compete Agreement	Totals
Gross Carrying Amounts				
Balance — March 31, 2013	$ 1,243,718	$ 203,066	$ 158	$ 1,446,942
Reductions	—	—	(158)	(158)
Balance — June 30, 2013	$ 1,243,718	$ 203,066	$ —	$ 1,446,784
Accumulated Amortization				
Balance — March 31, 2013	$ —	$ 73,544	$ 158	$ 73,702
Additions	—	2,705	—	2,705
Reductions	—	—	(158)	(158)
Balance — June 30, 2013	$ —	$ 76,249	$ —	$ 76,249
Intangible assets, net - June 30, 2013	$ 1,243,718	$ 126,817	$ —	$ 1,370,535

In a manner similar to goodwill, we completed our test for impairment of our indefinite-lived intangible assets during the three months ended March 31, 2013. We did not record an impairment charge, as facts and circumstances indicated that the fair values of the intangible assets for our operating segments exceeded their carrying values. Additionally, for the indefinite-lived intangible assets, an evaluation of the facts and circumstances as of June 30, 2013 continues to support an indefinite useful life for these assets. Therefore, no impairment charge was recorded for the three months ended June 30, 2013.

The weighted average remaining life for finite-lived intangible assets at June 30, 2013 was approximately 12.8 years and the amortization expense for the three months ended June 30, 2013 was $2.7 million. At June 30, 2013, finite-lived intangible assets are being amortized over a period of 3 to 30 years, and the associated amortization expense is expected to be as follows:

(In thousands)

Year Ending March 31,		**Amount**
2014 (Remaining nine months ending March 31, 2014)	$	9,680
2015		8,840
2016		8,840
2017		8,840
2018		8,840
Thereafter		81,777
	$	126,817

9.Other Accrued Liabilities

Other accrued liabilities consist of the following:

(In thousands)		**June 30, 2013**		**March 31, 2013**
Accrued marketing costs	$	16,297	$	17,187
Accrued compensation costs		3,434		8,847
Accrued broker commissions		519		1,028
Income taxes payable		1,693		493
Accrued professional fees		1,959		1,846
Deferred rent		1,368		1,268
Accrued lease termination costs		522		729
	$	25,792	$	31,398

10.Long-Term Debt

On March 24, 2010, Prestige Brands, Inc. (the "Borrower") issued $150.0 million of senior unsecured notes, with an interest rate of 8.25% and a maturity date of April 1, 2018 (the "2010 Senior Notes"). On November 1, 2010, the Borrower issued an additional $100.0 million of the 2010 Senior Notes. The Borrower may earlier redeem some or all of the 2010 Senior Notes at redemption prices set forth in the indenture governing the 2010 Senior Notes. The 2010 Senior Notes issued in March and November 2010 were issued at an aggregate face value of $150.0 million and $100.0 million, respectively, with a discount to the initial purchasers of $2.2 million and a premium of $0.3 million, respectively, and net proceeds to the Company of $147.8 million and $100.3 million, respectively, yielding an 8.5% effective interest rate for the 2010 Senior Notes on a combined basis. The 2010 Senior Notes are unconditionally guaranteed by Prestige Brands Holdings, Inc. and its domestic 100% owned subsidiaries, other than the Borrower. Each of these guarantees is joint and several. There are no significant restrictions on the ability of any of the guarantors to make payments to Prestige Brands, Inc., or the Company or to obtain funds from their subsidiaries.

On January 31, 2012, the Borrower issued $250.0 million of senior unsecured notes at par value, with an interest rate of 8.125% and a maturity date of February 1, 2020 (the "2012 Senior Notes"). The Borrower may earlier redeem some or all of the 2012 Senior Notes at redemption prices set forth in the indenture governing the 2012 Senior Notes. The 2012 Senior Notes are guaranteed by Prestige Brands Holdings, Inc. and certain of its domestic 100% owned subsidiaries. Each of these guarantees is joint and several. There are no significant restrictions on the ability of any of the guarantors to make payments to Prestige Brands, Inc., or the Company or to obtain funds from their subsidiaries. In connection with the 2012 Senior Notes offering, we incurred $12.6 million of costs, which were capitalized as deferred financing costs and are being amortized over the term of the 2012 Senior Notes.

On January 31, 2012, the Borrower also entered into a new senior secured credit facility, which consists of (i) a $660.0 million term loan facility (the “2012 Term Loan”) with a seven-year maturity and (ii) a $50.0 million asset-based revolving credit facility (the “2012 ABL Revolver”) with a five-year maturity. In September 2012, we utilized a portion of our accordion feature to increase the amount of our borrowing capacity under the 2012 ABL Revolver by $25.0 million to $75.0 million, and in June 2013, we further increased the amount of our borrowing capacity under the 2012 ABL Revolver by $20.0 million to $95.0 million and also reduced our borrowing rate on the 2012 ABL Revolver by 0.25%. The 2012 Term Loan was issued with an original issue discount of 1.5% of the principal amount thereof, resulting in net proceeds to the Company of $650.1 million. In connection with these loan facilities, we incurred $20.6 million of costs, which were capitalized as deferred financing costs and are being amortized over the terms of the facilities. The 2012 Term Loan is unconditionally guaranteed by Prestige Brands Holdings, Inc. and certain of its domestic 100% owned subsidiaries, other than the Borrower. Each of these guarantees is joint and several. There are no significant restrictions on the ability of any of the guarantors to make payments to Prestige Brands, Inc., or the Company or to obtain funds from their subsidiaries.

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

The 2012 Term Loan, as amended, bears interest at a rate per annum equal to an applicable margin plus, at our option, either (i) a base rate determined by reference to the highest of (a) the Federal Funds rate plus 0.50%, (b) the prime rate of Citibank, N.A., (c) the LIBOR rate determined by reference to the cost of funds for U.S. dollar deposits for an interest period of one month adjusted for certain additional costs, plus 1.00% and (d) a floor of 2.00% or (ii) a LIBOR rate determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs, provided that LIBOR shall not be lower than 1.00%. For the three months ended June 30, 2013, the average interest rate on the 2012 Term Loan was 3.8%.

Under the 2012 Term Loan, we are required to make quarterly payments each equal to 0.25% of the original principal amount of the 2012 Term Loan, with the balance expected to be due on the seventh anniversary of the closing date. However, since we have made significant optional payments in the past, we will not be required to make a payment until the maturity date of January 31, 2019.

Borrowings under the 2012 ABL Revolver, as amended, bear interest at a rate per annum equal to an applicable margin, plus, at our option, either (i) a base rate determined by reference to the highest of (a) the Federal Funds rate plus 0.50%, (b) the prime rate of Citibank, N.A., (c) the LIBOR rate determined by reference to the cost of funds for U.S. dollar deposits for an interest period of one month adjusted for certain additional costs, plus 1.00% or (ii) a LIBOR rate determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs. The initial applicable margin for borrowings under the 2012 ABL Revolver is 1.75% with respect to LIBOR borrowings and 0.75% with respect to base-rate borrowings. The applicable margin for borrowings under the 2012 ABL Revolver may be increased to 2.00% or 2.25% for LIBOR borrowings and 1.00% or 1.25% for base-rate borrowings, depending on average excess availability under the 2012 ABL Revolver during the prior fiscal quarter. In addition to paying interest on outstanding principal under the 2012 ABL Revolver, we are required to pay a commitment fee to the lenders under the 2012 ABL Revolver in respect of the unutilized commitments thereunder. The initial commitment fee rate is 0.50% per annum. The commitment fee rate will be reduced to 0.375% per annum at any time when the average daily unused commitments for the prior quarter is less the percentage of total commitments in an amount set forth in the credit agreement covering the 2012 ABL Revolver. We may voluntarily repay outstanding loans under the 2012 ABL Revolver at any time without a premium or penalty. For the three months ended June 30, 2013, the average interest rate on the amounts borrowed under the 2012 ABL Revolver was 2.3%.

We used the net proceeds from the 2012 Senior Notes offering, together with borrowings under the 2012 Term Loan, to finance the acquisition of the GSK Brands, to repay the 2010 Credit Facility, to pay fees and expenses incurred in connection with these transactions and for general corporate purposes. The acquisition of the GSK Brands is discussed in Note 2.

At June 30, 2013, we had $24.3 million of unamortized debt issuance costs and $6.8 million_of unamortized debt discount. The total of which is comprised of $3.2 million related to the 2010 Senior Notes, $11.0 million related to the 2012 Senior Notes, $15.3 million related to the 2012 Term Loan, and $1.6 million related to the 2012 ABL Revolver.

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

Company, including the 2012 Term Loan and the 2012 ABL Revolver and the 2010 Senior Notes, equal in right of payment to all existing and future unsecured obligations of the Company, and senior in right of payment to all existing and future subordinated obligations of the Company.

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

At any time prior to February 1, 2016, we may redeem the 2012 Senior Notes in whole or in part at a redemption price equal to 100% of the principal amount of the notes redeemed, plus a "make-whole premium" calculated as set forth in the indenture governing the 2012 Senior Notes, together with accrued and unpaid interest, if any, to the date of redemption. On or after February 1, 2016, we may redeem the 2012 Senior Notes in whole or in part at redemption prices set forth in the indenture governing the 2012 Senior Notes. In addition, at any time prior to February 1, 2015, we may redeem up to 35% of the aggregate principal amount of the 2012 Senior Notes at a redemption price equal to 108.125% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date, with the net cash proceeds of certain equity offerings, provided that certain conditions are met. Subject to certain limitations, in the event of a change of control, as defined in the indenture governing the 2012 Senior Notes, Prestige Brands, Inc. will be required to make an offer to purchase the 2012 Senior Notes at a price equal to 101% of the aggregate principal amount of the 2012 Senior Notes repurchased, plus accrued and unpaid interest, if any, to the date of repurchase.

The indentures governing the 2010 Senior Notes and 2012 Senior Notes contain provisions that restrict us from undertaking specified corporate actions, such as asset dispositions, acquisitions, dividend payments, repurchases of common shares outstanding, changes of control, incurrences of indebtedness, issuance of equity, creation of liens, making of loans and transactions with affiliates. Additionally, the credit agreement with respect to the 2012 Term Loan and the 2012 ABL Revolver and the indenture governing the 2012 Senior Notes contain cross-default provisions, whereby a default pursuant to the terms and conditions of certain indebtedness will cause a default on the remaining indebtedness under the credit agreement and the indenture governing the 2012 Senior Notes. At June 30, 2013, we were in compliance with the covenants under our long-term indebtedness.

During the three months ended June 30, 2013, we made payments of $18.0 million against the 2012 ABL Revolver.

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

(In thousands, except percentages)	**June 30, 2013**	**March 31, 2013**
2012 Senior Notes bearing interest at 8.125%, with interest only payable on February 1 and August 1 of each year. The 2012 Senior Notes mature on February 1, 2020.	$ 250,000	$ 250,000
2012 Term Loan bearing interest at the Company's option at either a base rate plus applicable margin with a floor of 2.00% or LIBOR with a floor of 1.00%, due on January 31, 2019.	445,000	445,000
2012 ABL Revolver bearing interest at the Company's option at either a base rate plus applicable margin or LIBOR plus applicable margin. Any unpaid balance is due on January 31, 2017.	15,000	33,000
2010 Senior Notes bearing interest at 8.25%, with interest only payable on April 1 and October 1 of each year. The 2010 Senior Notes mature on April 1, 2018.	250,000	250,000
	960,000	978,000
Less: unamortized discount	(6,755)	(7,100)
Long-term debt, net of unamortized discount	$ 953,245	$ 970,900

Aggregate future principal payments required in accordance with the terms of the 2012 Term Loan, the 2012 ABL Revolver and the indentures governing the 2010 Senior Notes and the 2012 Senior Notes are as follows:

(In thousands) **Year Ending March 31,**		**Amount**
2014 (remaining nine months ending March 31, 2014)	$	—
2015		—
2016		—
2017		15,000
2018		—
Thereafter		945,000
	$	960,000

11.Fair Value Measurements

For certain of our financial instruments, including cash, accounts receivable, accounts payable and other current liabilities, the carrying amounts approximate their respective fair values due to the relatively short maturity of these amounts.

The Fair Value Measurements and Disclosures topic of the FASB ASC requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market assuming an orderly transaction between market participants. The Fair Value Measurements and Disclosures topic established market (observable inputs) as the preferred source of fair value, to be followed by the Company's assumptions of fair value based on hypothetical transactions (unobservable inputs) in the absence of observable market inputs. Based upon the above, the following fair value hierarchy was created:

Level 1 - Quoted market prices for identical instruments in active markets;

Level 2 - Quoted prices for similar instruments in active markets, as well as quoted prices for identical or similar instruments in markets that are not considered active; and

Level 3 - Unobservable inputs developed by the Company using estimates and assumptions reflective of those that would be utilized by a market participant.

The market values have been determined based on market values for similar instruments adjusted for certain factors. As such, the 2012 Term Loan, the 2012 Senior Notes, the 2010 Senior Notes and the 2012 ABL Revolver are measured in Level 2 of the above hierarchy. At June 30, 2013 and March 31, 2013, we did not have any assets or liabilities measured in Level 1 or 3. During any of the periods presented, there were no transfers of assets or liabilities between Levels 1, 2 and 3.

At June 30, 2013 and March 31, 2013, the carrying value of our 2012 Senior Notes was $250.0 million. The market value of our 2012 Senior Notes was $272.5 million and $281.9 million at June 30, 2013 and March 31, 2013, respectively.

At June 30, 2013 and March 31, 2013, the carrying value of the 2012 Term Loan was $445.0 million. The market value of the 2012 Term Loan was $446.1 million and $451.1 million at June 30, 2013 and March 31, 2013, respectively.

At June 30, 2013 and March 31, 2013, the carrying value of our 2010 Senior Notes was $250.0 million. The market value of our 2010 Senior Notes was $266.3 million and $271.9 million at June 30, 2013 and March 31, 2013, respectively.

At June 30, 2013 and March 31, 2013, the carrying value of the 2012 ABL Revolver was $15.0 million and $33.0 million, respectively. The market value of the 2012 ABL Revolver was $14.1 million and $33.0 million at June 30, 2013 and March 31, 2013, respectively.

12.Stockholders' Equity

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

Each share of common stock has the right to one vote on all matters submitted to a vote of stockholders. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, subject to prior rights of holders of all classes of stock outstanding having priority rights as to dividends. No dividends have been declared or paid on the Company's common stock through June 30, 2013.

During the three months ended June 30, 2013 and June 30, 2012, we repurchased 10,726 shares and zero shares, respectively, of restricted common stock from our employees pursuant to the provisions of the various employee restricted stock awards. The repurchases were at an average price of $25.96. All of the repurchased shares have been recorded as treasury stock.

13.Accumulated Other Comprehensive Income (Loss)

The table below presents accumulated other comprehensive income (loss) ("AOCI"), which is comprised of various items that affect equity and results from recognized transactions and other economic events, other than transactions with owners in their capacity as owners. As discussed in Note 1 above, ASU 2013-02 did not have a significant impact on our financial statements.

AOCI consisted of the following at June 30, 2013 and March 31, 2013:

(In thousands)	June 30, 2013	March 31, 2013
Components of Accumulated Other Comprehensive Income (Loss)		
Cumulative translation adjustment	$ 1	$ (91)
Total accumulated other comprehensive income (loss)	$ 1	$ (91)

14.Earnings Per Share

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

(In thousands, except per share data)	Three Months Ended June 30, 2013	2012
Numerator		
Net income	$ 20,692	$ 14,655
Denominator		
Denominator for basic earnings per share — weighted average shares outstanding	51,222	50,342
Dilutive effect of unvested restricted common stock (including restricted stock units) and options issued to employees and directors	818	764
Denominator for diluted earnings per share	52,040	51,106
Earnings per Common Share:		
Basic net earnings per share	$ 0.40	$ 0.29
Diluted net earnings per share	$ 0.40	$ 0.29

For the three months ended June 30, 2013 and 2012, there were 0.2 million and 0.4 million shares, respectively, attributable to outstanding stock-based awards that were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive.

15.Share-Based Compensation

In connection with our initial public offering, the Board of Directors adopted the 2005 Long-Term Equity Incentive Plan (the "Plan"), which provides for the grant of up to a maximum of 5.0 million shares of restricted stock, stock options, restricted stock units and other equity-based awards. Directors, officers and other employees of the Company and its subsidiaries, as well as others performing services for the Company, are eligible for grants under the Plan.

During the three months ended June 30, 2013, pre-tax share-based compensation costs charged against income were $1.2 million and the related income tax benefit recognized was $0.5 million. During the three months ended June 30, 2012, pre-tax share-based compensation costs charged against income were $0.9 million and the related income tax benefit recognized was $0.3 million.

Restricted Shares and Restricted Stock Units

Restricted shares and restricted stock units granted to employees under the Plan generally vest in three to five years, primarily upon the attainment of certain time vesting thresholds, and may also be contingent on the attainment of certain performance goals by the Company, including revenue and earnings before income taxes, depreciation and amortization targets. The restricted share and restricted stock unit awards provide for accelerated vesting if there is a change of control, as defined in the Plan. On May 14, 2013, the Compensation Committee of our Board of Directors granted 113,637 restricted stock units to certain executive officers and employees under the Plan. Of those grants, 55,637 restricted stock units vest in their entirety on the three-year anniversary of the date of grant, and 58,000 restricted stock units vest 33.3% per year over three years. Upon vesting, the units will be settled in shares of our common stock. Termination of employment prior to vesting will result in forfeiture of the restricted common stock units.

The restricted common stock units granted to directors will vest in their entirety one year after the date of grant so long as the membership on the Board of Directors continues through the vesting date, with the settlement in common stock to occur on the earliest of the director's death, disability or six month anniversary of the date on which the director's Board membership ceases for reasons other than death or disability. The common stock units granted to employees generally vest in their entirety on the three-year anniversary of the date of the grant. Upon vesting, the units will be settled in shares of our common stock. The fair value of the common stock units is determined using the closing price of our common stock on the day of grant. The weighted-average grant-date fair value of restricted stock units granted during the three months ended June 30, 2013 and 2012 was $29.94 and $13.50, respectively.

A summary of the Company's restricted shares and restricted stock units granted under the Plan is presented below:

Restricted Shares and Restricted Stock Units	**Shares (in thousands)**	**Weighted-Average Grant-Date Fair Value**
Three months ended June 30, 2012:		
Outstanding at March 31, 2012	363.4	$ 9.92
Granted	123.8	13.50
Vested and issued	—	—
Forfeited	(3.0)	10.11
Outstanding at June 30, 2012	484.2	10.84
Vested at June 30, 2012	54.0	7.40
Three months ended June 30, 2013:		
Outstanding at March 31, 2013	421.3	$ 11.01
Granted	113.6	29.94
Vested and issued	(27.7)	9.03
Forfeited	(3.6)	13.24
Outstanding at June 30, 2013	503.6	15.38
Vested at June 30, 2013	83.1	9.63

Options

The Plan provides that the exercise price of options granted shall be no less than the fair market value of the Company's common stock on the date the options are granted. Options granted have a term of no greater than ten years from the date of grant and vest in accordance with a schedule determined at the time the option is granted, generally three to five years. The option awards provide for accelerated vesting if there is a change in control, as defined in the Plan.

The fair value of each option award is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below. Expected volatilities are based on the historical volatility of our common stock and other factors, including the historical volatilities of comparable companies. We use appropriate historical data, as well as current data, to estimate option exercise and employee termination behaviors. Employees that are expected to exhibit similar exercise or termination behaviors are grouped together for the purposes of valuation. The expected terms of the options granted are derived from management's estimates and consideration of information derived from the public filings of companies similar to us and represent the period of time that options granted are expected to be outstanding. The risk-free rate represents the yield on U.S. Treasury bonds with a maturity equal to the expected term of the granted option. On May 14, 2013, the Compensation Committee of our Board of Directors granted stock options to acquire 227,672 shares of our common stock to certain executive officers and employees under the Plan. The stock options will vest 33.3% per year over three years and are exercisable for up to ten years from the date of grant. These stock options were granted at an exercise price of $29.94 per share, which is equal to the closing price for our common stock on the day of the grant. Termination of employment prior to vesting will result in forfeiture of the unvested stock options. Vested stock options will remain exercisable by the employee after termination, subject to the terms of the Plan.

The weighted-average grant-date fair value of the options granted during the three months ended June 30, 2013 and 2012 was $4.71 and $5.96, respectively.

	Three Months Ended June 30,	
	2013	**2012**
Expected volatility	48.0%	43.8%
Expected dividends	$ —	$ —
Expected term in years	6.0	6.5
Risk-free rate	1.3%	1.2%

A summary of option activity under the Plan is as follows:

Options	**Shares (in thousands)**	**Weighted-Average Exercise Price**	**Weighted-Average Remaining Contractual Term**	**Aggregate Intrinsic Value (in thousands)**
Three months ended June 30, 2012:				
Outstanding at March 31, 2012	1,745.4	$ 8.44		
Granted	423.0	13.24		
Exercised	(6.8)	11.84		
Forfeited or expired	(5.7)	10.12		
Outstanding at June 30, 2012	2,155.9	9.37	7.9	$ 13,885
Exercisable at June 30, 2012	802.7	8.74	7.2	5,679
Three months ended June 30, 2013:				
Outstanding at March 31, 2013	1,386.4	$ 10.43		
Granted	227.7	29.94		
Exercised	(25.0)	12.40		
Forfeited or expired	(8.0)	13.24		
Outstanding at June 30, 2013	1,581.1	13.19	6.2	$ 9,840
Exercisable at June 30, 2013	515.9	11.27	7.2	3,715

The aggregate intrinsic value of options exercised in the three months ended June 30, 2013 was $9.2 million. At June 30, 2013, there was no intrinsic value for options granted during the three months ended June 30, 2013, as the exercise price of these options was greater than the closing price of our common stock as of June 30, 2013.

At June 30, 2013, there were $7.1 million of unrecognized compensation costs related to nonvested share-based compensation arrangements under the Plan, based on management's estimate of the shares that will ultimately vest. We expect to recognize such costs over a weighted-average period of 1.1 years. The total fair value of options and restricted shares vested during the three months ended June 30, 2013 and 2012 was $1.9 million and $0.8 million, respectively. For the three months ended June 30, 2013 and 2012, cash received from the exercise of stock options was $0.3 million and $0.1 million, respectively, and we realized $1.1 million and $0.1 million, respectively, in tax benefits for the tax deductions resulting from these option exercises. At June 30, 2013, there were 1.6 million shares available for issuance under the Plan.

16.Income Taxes

Income taxes are recorded in our quarterly financial statements based on our estimated annual effective income tax rate, subject to adjustments for discrete events, should they occur. The effective tax rate used in the calculation of income taxes was 38.3% and 38.9% for the three months ended June 30, 2013 and June 30, 2012, respectively. The decrease in the effective tax rate for the three-months ended June 30, 2013 is primarily due to lower state income taxes.

At June 30, 2013, a wholly-owned subsidiary had a net operating loss carryforward of approximately $1.1 million, which may be used to offset future taxable income of the consolidated group and which begins to expire in 2020. The net operating loss carryforward is subject to an annual limitation as to usage of approximately $0.2 million pursuant to Internal Revenue Code Section 382.

We experienced no change in our uncertain tax liability during the three months ended June 30, 2013. Therefore, the balance in our uncertain tax liability was $1.0 million at June 30, 2013 and March 31, 2013. We recognize interest and penalties related to uncertain tax positions as a component of income tax expense. We did not incur any material interest or penalties related to income taxes in any of the periods presented.

17. Commitments and Contingencies

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

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

The following summarizes future minimum lease payments for our operating leases as of June 30, 2013:

(In thousands)

Year Ending March 31,	Facilities	Equipment	Total
2014 (Remaining nine months ending March 31, 2014)	$ 1,501	$ 117	$ 1,618
2015	1,049	136	1,185
2016	994	135	1,129
2017	1,023	68	1,091
2018	1,044	—	1,044
Thereafter	—	—	—
	$ 5,611	$ 456	$ 6,067

Rent expense for each of the three months ended June 30, 2013 and 2012 was $0.3 million.

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

(In thousands)		
Year Ending March 31,		**Amount**
2014 (Remaining nine months ending March 31, 2014)	$	849
2015		1,105
2016		1,074
2017		1,044
2018		1,013
Thereafter		1,542
	$	6,627

18. Concentrations of Risk

Our revenues are concentrated in the areas of OTC Healthcare and Household Cleaning products. We sell our products to mass merchandisers, food and drug stores, and dollar and club stores. During the three months ended June 30, 2013, approximately 44.4% of our total revenues were derived from our five top selling brands. During the three months ended June 30, 2012, approximately 42.3% and of our total revenues were derived from our five top selling brands. One customer, Walmart, accounted for more than 10% of our gross revenues for each of the periods presented. Walmart accounted for approximately 12.5% of our gross revenues for the three months ended June 30, 2013, and approximately 20.6% of our gross revenues for the three months ended June 30, 2012. At June 30, 2013, approximately 19.3% of accounts receivable were owed by the same customer.

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

At June 30, 2013, we had relationships with 50 third-party manufacturers. Of those, we had long-term contracts with 21 manufacturers that produced items that accounted for approximately 79.6% of gross sales for the three months ended June 30, 2013. At June 30, 2012, we had relationships with 45 third-party manufacturers. Of those, we had long-term contracts with 21 manufacturers that produced items that accounted for approximately 84.9% of gross sales for the three months ended June 30, 2012. The fact that we do not have long-term contracts with certain manufacturers means they could cease manufacturing our products at any time and for any reason or initiate arbitrary and costly price increases, which could have a material adverse effect on our business, financial condition and results from operations.

19. Business Segments

Segment information has been prepared in accordance with the Segment Reporting topic of the FASB ASC 280. Our current operating and reportable segments consist of (i) OTC Healthcare and (ii) Household Cleaning. There were no inter-segment sales or transfers during any of the periods presented. We evaluate the performance of our operating segments and allocate resources to them based primarily on contribution margin.

The tables below summarize information about our operating and reportable segments.

	Three Months Ended June 30, 2013			Three Months Ended June 30, 2012		
In thousands)	**OTC Healthcare**	**Household Cleaning**	**Consolidated**	**OTC Healthcare**	**Household Cleaning**	**Consolidated**
Net sales	$ 122,768	$ 19,333	$ 142,101	$ 126,004	$ 19,916	$ 145,920
Other revenues	157	713	870	181	896	1,077
Total revenues	122,925	20,046	142,971	126,185	20,812	146,997
Cost of sales	45,011	14,477	59,488	47,399	15,994	63,393
Gross profit	77,914	5,569	83,483	78,786	4,818	83,604
Advertising and promotion	18,232	908	19,140	17,853	2,472	20,325
Contribution margin	$ 59,682	$ 4,661	64,343	$ 60,933	$ 2,346	63,279
Other operating expenses			14,902			19,446
Operating income			49,441			43,833
Other expense			15,905			19,848
Income before income taxes			33,536			23,985
Provision for income taxes			12,844			9,330
Net income			$ 20,692			$ 14,655

The table below summarizes information about our revenues from similar product groups.

	Three Months Ended June 30,	
(In thousands)	**2013**	**2012**
Analgesics	$ 28,223	$ 27,675
Cough & Cold	21,582	23,804
Gastrointestinal	21,837	24,204
Eye & Ear Care	22,702	21,707
Dermatologicals	13,932	14,482
Oral Care	11,159	10,530
Other OTC	3,490	3,783
Total OTC Healthcare Segment	122,925	126,185
Household Cleaning Segment	20,046	20,812
Consolidated Total Revenues	$ 142,971	$ 146,997

During the three months ended June 30, 2013, approximately 89.0% of our sales were made to customers in the United States, while during the three months ended June 30, 2012, approximately 91.4% of our sales were made to customers in the United States. Other than the United States, no individual geographical area accounted for more than 10% of net sales in any of the periods presented. During the three months ended June 30, 2013, sales to Canada accounted for approximately 8.2% of our total revenues, while during the three months ended June 30, 2012 approximately 6.4% of our total revenue was attributable to sales to Canada.

At June 30, 2013, substantially all of our long-term assets were located in the United States and have been allocated to the operating segments as follows:

(In thousands)	**OTC Healthcare**	**Household Cleaning**	**Consolidated**
Goodwill	$ 160,157	$ 7,389	$ 167,546
Intangible assets			
Indefinite-lived	1,123,898	119,820	1,243,718
Finite-lived	99,342	27,475	126,817
	1,223,240	147,295	1,370,535
	$ 1,383,397	$ 154,684	$ 1,538,081

20. Condensed Consolidating Financial Statements

As described in Note 10, Prestige Brands Holdings, Inc., together with certain of our 100% owned subsidiaries, have fully and unconditionally guaranteed, on a joint and several basis, the obligations of Prestige Brands, Inc. (a 100% owned subsidiary of the Company) set forth in the indentures governing the 2012 Senior Notes and the 2010 Senior Notes, including, without limitation, the obligation to pay principal and interest with respect to the 2012 Senior Notes and the 2010 Senior Notes. The 100% owned subsidiaries of the Company that have guaranteed the 2012 Senior Notes and the 2010 Senior Notes are as follows: Prestige Personal Care Holdings, Inc., Prestige Personal Care, Inc., Prestige Services Corp., Prestige Brands Holdings, Inc. (a Virginia corporation), Prestige Brands International, Inc., Medtech Holdings, Inc., Medtech Products Inc., The Cutex Company, The Spic and Span Company, and Blacksmith Brands, Inc. (collectively, the "Subsidiary Guarantors"). A significant portion of our operating income and cash flow is generated by our subsidiaries. As a result, funds necessary to meet Prestige Brands, Inc.'s debt service obligations are provided in part by distributions or advances from our subsidiaries. Under certain circumstances, contractual and legal restrictions, as well as the financial condition and operating requirements of our subsidiaries, could limit Prestige Brands, Inc.'s ability to obtain cash from our subsidiaries for the purpose of meeting our debt service obligations, including the payment of principal and interest on the 2012 Senior Notes and the 2010 Senior Notes. Although holders of the 2012 Senior Notes and the 2010 Senior Notes will be direct creditors of the guarantors of the 2012 Senior Notes and the 2010 Senior Notes by virtue of the guarantees, we have indirect subsidiaries located primarily in the United Kingdom and in the Netherlands (collectively, the "Non-Guarantor Subsidiaries") that have not guaranteed the 2012 Senior Notes or the 2010 Senior Notes, and such subsidiaries will not be obligated with respect to the 2012 Senior Notes or the 2010 Senior Notes. As a result, the claims of creditors of the Non-Guarantor Subsidiaries will effectively have priority with respect to the assets and earnings of such companies over the claims of the holders of the 2012 Senior Notes and the 2010 Senior Notes.

Presented below are supplemental Condensed Consolidating Balance Sheets as of June 30, 2013 and March 31, 2013, Condensed Consolidating Income and Comprehensive Income Statements for the three months ended June 30, 2013 and 2012, and Condensed Consolidating Statements of Cash Flows for the three months ended June 30, 2013 and 2012. Such consolidating information includes separate columns for:

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

The Condensed Consolidating Financial Statements are presented using the equity method of accounting for investments in our 100% owned subsidiaries. Under the equity method, the investments in subsidiaries are recorded at cost and adjusted for our share of the subsidiaries' cumulative results of operations, capital contributions, distributions and other equity changes. The elimination entries principally eliminate investments in subsidiaries and intercompany balances and transactions. The financial information in this note should be read in conjunction with the Consolidated Financial Statements presented and other notes related thereto contained in this Quarterly Report on Form 10-Q.

Condensed Consolidating Statements of Income and Comprehensive Income
Three Months Ended June 30, 2013

(In thousands)	Prestige Brands Holdings, Inc.	Prestige Brands, Inc., the issuer	Combined Subsidiary Guarantors	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues						
Net sales	$ —	$ 24,259	$ 116,619	$ 1,223	$ —	$ 142,101
Other revenues	—	68	863	434	(495)	870
Total revenues	—	24,327	117,482	1,657	(495)	142,971
Cost of Sales						
Cost of sales (exclusive of depreciation shown below)	—	9,458	49,989	536	(495)	59,488
Gross profit	—	14,869	67,493	1,121	—	83,483
Operating Expenses						
Advertising and promotion	—	3,440	15,493	207	—	19,140
General and administrative	1,499	1,643	8,457	35	—	11,634
Depreciation and amortization	517	142	2,595	14	—	3,268
Total operating expenses	2,016	5,225	26,545	256	—	34,042
Operating income (loss)	(2,016)	9,644	40,948	865	—	49,441
Other (income) expense						
Interest income	(12,213)	(14,323)	—	(2)	26,535	(3)
Interest expense	8,607	15,908	17,928	—	(26,535)	15,908
Equity in income of subsidiaries	(19,855)	(14,553)	(679)	—	35,087	—
Total other (income) expense	(23,461)	(12,968)	17,249	(2)	35,087	15,905
Income before income taxes	21,445	22,612	23,699	867	(35,087)	33,536
Provision (benefit) for income taxes	753	3,087	8,816	188	—	12,844
Net income (loss)	$ 20,692	$ 19,525	$ 14,883	$ 679	$ (35,087)	$ 20,692
Comprehensive income, net of tax:						
Currency translation adjustments	1	—	—	(1)	1	1
Total other comprehensive income (loss)	1	—	—	(1)	1	1
Comprehensive income (loss)	$ 20,693	$ 19,525	$ 14,883	$ 678	$ (35,086)	$ 20,693

Condensed Consolidating Statements of Income and Comprehensive Income
Three Months Ended June 30, 2012

(In thousands)	Prestige Brands Holdings, Inc.	Prestige Brands, Inc., the issuer	Combined Subsidiary Guarantors	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues						
Net sales	$ —	$ 23,222	$ 121,657	$ 1,041	$ —	$ 145,920
Other revenues	—	67	1,062	475	(527)	1,077
Total revenues	—	23,289	122,719	1,516	(527)	146,997
Cost of Sales						
Cost of sales (exclusive of depreciation shown below)	—	8,441	55,035	444	(527)	63,393
Gross profit	—	14,848	67,684	1,072	—	83,604
Operating Expenses						
Advertising and promotion	—	3,107	16,920	298	—	20,325
General and administrative	1,829	1,729	12,090	503	—	16,151
Depreciation and amortization	132	141	3,005	17	—	3,295
Total operating expenses	1,961	4,977	32,015	818	—	39,771
Operating income (loss)	(1,961)	9,871	35,669	254	—	43,833
Other (income) expense						
Interest income	(12,128)	(10,960)	—	(47)	23,133	(2)
Interest expense	8,666	28,516	5,801	—	(23,133)	19,850
Equity in income of subsidiaries	(13,738)	(19,878)	(133)	—	33,749	—
Total other (income) expense	(17,200)	(2,322)	5,668	(47)	33,749	19,848
Income (loss) before income taxes	15,239	12,193	30,001	301	(33,749)	23,985
Provision (benefit) for income taxes	584	(2,989)	11,618	117	—	9,330
Net income (loss)	14,655	15,182	18,383	184	(33,749)	14,655
Comprehensive income, net of tax:						
Currency translation adjustments	(42)	—	—	(42)	42	(42)
Total other comprehensive income (loss)	(42)	—	—	(42)	42	(42)
Comprehensive income (loss)	$ 14,613	$ 15,182	$ 18,383	$ 142	$ (33,707)	$ 14,613

Condensed Consolidating Balance Sheet
June 30, 2013

(In thousands)	Prestige Brands Holdings, Inc.	Prestige Brands, Inc., the issuer	Combined Subsidiary Guarantors	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets						
Current assets						
Cash and cash equivalents	$ 18,325	$ —	$ —	$ 981	$ —	$ 19,306
Accounts receivable, net	143	11,513	49,220	1,105	—	61,981
Inventories	—	11,787	54,616	514	—	66,917
Deferred income tax assets	239	894	4,934	—	—	6,067
Prepaid expenses and other current assets	2,842	723	4,878	270	—	8,713
Total current assets	21,549	24,917	113,648	2,870	—	162,984
Property and equipment, net	10,455	26	216	—	—	10,697
Goodwill	—	66,007	101,539	—	—	167,546
Intangible assets, net	—	193,262	1,176,967	306	—	1,370,535
Other long-term assets	—	24,332	—	—	—	24,332
Intercompany receivable	651,002	1,892,251	434,939	8,159	(2,986,351)	—
Investment in subsidiary	1,449,631	653,164	7,746	—	(2,110,541)	—
Total Assets	$ 2,132,637	$ 2,853,959	$ 1,835,055	$ 11,335	$ (5,096,892)	$ 1,736,094
Liabilities and Stockholders' Equity						
Current liabilities						
Accounts payable	$ 2,184	$ 7,640	$ 31,517	$ 881	$ —	$ 42,222
Accrued interest payable	—	13,721	—	—	—	13,721
Other accrued liabilities	7,226	2,103	15,366	1,097	—	25,792
Total current liabilities	9,410	23,464	46,883	1,978	—	81,735
Long-term debt						
Principal amount	—	960,000	—	—	—	960,000
Less unamortized discount	—	(6,755)	—	—	—	(6,755)
Long-term debt, net of unamortized discount	—	953,245	—	—	—	953,245
Deferred income tax liabilities	—	55,859	144,873	71	—	200,803
Intercompany payable	1,622,916	441,102	922,333	—	(2,986,351)	—
Total Liabilities	1,632,326	1,473,670	1,114,089	2,049	(2,986,351)	1,235,783
Stockholders' Equity						
Preferred share rights	283	—	—	—	—	283
Common stock	514	—	—	—	—	514
Additional paid-in capital	403,643	1,280,945	624,742	1,111	(1,906,798)	403,643
Treasury stock, at cost - 191 shares	(965)	—	—	—	—	(965)
Accumulated other comprehensive income, net of tax	(103)	—	—	(103)	103	(103)
Retained earnings (accumulated deficit)	96,939	99,344	96,224	8,278	(203,846)	96,939
Total Stockholders' Equity	500,311	1,380,289	720,966	9,286	(2,110,541)	500,311
Total Liabilities and Stockholders' Equity	$ 2,132,637	$ 2,853,959	$ 1,835,055	$ 11,335	$ (5,096,892)	$ 1,736,094

Condensed Consolidating Balance Sheet
March 31, 2013

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

Condensed Consolidating Statement of Cash Flows
Three Months Ended June 30, 2013

(In thousands)	Prestige Brands Holdings, Inc.	Prestige Brands, Inc., the issuer	Combined Subsidiary Guarantors	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating Activities						
Net income (loss)	$ 20,692	$ 19,525	$ 14,883	$ 679	$ (35,087)	$ 20,692
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Depreciation and amortization	517	142	2,595	14	—	3,268
Deferred income taxes	(21)	529	6,291	(2)	—	6,797
Amortization of deferred financing costs	—	892	—	—	—	892
Stock-based compensation costs	1,193	—	—	—	—	1,193
Amortization of debt discount	—	345	—	—	—	345
Gain on sale of assets	—	—	(2)	—	—	(2)
Equity in income of subsidiaries	(19,855)	(14,553)	(679)	—	35,087	—
Changes in operating assets and liabilities, net of effects from acquisitions:						
Accounts receivable	(122)	2,362	9,125	(295)	—	11,070
Inventories	—	(623)	(6,142)	49	—	(6,716)
Prepaid expenses and other current assets	2,100	(630)	(1,269)	(14)	—	187
Accounts payable	(417)	(2,960)	(6,178)	408	—	(9,147)
Accrued liabilities	(5,468)	246	(741)	182	—	(5,781)
Net cash provided by (used in) operating activities	(1,381)	5,275	17,883	1,021	—	22,798
Investing Activities						
Purchases of property and equipment	(1,364)	—	—	—	—	(1,364)
Proceeds from the sale of property and equipment	—	—	2	—	—	2
Net cash provided by (used in) investing activities	(1,364)	—	2	—	—	(1,362)
Financing Activities						
Repayments under revolving credit agreement	—	(18,000)	—	—	—	(18,000)
Payment of deferred financing costs	—	(280)	—	—	—	(280)
Proceeds from exercise of stock options	309	—	—	—	—	309
Excess tax benefits from share-based awards	452	—	—	—	—	452
Shares surrendered as payment of tax withholding	(278)	—	—	—	—	(278)
Intercompany activity, net	5,867	13,005	(17,885)	(987)	—	—
Net cash (used in) provided by financing activities	6,350	(5,275)	(17,885)	(987)	—	(17,797)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(3)	—	(3)
Increase in cash and cash equivalents	3,605	—	—	31	—	3,636
Cash - beginning of period	14,720	—	—	950	—	15,670
Cash - end of period	$ 18,325	$ —	$ —	$ 981	$ —	$ 19,306

Condensed Consolidating Statement of Cash Flows
Three Months Ended June 30, 2012

(In thousands)	Prestige Brands Holdings, Inc.	Prestige Brands, Inc., the issuer	Combined Subsidiary Guarantors	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating Activities						
Net income (loss)	$ 14,655	$ 15,182	$ 18,383	$ 184	$ (33,749)	$ 14,655
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Depreciation and amortization	132	141	3,005	17	—	3,295
Deferred income taxes	20	908	6,154	(6)	—	7,076
Amortization of deferred financing costs	—	1,048	—	—	—	1,048
Stock-based compensation costs	913	—	—	—	—	913
Amortization of debt discount	—	404	—	—	—	404
Loss on disposal of equipment	—	—	21	—	—	21
Equity in income of subsidiaries	(13,738)	(19,878)	(133)	—	33,749	—
Changes in operating assets and liabilities, net of effects from acquisitions:						
Accounts receivable	(4)	2,264	(11,295)	(179)	—	(9,214)
Inventories	—	593	(3,633)	292	—	(2,748)
Prepaid expenses and other current assets	535	(39)	(642)	152	—	6
Accounts payable	(2,954)	846	2,149	94	—	135
Accrued liabilities	(4,730)	285	3,605	(9)	—	(849)
Net cash provided by (used in) operating activities	(5,171)	1,754	17,614	545	—	14,742
Investing Activities						
Purchases of property and equipment	(1,198)	—	—	—	—	(1,198)
Proceeds from sale of property and equipment	—	—	15	—	—	15
Acquisition of GSK purchase price adjustments	—	—	(226)	—	—	(226)
Intercompany activity, net	(226)	—	226	—	—	—
Net cash (Used in) provided by investing activities	(1,424)	—	15	—	—	(1,409)
Financing Activities						
Repayment of long-term debt	—	(45,000)	—	—	—	(45,000)
Repayments under revolving credit agreement	—	(8,000)	—	—	—	(8,000)
Borrowings under revolving credit agreement	—	25,000	—	—	—	25,000
Proceeds from exercise of stock options	80	—	—	—	—	80
Intercompany activity, net	(8,138)	26,246	(17,629)	(479)	—	—
Net cash used in financing activities	(8,058)	(1,754)	(17,629)	(479)	—	(27,920)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(24)	—	(24)
(Decrease) increase in cash and cash equivalents	(14,653)	—	—	42	—	(14,611)
Cash - beginning of period	18,221	—	—	794	—	19,015
Cash - end of period	$ 3,568	$ —	$ —	$ 836	$ —	$ 4,404

The Company has revised its Condensed Consolidating Financial Statements to correct the presentation of certain intercompany transactions between Prestige Brands Holdings, Inc. ("the Parent"), Prestige Brands, Inc. ("the Issuer"), the Combine Guarantor Subsidiaries and the Combined Non-Guarantor Subsidiaries. There were no changes to any of the Company's Consolidated Financial Statements. The Company assessed the materiality of these items on previously issued annual and interim financial statements in accordance with SEC Staff Accounting Bulletin No. 99 and No. 108, and concluded that the revisions were not material to the consolidated financial statements. The impact of these revisions for the three month period ended June 30, 2012 are shown in the following tables:

Condensed Consolidating Statement of Income and Comprehensive Income for the Three Months Ended June 30, 2012:

(In thousands)	**Prestige Brands Holdings, Inc.**		**Prestige Brands, Inc., the issuer**		**Combined Subsidiary Guarantors**		**Combined Non-Guarantor Subsidiaries**		**Eliminations**	
	Reported	Revised	Reported	Revised	Reported	Revised	Reported	Revised	Reported	Revised
Revenue	$ —	$ —	$ 23,289	$ 23,289	$ 122,719	$ 122,719	$ 1,516	$ 1,516	$ (527)	$ (527)
Income before income taxes	10,902	15,239	12,193	12,193	29,808	30,001	362	301	(29,280)	(33,749)
Provision (benefit) for income taxes	(3,753)	584	1,361	(2,989)	11,554	11,618	168	117	—	—
Net income	14,655	14,655	10,832	15,182	18,254	18,383	194	184	(29,280)	(33,749)

Condensed Consolidating Statement of Cash Flows for the Three Months Ended June 30, 2012:

(In thousands)	**Prestige Brands Holdings, Inc.**		**Prestige Brands, Inc., the issuer**		**Combined Subsidiary Guarantors**		**Combined Non-Guarantor Subsidiaries**		**Eliminations**	
	Reported	Revised	Reported	Revised	Reported	Revised	Reported	Revised	Reported	Revised
Net cash provided by (used in) operating activities	$ (4,028)	$ (5,171)	$ (2,388)	$ 1,754	$ 19,335	$ 17,614	$ 1,823	$ 545	$ —	$ —
Net cash provided by (used in) investing activities	(1,424)	(1,424)	—	—	15	15	—	—	—	—
Net cash provided by (used in) financing activities	(9,201)	(8,058)	2,388	(1,754)	(19,350)	(17,629)	(1,757)	(479)	—	—

21. Subsequent Event

On July 1, 2013, we completed the acquisition of Care Pharmaceuticals Pty Ltd. ("Care"), which was funded through a combination of our existing senior secured credit facility and cash on hand.

The Care brands include the *Fess* line of cold/allergy and saline nasal health products, which is the leading saline spray for both adults and children in Australia. Other key brands include *Painstop* analgesic, *Rectogesic* for rectal discomfort, and the *Fab* line of nutritional supplements. The brands acquired are complementary to our existing OTC Healthcare portfolio.

As of the date of this Quarterly Report on Form 10−Q, we have not yet completed the initial accounting for the acquisition, and the acquisition date fair values of the acquired assets and assumed liabilities have not yet been determined.

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

The following discussion of our financial condition and results of operations should be read together with the Consolidated Financial Statements and the related notes included in this Quarterly Report on Form 10-Q, as well as our Annual Report on Form 10-K for the fiscal year ended March 31, 2013. This discussion and analysis may contain forward-looking statements that involve certain risks, assumptions and uncertainties. Future results could differ materially from the discussion that follows for many reasons, including the factors described in Part I, Item 1A., "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2013, as well as those described in Part II, Item 1A., "Risk Factors" in this Quarterly Report on Form 10-Q and in future reports filed with the Securities and Exchange Commission (the "SEC").

See also "Cautionary Statement Regarding Forward-Looking Statements" on page 44 of this Quarterly Report on Form 10-Q.

General

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

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

Acquisitions and Divestitures

Acquisition of GlaxoSmithKline OTC Brands

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

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

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

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

These acquisitions were accounted for in accordance with the Business Combinations topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), which requires that the total cost of an acquisition be allocated to the tangible and intangible assets acquired and liabilities assumed based upon their respective fair values at the date of acquisition.

The purchase price of the GSK Brands I and GSK Brands II was funded by cash provided by the issuance of long-term debt and additional bank borrowings, which are discussed further in Note 10 to the Consolidated Financial Statements in this Quarterly Report on Form 10-Q. In April 2012, we received the post-closing inventory and apportionment adjustments, which required us to pay an additional $2.8 million to GSK, and in May 2012 we received a revised post-closing inventory and apportionment adjustment, which required us to pay an additional $0.2 million, for a total of $3.0 million, to GSK.

Concurrent with the closing of the GSK Brands I transaction, we entered into a Transitional Services Agreement with GSK (the "TSA"), whereby GSK provided us with various services, including marketing, operations, finance and other services, from the GSK Brands I acquisition date primarily through June 30, 2012, with additional finance support through August 31, 2012. As part of the TSA, GSK, among other things, shipped products, invoiced customers, collected from customers and paid certain vendors on our behalf. Our initial costs under the TSA were approximately $2.5 million per month for the length of the agreement and were reduced during the service period as we removed certain services and transitioned those processes to us. For the three months ended June 30, 2012, we incurred $6.8 million in TSA costs. Pursuant to the TSA, we received on a monthly basis the amount owed to us for revenues and expenses, net of GSK's TSA fees and inventory that GSK purchased on our behalf.

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

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

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

The fair value of the trade names is comprised of $556.9 million of non-amortizable intangible assets and $67.2 million of amortizable intangible assets. We are amortizing the purchased amortizable intangible assets on a straight-line basis over an estimated weighted average useful life of 19.3 years. The weighted average remaining life for amortizable intangible assets at June 30, 2013 was 17.7 years.

The operating results of the GSK Brands I have been included in our Consolidated Financial Statements from February 1, 2012, while the operating results of the GSK Brands II are included in our Consolidated Financial Statements beginning April 1, 2012.

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

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

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

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

Three Months Ended June 30, 2013 compared to the Three Months Ended June 30, 2012

Revenues

	Three Months Ended June 30,					
Revenues	**2013**	**%**	**2012**	**%**	**Increase (Decrease)**	**%**
Analgesics	$ 28,223	19.7	$ 27,675	18.8	$ 548	2.0
Cough & Cold	21,582	15.1	23,804	16.2	(2,222)	(9.3)
Gastrointestinal	21,837	15.3	24,204	16.5	(2,367)	(9.8)
Eye & Ear Care	22,702	15.9	21,707	14.8	995	4.6
Dermatologicals	13,932	9.7	14,482	9.9	(550)	(3.8)
Oral Care	11,159	7.8	10,530	7.2	629	6.0
Other OTC	3,490	2.4	3,783	2.6	(293)	(7.7)
Total OTC Healthcare Revenues	122,925	86.0	126,185	85.8	(3,260)	(2.6)
Household Cleaning	20,046	14.0	20,812	14.2	(766)	(3.7)
Consolidated Total Revenues	$ 142,971	100.0	$ 146,997	100.0	$ (4,026)	(2.7)

Revenues for the three months ended June 30, 2013 were $143.0 million, a decrease of $4.0 million, or 2.7%, versus the three months ended June 30, 2012. The decrease in revenues reflects the effect of the divestiture of *Phazyme*, a shift in timing of customer related promotional programs and the timing of the prior year period's cough-cold shipments. We expect revenues to be impacted by the return to the market of competitive products that had been recalled. Revenues from customers outside of North America, which represent 2.8% of total revenues for the quarter ended June 30, 2013, increased by $0.8 million, or 24.4%, during the three months ended June 30, 2013 compared to the three months ended June 30, 2012.

OTC Healthcare Segment

Revenues for the OTC Healthcare segment decreased $3.3 million, or 2.6%, during the three months ended June 30, 2013 versus the three months ended June 30, 2012. This decrease was primarily due to the effect of the divestiture of *Phazyme* a shift in timing of customer-related promotional programs and lower volumes for *Pediacare*, *Beano*, *Compound W*, *Little Remedies*, and *Ectotrin*. The decrease in revenues was partially offset by an increase in sales volume for *Chloraseptic*, *Clear Eyes*, *Ludens*, and *Gaviscon*, and new product launches for *BC* and *Goody's*.

Household Cleaning Segment

Revenues for the Household Cleaning segment decreased slightly by $0.8 million, or 3.7%, during the three months ended June 30, 2013 versus the three months ended June 30, 2012.

Cost of Sales

Cost of Sales	Three Months Ended June 30, 2013	%	2012	%	Increase (Decrease)	%
OTC Healthcare	$ 45,011	36.6	$ 47,399	37.6	$ (2,388)	(5.0)
Household Cleaning	14,477	72.2	15,994	76.8	(1,517)	(9.5)
	$ 59,488	41.6	$ 63,393	43.1	$ (3,905)	(6.2)

Cost of sales decreased $3.9 million, or 6.2% during the three months ended June 30, 2013 versus the three months ended June 30, 2012. As a percentage of total revenue, cost of sales decreased to 41.6% in the three months ended June 30, 2013 from 43.1% in the three months ended June 30, 2012. The decrease in cost of sales as a percentage of revenues was primarily due to lower promotional spending in the current quarter, resulting in a higher net revenue relative to product cost.

OTC Healthcare Segment
Cost of sales for the OTC Healthcare segment decreased $2.4 million, or 5.0%, during the three months ended June 30, 2013 versus the three months ended June 30, 2012. As a percentage of OTC Healthcare revenues, cost of sales in the OTC Healthcare segment decreased from 37.6% during the three months ended June 30, 2012 to 36.6% during the three months ended June 30, 2013. The decrease in cost of sales as a percentage of revenues is primarily attributable to a shift in timing in promotional spending, slightly offset by a decrease in sales volume primarily in the cough and cold category.

Household Cleaning Segment
Cost of sales for the Household Cleaning segment decreased $1.5 million, or 9.5%, during the three months ended June 30, 2013 versus the three months ended June 30, 2012. As a percentage of Household Cleaning revenues, cost of sales decreased from 76.8% during the three months ended June 30, 2012 to 72.2% during the three months ended June 30, 2013. The decrease in the cost of sales as a percentage of revenues was the result of lower sales promotional spending.

Gross Profit

Gross Profit	Three Months Ended June 30, 2013	%	2012	%	Increase (Decrease)	%
OTC Healthcare	$ 77,914	63.4	$ 78,786	62.4	$ (872)	(1.1)
Household Cleaning	5,569	27.8	4,818	23.2	751	15.6
	$ 83,483	58.4	$ 83,604	56.9	$ (121)	(0.1)

Gross profit for the three months ended June 30, 2013 decreased $0.1 million, or 0.1%, when compared with the three months ended June 30, 2012. As a percentage of total revenues, gross profit increased from 56.9% in the three months ended June 30, 2012 to 58.4% in the three months ended June 30, 2013. The lower gross profit percentage was primarily the result of the divestiture of *Phazyme* and lower sales volumes.

OTC Healthcare Segment
Gross profit for the OTC Healthcare segment decreased $0.9 million, or 1.1%, during the three months ended June 30, 2013 versus the three months ended June 30, 2012. As a percent of OTC Healthcare revenues, gross profit increased from 62.4% during the three months ended June 30, 2012 to 63.4% during the three months ended June 30, 2013. The lower gross profit was primarily the result of the divestiture of *Phazyme* and lower sales volumes.

Household Cleaning Segment
Gross profit for the Household Cleaning segment increased by $0.8 million, or 15.6%, during the three months ended June 30, 2013 versus the three months ended June 30, 2012. As a percentage of Household Cleaning revenue, gross profit increased from 23.2% during the three months ended June 30, 2012 to 27.8% during the three months ended June 30, 2013. The increase in gross profit was primarily the result of the lower promotional spending.

Contribution Margin

Contribution Margin	Three Months Ended June 30, 2013	%	2012	%	Increase (Decrease)	%
OTC Healthcare	$ 59,682	48.6	$ 60,933	48.3	$ (1,251)	(2.1)
Household Cleaning	4,661	23.3	2,346	11.3	2,315	98.7
	$ 64,343	45.0	$ 63,279	43.0	$ 1,064	1.7

Contribution margin, a non-GAAP financial measure used as a primary measure for evaluating segment performance, which is defined as gross profit less advertising and promotional expenses, increased $1.1 million, or 1.7%, during the three months ended June 30, 2013 versus the three months ended June 30, 2012. The contribution margin decrease was primarily the result of lower volume and the divestiture of *Phazyme*, which was partially offset by lower advertising and promotional spending and by the higher gross profit percent.

OTC Healthcare Segment

Contribution margin for the OTC Healthcare segment decreased $1.3 million, or 2.1%, during the three months ended June 30, 2013 versus the three months ended June 30, 2012. The contribution margin decrease was primarily the result of lower volume, the divestiture of *Phazyme* and slightly higher advertising and promotional spending partially offset by the higher gross profit percent. Advertising and promotional spending increased $0.4 million, or 2.1%, due primarily to *BC* and *Goody's* new product launches.

Household Cleaning Segment

Contribution margin for the Household Cleaning segment increased $2.3 million, or 98.7%, during the three months ended June 30, 2013 versus the three months ended June 30, 2012. The contribution margin increase was the result of the increased gross profit as a percentage of revenues and lower advertising and promotional spending, which was partially offset by lower sales volumes.

General and Administrative

General and administrative expenses were $11.6 million for the three months ended June 30, 2013 versus $16.2 million for the three months ended June 30, 2012. The decrease in general and administrative expenses was primarily due to transition and integration costs associated with the brands acquired from GSK of $4.1 million, $0.5 million in legal and professional fees, $0.5 million of fees related to the unsolicited proposal, and other business development and consulting costs the prior year period. This decrease was partially offset by higher technology costs of $0.2 million incurred due to a new ERP system implementation and $0.6 million of costs associated with an acquisition completed in July 2013.

Depreciation and Amortization

Depreciation and amortization expense was $3.3 million for the three months ended June 30, 2013 and for the three months ended June 30, 2012. We expect depreciation and amortization to increase in the later half of the year as a result of a new ERP system implementation.

Interest Expense

Net interest expense was $15.9 million during the three months ended June 30, 2013 versus $19.9 million during the three months ended June 30, 2012. The decrease in interest expense was primarily the result of a lower level of indebtedness outstanding resulting from significant payments made on our 2012 Term Loan in 2013 and payments made on our 2012 ABL Revolver during the three months ended June 30, 2013 as well as reduced borrowing rates primarily resulting from the amendment of our 2012 Term Loan competed in February 2013. The average cost of borrowing decreased to 6.6% for the three months ended June 30, 2013 from 6.8% for the three months ended June 30, 2012, which is attributed to refinancing of debt in February 2013. The average indebtedness outstanding decreased from $1,121.0 million during the three months ended June 30, 2012 to $968.1 million during the three months ended June 30, 2013. The decrease in the average indebtedness outstanding is the result of the significant payments made on the 2012 Term Loan and 2012 ABL Revolver, which resulted in lower outstanding debt.

Income Taxes

The provision for income taxes during the three months ended June 30, 2013 was $12.8 million versus $9.3 million during the three months ended June 30, 2012. The effective tax rate during the three months ended June 30, 2013 was 38.3% versus 38.9% during the three months ended June 30, 2012. The decrease in the effective tax rate was primarily due to lower state income taxes. The estimated effective tax rate for the remaining quarters of the fiscal year ending March 31, 2014 is expected to be 38.3%, excluding the impact of discrete items that may occur.

Liquidity and Capital Resources

Liquidity

We have financed and expect to continue to finance our operations with a combination of borrowings and funds generated from operations. Our principal uses of cash are for operating expenses, debt service, acquisitions, working capital and capital expenditures.

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

On March 24, 2010, we issued $150.0 million of senior notes that bear interest at 8.25% with a maturity date of April 1, 2018 (the "2010 Senior Notes"). In November 2010, we issued an additional $100.0 million of 2010 Senior Notes and borrowed an additional $115.0 million term loan under the 2010 Credit Facility.

On January 31, 2012, we issued $250.0 million of 8.125% senior notes with a maturity date of February 1, 2020 (the “2012 Senior Notes”) and also entered into a senior secured credit facility, which consists of (i) a $660.0 million term loan facility (the “2012 Term Loan”) with a seven-year maturity and (ii) a $50.0 million asset-based revolving credit facility (the “2012 ABL Revolver”) with a five-year maturity. In September 2012, we utilized a portion of the accordion feature to increase the amount of our borrowing capacity under the 2012 ABL Revolver by $25.0 million to $75.0 million, and in June 2012, we further increased the amount of our borrowing capacity under the 2012 ABL Revolver by $20.0 million to $95.0 million and reduced our borrowing rate by 0.25%. We used the net proceeds from the 2012 Senior Notes offering, together with the borrowings under the 2012 Term Loan, to finance the acquisition of the GSK Brands, to repay amounts borrowed under the 2010 Credit Facility, to pay fees and expenses incurred in connection with these transactions and for general corporate purposes.

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

Operating Activities

Net cash provided by operating activities was $22.8 million for the three months ended June 30, 2013 compared to $14.7 million for the three months ended June 30, 2012. The $8.1 million increase in net cash provided by operating activities was primarily due to the higher profitability of the Company, which was largely attributed to lower general and administrative costs, lower interest expense, and increased working capital of $2.3 million. The working capital increase was mainly the result of collections in accounts receivable partially offset by additional payments in accounts payable and accrued expenses.

Consistent with the three months ended June 30, 2012, our cash flow from operations exceeded net income for the three months ended June 30, 2013, due to the substantial non-cash charges primarily related to depreciation and amortization, increases in deferred income tax liabilities resulting from differences in the amortization of intangible assets and goodwill for income tax purposes, the amortization of certain deferred financing costs and debt discount and stock-based compensation costs.

Investing Activities

Net cash used in investing activities was $1.4 million for each of the three months ended June 30, 2013 and June 30, 2012. The net cash used in investing activities for the three months ended June 30, 2013, was primarily due to capital expenditures associated with ERP system implementation costs for the three months ended June 30, 2013, while the capital expenditures for the three months ended June 30, 2012 were associated with the build out of our corporate offices.

Financing Activities

Net cash used in financing activities was $17.8 million for the three months ended June 30, 2013 compared to $27.9 million for the three months ended June 30, 2012. During the three months ended June 30, 2013, we made payments of $18.0 million against our 2012 ABL Revolver. This decreased our outstanding indebtedness to $960.0 million at June 30, 2013 from $978.0 million at March 31, 2013.

(In thousands)	Three Months Ended June 30, 2013	2012
Cash provided by (used in):		
Operating Activities	$ 22,798	$ 14,742
Investing Activities	(1,362)	(1,409)
Financing Activities	(17,797)	(27,920)

Capital Resources
The 2010 Senior Notes were issued at an aggregate face value of $150.0 million with a discount to note-holders of $2.2 million and net proceeds to us of $147.8 million. The discount was offered to improve the yield to maturity to lenders reflective of market conditions at the time of the offering. In addition to the discount, we incurred $7.3 million of costs primarily related to fees of bank arrangers and legal advisors, of which $6.6 million was capitalized as deferred financing costs and $0.7 million was expensed as incurred.

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

As of June 30, 2013, we had an aggregate of $960.0 million of outstanding indebtedness, which consisted of the following:

- $250.0 million of 8.25% 2010 Senior Notes due 2018;
- $250.0 million of 8.125% 2012 Senior Notes due 2020;
- $445.0 million of borrowings under the 2012 Term Loan; and
- $15.0 million of borrowings under the 2012 ABL Revolver.

As of June 30, 2013, we had $80.0 million of borrowing capacity under the 2012 ABL Revolver as amended.

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

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

As we deem appropriate, we may from time to time utilize derivative financial instruments to mitigate the impact of changing interest rates associated with our long-term debt obligations or other derivative financial instruments. While we have utilized derivative financial instruments in the past, we did not have any derivative financial instruments outstanding at either June 30, 2013 or March 31, 2013 or during any of the periods presented. We have not entered into derivative financial instruments for trading purposes; all of our derivatives were over-the-counter instruments with liquid markets.

Our debt facilities contain various financial covenants, including provisions that require us to maintain certain leverage, interest coverage and fixed charge ratios. The new senior secured credit facility and the indentures governing the 2010 Senior Notes and the 2012 Senior Notes contain provisions that accelerate our indebtedness on certain changes in control and restrict us from undertaking specified corporate actions, including asset dispositions, acquisitions, payment of dividends and other specified payments, repurchasing our equity securities in the public markets, incurrence of indebtedness, creation of liens, making loans and investments and transactions with affiliates. Specifically, we must:

- Have a leverage ratio of less than 7.10 to 1.0 for the quarter ended June 30, 2013 (defined as, with certain adjustments, the ratio of our consolidated total net debt as of the last day of the fiscal quarter to our trailing twelve month consolidated net income before interest, taxes, depreciation, amortization, non-cash charges and certain other items (“EBITDA”)). Our leverage ratio requirement decreases over time to 3.50 to 1.0 for the quarter ending June 30, 2016, and remains level thereafter;

- Have an interest coverage ratio of greater than 1.6 to 1.0 for the quarter ended June 30, 2013 (defined as, with certain adjustments, the ratio of our consolidated EBITDA to our trailing twelve month consolidated cash interest expense). Our interest coverage requirement increases over time to 2.50 to 1.0 for the quarter ending June 30, 2016, and remains level thereafter; and

- Have a fixed charge ratio of greater than 1.0 to 1.0 for the quarter ended June 30, 2013 (defined as, with certain adjustments, the ratio of our consolidated EBITDA minus capital expenditures to our trailing twelve month consolidated interest paid, taxes paid and other specified payments). Our fixed charge requirement remains level throughout the term of the agreement.

At June 30, 2013, we were in compliance with the applicable financial and restrictive covenants under the 2012 Term Loan and 2012 ABL Revolver and the indentures governing the 2010 Senior Notes and 2012 Senior Notes. Additionally, management anticipates that in the normal course of operations, we will be in compliance with the financial and restrictive covenants during the ensuing year.

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 condition or results from operations for the periods referred to above, a high rate of inflation in the future could have a material adverse effect on our financial condition or results from operations. The recent volatility in crude oil prices has had an adverse impact on transportation costs, as well as certain petroleum based raw materials and packaging material. Although we make efforts to minimize the impact of inflationary factors, including raising prices to our customers, a high rate of pricing volatility associated with crude oil supplies or other raw materials used in our products may have an adverse effect on our operating results.

Critical Accounting Policies and Estimates

Our significant accounting policies are described in the notes to the unaudited Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q, as well as in our Annual Report on Form 10-K for the fiscal year ended March 31, 2013. While all significant accounting policies are important to our Consolidated Financial Statements, certain of these policies may be viewed as being critical. Such policies are those that are both most important to the portrayal of our financial condition and results of operations and require our most difficult, subjective and complex estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, or the related disclosure of contingent assets and liabilities. These estimates are based upon our historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different conditions. The most critical accounting estimates are described below.

Revenue Recognition
We recognize revenue when the following revenue recognition criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the selling price is fixed or determinable, (iii) the product has been shipped and the customer takes ownership and assumes the risk of loss, and (iv) collection of the resulting receivable is reasonably assured. We have determined that these criteria are met and the transfer of risk of loss generally occurs when product is received by the customer and, accordingly, we recognize revenue at that time. Provision is made for estimated discounts related to customer payment terms and estimated product returns at the time of sale based on our historical experience.

As is customary in the consumer products industry, we participate in the promotional programs of our customers to enhance the sale of our products. The cost of these promotional programs varies based on the actual number of units sold during a finite period of time. These promotional programs consist of direct-to-consumer incentives, such as coupons and temporary price reductions, as well as incentives to our customers, such as allowances for new distribution including slotting fees, and cooperative advertising. Direct reimbursements of advertising costs are reflected as a reduction of advertising costs in the periods in which the reimbursement criteria are achieved. We do not provide incentives to customers for the acquisition of product in excess of normal inventory quantities, because such incentives increase the potential for future returns, as well as reduce sales in the subsequent fiscal periods.Estimates of costs of promotional programs are based on (i) historical sales experience, (ii) the current promotional offering, (iii) forecasted data, (iv) current market conditions, and (v) communication with customer purchasing/marketing personnel. We recognize the cost of such sales incentives by recording an estimate of such cost as a reduction of revenue, at the later of (a) the date the related revenue is recognized, or (b) the date when a particular sales incentive is offered. At the completion of the promotional program, the estimated amounts are adjusted to actual results. Our related promotional expense for the fiscal year ended March 31, 2013 was $35.6 million. For the three months ended June 30, 2013, our related promotional expense was $5.2 million. We believe that the estimation methodologies employed, combined with the nature of the promotional campaigns, make the likelihood remote that our obligation would be misstated by a material amount. However, for illustrative purposes, had we underestimated the promotional program rate by 10% for the fiscal year ended March 31, 2013, our sales and operating income would have been adversely affected by approximately $3.6 million. Net income would have been adversely affected by approximately $2.2 million. Similarly, had we underestimated the promotional program rate by 10% for the three months ended June 30, 2013, our sales and operating income would have been adversely affected by approximately $0.5 million. Net income would have been adversely affected by approximately $0.3 million for the three months ended June 30, 2013.

We also periodically run coupon programs in Sunday newspaper inserts, on our product website or as on-package instant redeemable coupons. We utilize a national clearinghouse to process coupons redeemed by customers. At the time a coupon is distributed, a provision is made based upon historical redemption rates for that particular product, information provided as a result of the clearinghouse's experience with coupons of similar dollar value, the length of time the coupon is valid, and the seasonality of the coupon drop, among other factors. During the fiscal year ended March 31, 2013, we had 263 coupon events. The amount recorded against revenues and accrued for these events during 2013 was $8.3 million. Cash settlement of coupon redemptions during 2013 was $7.3 million. During the three months ended June 30, 2013, we had 38 coupon events. The amount recorded against revenue and accrued for these events during the three months ended June 30, 2013 was $0.2 million. Cash settlement of coupon redemptions during the three months ended June 30, 2013 was $1.1 million.

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

We construct our returns analysis by looking at the previous year's return history for each brand. Subsequently, each month, we estimate our current return rate based upon an average of the previous six months' return rate and review that calculated rate for reasonableness, giving consideration to the other factors described above. Our historical return rate has been relatively stable; for example, for the fiscal years ended March 31, 2013, 2012 and 2011, returns represented 2.9%, 2.9% and 2.7%, respectively, of gross sales. For the three months June 30, 2013, product returns represented 2.5% of gross sales. At June 30, 2013 and March 31, 2013, the allowance for sales returns and cash discounts was $5.7 million and $6.4 million, respectively.

While we utilize the methodology described above to estimate product returns, actual results may differ materially from our estimates, causing our future financial results to be adversely affected. Among the factors that could cause a material change in the estimated return rate would be significant unexpected returns with respect to a product or products that comprise a significant portion of our revenues. Based upon the methodology described above and our actual returns experience, management believes the likelihood of such an event remains remote. Over the last three years, our actual product return rate has stayed within a range of 2.5% to 2.9% of gross sales. However, a hypothetical increase of 0.1% in our estimated return rate as a percentage of gross sales would have adversely affected our reported sales and operating income for the fiscal year ended March 31, 2013 by approximately $1.0 million. Net income would have been adversely affected by approximately $0.6 million. A hypothetical increase of 0.1% in our estimated return rate as a percentage of gross sales for the three months ended June 30, 2013 would have adversely affected our reported sales and operating income by approximately $0.1 million while our net income would have been adversely affected by approximately $0.1 million.

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

Many of our products are subject to expiration dating. As a general rule, our customers will not accept goods with expiration dating of less than 12 months from the date of delivery. To monitor this risk, management utilizes a detailed compilation of inventory with expiration dating between zero and 15 months and reserves for 100% of the cost of any item with expiration dating of 12 months or less. Inventory obsolescence costs charged to operations were $3.2 million for the fiscal year ended March 31, 2013, while for the three months ended June 30, 2013, we recorded obsolescence costs of $0.8 million. A hypothetical increase of 1.0% in our allowance for obsolescence at March 31, 2013 would have adversely affected our reported operating income and net income for the fiscal year ended March 31, 2013 by approximately $0.3 million and $0.1 million, respectively. Similarly, a hypothetical increase of 1.0% in our obsolescence allowance for the three months ended June 30, 2013 would have adversely affected each of our reported operating income and net income by less than $0.1 million.

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

We establish specific reserves for those accounts that file for bankruptcy, have no payment activity for 180 days or have reported major negative changes to their financial condition. The allowance for bad debts amounted to 1.4% and 1.1% of accounts receivable at June 30, 2013 and March 31, 2013, respectively. Bad debt expense for the fiscal year ended March 31, 2013 was $0.3 million, while during the three months ended June 30, 2013, we recorded bad debt expense of less than $0.1 million.

While management believes that it is diligent in its evaluation of the adequacy of the allowance for doubtful accounts, an unexpected event, such as the bankruptcy filing of a major customer, could have an adverse effect on our future financial results. A hypothetical increase of 0.1% in our bad debt expense as a percentage of net sales during the fiscal year ended March 31, 2013 would have resulted in a decrease in reported operating income of approximately $0.6 million and a decrease in our reported net income of approximately $0.4 million. Similarly, a hypothetical increase of 0.1% in our bad debt expense as a percentage of sales for the three months ended June 30, 2013 would have resulted in a decrease in reported operating income of $0.1 million and a decrease in our reported net income of less than $0.1 million.

Valuation of Intangible Assets and Goodwill
Goodwill and intangible assets amounted to $1,538.1 million and $1,540.8 million at June 30, 2013 and March 31, 2013, respectively. At June 30, 2013, goodwill and intangible assets were apportioned among our two operating segments as follows:

(In thousands)	OTC Healthcare		Household Cleaning		Consolidated	
Goodwill	$	160,157	$	7,389	$	167,546
Intangible assets, net						
Indefinite-lived:						
Analgesics		341,123		—		341,123
Cough & Cold		185,453		—		185,453
Gastrointestinal		213,639		—		213,639
Eye & Ear Care		172,318		—		172,318
Dermatologicals		149,927		—		149,927
Oral Care		61,438		—		61,438
Other OTC		—		—		—
Household Cleaning		—		119,820		119,820
Total indefinite-lived intangible assets, net		1,123,898		119,820		1,243,718
Finite-lived:						
Analgesics		4,283		—		4,283
Cough & Cold		22,056		—		22,056
Gastrointestinal		12,635		—		12,635
Eye & Ear Care		8,440		—		8,440
Dermatologicals		6,111		—		6,111
Oral Care		18,213		—		18,213
Other OTC		27,604		—		27,604
Household Cleaning		—		27,475		27,475
Total finite-lived intangible assets, net		99,342		27,475		126,817
Total intangible assets, net		1,223,240		147,295		1,370,535
Total goodwill and intangible assets, net	$	1,383,397	$	154,684	$	1,538,081

Our *Chloraseptic, Clear Eyes, Compound W, Dramamine, Efferdent, Luden's, PediaCare, BC, Goody's, Ecotrin, Beano, Gaviscon, Tagamet, Fiber Choice, Sominex* and *Debrox* brands comprise the majority of the value of the intangible assets within the OTC Healthcare segment. The *Chore Boy, Comet,* and *Spic and Span* brands comprise substantially all of the intangible asset value within the Household Cleaning segment.

On October 31, 2012, we sold *Phazyme*, a non-core OTC brand. As a result of this divestiture, we reduced the net book value of our intangible assets by $15.6 million. Also, as a result of the divestiture of *Phazyme*, we reduced goodwill by $6.4 million.

Goodwill and intangible assets comprise substantially all of our assets. Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed in a purchase business combination. Intangible assets generally represent our trademarks, brand names and patents. When we acquire a brand, we are required to make judgments regarding the value assigned to the associated intangible assets, as well as their respective useful lives. Management considers many factors both prior to and after the acquisition of an intangible asset in determining the value, as well as the useful life, assigned to each intangible asset that we acquire or continue to own and promote.

The most significant factors are:

- ***Brand History***
  A brand that has been in existence for a long period of time (e.g., 25, 50 or 100 years) generally warrants a higher valuation and longer life (sometimes indefinite) than a brand that has been in existence for a very short period of time. A brand that has been in existence for an extended period of time generally has been the subject of considerable investment by its previous owner(s) to support product innovation and advertising and promotion.

- ***Market Position***
  Consumer products that rank number one or two in their respective market generally have greater name recognition and are known as quality product offerings, which warrant a higher valuation and longer life than products that lag in the marketplace.

- ***Recent and Projected Sales Growth***
  Recent sales results present a snapshot as to how the brand has performed in the most recent time periods and represent another factor in the determination of brand value. In addition, projected sales growth provides information about the strength and potential longevity of the brand. A brand that has both strong current and projected sales generally warrants a higher valuation and a longer life than a brand that has weak or declining sales. Similarly, consideration is given to the potential investment, in the form of advertising and promotion that is required to reinvigorate a brand that has fallen from favor.

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

After consideration of the factors described above, as well as current economic conditions and changing consumer behavior, management prepares a determination of the intangible assets' values and useful lives based on its analysis. Under accounting guidelines, goodwill is not amortized, but must be tested for impairment annually, or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below the carrying amount. In a similar manner, indefinite-lived assets are no longer amortized. They are also subject to an annual impairment test, or more frequently if events or changes in circumstances indicate that the asset may be impaired. Additionally, at each reporting period an evaluation must be made to determine whether events and circumstances continue to support an indefinite useful life. Intangible assets with finite lives are amortized over their respective estimated useful lives and must also be tested for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable and exceeds its fair value.

On an annual basis, during the fourth fiscal quarter of each year, or more frequently if conditions indicate that the carrying value of the asset may not be recovered, management performs a review of both the values and, if applicable, useful lives assigned to goodwill and intangible assets and tests for impairment.

We report goodwill and indefinite-lived intangible assets in two operating segments: OTC Healthcare and Household Cleaning. We identify our reporting units in accordance with the FASB ASC Subtopic 280-10, which is at the brand level, and one level below the operating segment level. The carrying value and fair value for intangible assets and goodwill for a reporting unit are calculated based on the key assumptions and valuation methodologies previously discussed. As a result, any material changes to these assumptions could require us to record additional impairment in the future.

Goodwill
As of March 31, 2013, we had 15 reporting units with goodwill, including six reporting units resulting from the acquisition of the GSK Brands. The aggregate fair value exceeded the carrying value by 57.6%. Two individual reporting unit's fair value exceeded their carrying values by less than 10.0%. The Company has experienced revenue declines in regard to certain brands in its Household Cleaning segment during 2013, 2012, and 2011. Adverse changes in the expected operating results and/or unfavorable changes in other economic factors used to estimate fair values of these specific brands could result in a non-cash impairment charge in the future. As part of our annual test for impairment of goodwill, management estimates the discounted cash flows of each reporting unit, which is at the brand level, and one level below the operating segment level, to estimate their respective fair values. In performing this analysis, management considers the same types of information as listed below with regard to finite-lived intangible assets. In the event that the carrying amount of the reporting unit exceeds the fair value, management would then be required to allocate the estimated fair value of the assets and liabilities of the reporting unit as if the unit was acquired in a business combination, thereby revaluing the carrying amount of goodwill. Future events, such as competition, technological advances and reductions in advertising support for our trademarks and trade names, could cause subsequent evaluations to utilize different assumptions and we may be required to record additional impairment charges in the future. However, no impairment charge was recorded during the three months ended June 30, 2013.

Indefinite-Lived Intangible Assets
In a manner similar to finite-lived intangible assets, at each reporting period, management analyzes current events and circumstances to determine whether the indefinite life classification for a trademark or trade name continues to be valid. If circumstances warrant a change to a finite life, the carrying value of the intangible asset would then be amortized prospectively over the estimated remaining useful life.

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

Finite-Lived Intangible Assets
As mentioned above, when events or changes in circumstances indicate the carrying value of the assets may not be recoverable, management performs a review to ascertain the impact of events and circumstances on the estimated useful lives and carrying values of our trademarks and trade names. In connection with this analysis, management:

- Reviews period-to-period sales and profitability by brand;
- Analyzes industry trends and projects brand growth rates;
- Prepares annual sales forecasts;
- Evaluates advertising effectiveness;
- Analyzes gross margins;
- Reviews contractual benefits or limitations;
- Monitors competitors' advertising spend and product innovation;
- Prepares projections to measure brand viability over the estimated useful life of the intangible asset; and
- Considers the regulatory environment, as well as industry litigation.

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

Impairment Analysis
We estimate the fair value of our intangible assets and goodwill using a discounted cash flow method. This discounted cash flow methodology is a widely-accepted valuation technique to estimate fair value utilized by market participants in the transaction evaluation process and has been applied consistently. In addition, we considered our market capitalization at March 31, 2013, as compared to the aggregate fair values of our reporting units, to assess the reasonableness of our estimates pursuant to the discounted cash flow methodology. As a result of our analysis, we did not record an impairment charge during the three months ended March 31, 2013.

The discount rate utilized in the analysis, as well as future cash flows, may be influenced by such factors as changes in interest rates and rates of inflation. Additionally, should the related fair values of goodwill and intangible assets be adversely affected as a result of declining sales or margins caused by competition, changing consumer preferences, technological advances or reductions in advertising and promotional expenses, we may be required to record impairment charges in the future. However, no impairment charge was recorded during the three months ended June 30, 2013.

Stock-Based Compensation
The Compensation and Equity topic of the FASB ASC requires us to measure the cost of services to be rendered based on the grant-date fair value of an equity award. Compensation expense is to be recognized over the period during which an employee is required to provide service in exchange for the award, generally referred to as the requisite service period. Information utilized in the determination of fair value includes the following:

- Type of instrument (i.e., restricted shares vs. an option, warrant or performance shares);
- Strike price of the instrument;
- Market price of our common stock on the date of grant;
- Discount rates;
- Duration of the instrument; and
- Volatility of our common stock in the public market.

Additionally, management must estimate the expected attrition rate of the recipients to enable it to estimate the amount of non-cash compensation expense to be recorded in our financial statements. While management uses diligent analysis to estimate the respective variables, a change in assumptions or market conditions, as well as changes in the anticipated attrition rates, could have a significant impact on the future amounts recorded as non-cash compensation expense. We recorded non-cash compensation expense of $1.2 million and $0.9 million for the three months ended June 30, 2013 and 2012, respectively.

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

- Rules and regulations promulgated by regulatory agencies;
- Sufficiency of the evidence in support of our position;
- Anticipated costs to support our position; and
- Likelihood of a positive outcome.

Recent Accounting Pronouncements
In March 2013, the FASB issued ASU 2013-05, *Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity,* relating to the release of cumulative translation adjustments into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets. The guidance is effective prospectively for annual reporting periods beginning after December 15, 2013, and interim periods within those annual periods. Early adoption is permitted. The adoption of ASU 2013-05 is not expected to have a material impact on our Consolidated Financial Statements.

In December 2011, the FASB issued ASU 2011-11, *Disclosures about Offsetting Assets and Liabilities*, regarding disclosures about offsetting assets and liabilities. The new disclosure requirements mandate that entities disclose both gross and net information about instruments and transactions eligible for offset in the statement of financial position, as well as instruments and transactions subject to an agreement similar to a master netting arrangement. In addition, the standard requires disclosure of collateral received and posted in connection with master netting agreements or similar arrangements. An entity will be required to disclose the following information for assets and liabilities within the scope of the new standard: (i) the gross amounts of those recognized assets and those recognized liabilities; (ii) the amounts offset to determine the net amounts presented in the statement of financial position; (iii) the net amounts presented in the statement of financial position; (iv) the amounts subject to an enforceable master netting arrangement or similar agreement not otherwise included in (ii); and (v) the net amount after deducting the amounts in (iv) from the amounts in (iii). The standard affects all entities with balances presented on a net basis in the financial statements, derivative assets and derivative liabilities, repurchase agreements, and financial assets and financial liabilities executed under a master netting or similar arrangement. This guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. This new guidance did not have a material impact on our Consolidated Financial Statements.

In February 2013, the FASB issued ASU 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*. ASU 2013-02 requires that for those items that are reclassified out of accumulated other comprehensive income and into net income in their entirety, the effect of the reclassification on each affected net income line item be disclosed. For accumulated other comprehensive income reclassification items that are not reclassified in their entirety into net income, a cross reference must be made to other required disclosures. The guidance is effective prospectively for annual reporting periods beginning after December 15, 2012, and interim periods within those annual periods. ASU 2013-02 did not have a significant impact on our Consolidated Financial Statements, other than presentation. See Note 13, Accumulated Other Comprehensive Income (Loss), to our Consolidated Financial Statements for required disclosure.

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

Forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required under federal securities laws and the rules and regulations of the SEC, we do not have any intention to update any forward-looking statements to reflect events or circumstances arising after the date of this Quarterly Report on Form 10-Q, whether as a result of new information, future events or otherwise. As a result of these risks and uncertainties, readers are cautioned not to place undue reliance on forward-looking statements included in this Quarterly Report on Form 10-Q or that may be made elsewhere from time to time by, or on behalf of, us. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

These forward-looking statements generally can be identified by the use of words or phrases such as "believe," "anticipate," "expect," "estimate," "project," "intend," "strategy," "future," "seek," "may," "would," "will," "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 such risks. For more information, see "Risk Factors" contained in Part I, Item 1A., of our Annual Report on Form 10-K for our fiscal year ended March 31, 2013 and in Part II, Item 1A. of this Quarterly Report on Form 10-Q. In addition, our expectations or beliefs concerning future events involve risks and uncertainties, including, without limitation:

- The high level of competition in our industry and markets;
- Our ability to increase organic growth via new product introductions or line extensions;
- Our ability to invest in research and development;
- Our dependence on a limited number of customers for a large portion of our sales;
- Our expectations regarding increased advertising and promotion spending for acquired brands;
- Our ability to grow our international sales;
- General economic conditions affecting our products and their respective markets;
- Changing consumer trends or pricing pressures which may cause us to lower our prices;
- Our dependence on third-party manufacturers to produce the products we sell;
- Price increases for raw materials, labor, energy and transportation costs;
- Disruptions in our distribution center;
- Acquisitions, dispositions or other strategic transactions diverting managerial resources, the incurrence of additional liabilities or integration problems associated with such transactions;
- Actions of government agencies in connection with our products or regulatory matters governing our industry;
- Product liability claims, product recalls and related negative publicity;
- Our ability to protect our intellectual property rights;
- Our dependence on third parties for intellectual property relating to some of the products we sell;
- Our assets being comprised virtually entirely of goodwill and intangibles;
- Our dependence on key personnel;
- Shortages of supply of sourced goods or interruptions in the manufacturing of our products;
- The costs associated with any adverse judgments rendered in any litigation or arbitration;
- Our level of indebtedness, and possible inability to service our debt;
- Our ability to obtain additional financing; and
- The restrictions imposed by our financing agreements on our operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to changes in interest rates because our 2012 Term Loan and 2012 ABL Revolver are variable rate debt. Interest rate changes generally do not significantly affect the market value of the 2012 Term Loan and the 2012 ABL Revolver but do affect the amount of our interest payments and, therefore, our future earnings and cash flows, assuming other factors are held constant. At June 30, 2013, we had variable rate debt of approximately $445.0 million under our 2012 Term Loan and $15.0 million under our 2012 ABL Revolver.

Holding other variables constant, including levels of indebtedness, a one percentage point increase in interest rates on our variable rate debt would have an adverse impact on pre-tax earnings and cash flows for the three months ended June 30, 2013 of approximately $3.4 million.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, as defined in Rule 13a–15(e) of the Securities Exchange Act of 1934 (the "Exchange Act"), as of June 30, 2013. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of June 30, 2013, the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes during the quarter ended June 30, 2013 in the Company's internal control over financial reporting, as defined in Rule 13a-15(f) of the Exchange Act, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1A. RISK FACTORS

In addition to the risk factors set forth below and the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors discussed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended March 31, 2013, which could materially affect our business, financial condition or future results. The risks described below and in our Annual Report on Form 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and results of operations. The information below amends, updates and should be read in conjunction with the risk factors and information disclosed in our Annual Report on Form 10-K for the year ended March 31, 2013.

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

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

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

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

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

For the three months ended June 30, 2013, Walmart which accounted for approximately 12.5% of our gross sales, was our only customer that accounted for 10% or more of our sales. We expect that for future periods, our top five and ten customers, including Walmart, will, in the aggregate, continue to account for a large portion of our sales. The loss of one or more of our top customers, any significant decrease in sales to these customers, or a significant decrease in our retail display space in any of these customers' stores, could reduce our sales and have a material adverse effect on our business, financial condition and results from operations. In addition, the introduction or expansion of store brand products that compete with our products has impacted and could in the future impact our sales and results from operations.

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

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

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

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

At June 30, 2013, we had relationships with 50 third-party manufacturers. Of those, we had long-term contracts with 21 manufacturers that produced items that accounted for approximately 79.6% of our gross sales for 2013. The fact that we do not have long-term contracts with certain manufacturers means that they could cease manufacturing these products at any time and for any reason or initiate arbitrary and costly price increases, either of which could have a material adverse effect on our business, financial condition and results from operations.

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

During the three months ended June 30, 2013, approximately 2.8%, of our total revenues were attributable to our international business. As of July 1, 2013, we acquired Care Pharmaceuticals, which markets and sells healthcare products in Australia. We generally rely on brokers and distributors for the sale of our products in other foreign countries. In addition to the risks associated with political instability, changes in the outlook for economic prosperity in these countries could adversely affect the sales of our products in these countries. Other risks of doing business internationally include:

- Changes in the legislative or regulatory requirements of the countries or regions where we do business;
- Currency controls that restrict or prohibit the payment of funds or the repatriation of earnings to the United States;
- Fluctuating foreign exchange rates could result in unfavorable increases in the price of our products or cause increases in the cost of certain products purchased from our foreign third-party manufacturers;
- Regulatory oversight and its impact on our ability to get products registered for sale in certain markets;
- Potential trade restrictions and exchange controls;
- Inability to protect our intellectual property rights in these markets; and
- Increased costs of compliance with general business and tax regulations in these countries or regions.

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

At June 30, 2013, our total indebtedness, including current maturities, is approximately $960.0 million

Our indebtedness could:

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

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

At June 30, 2013, we had $80.0 million of borrowing capacity available under the 2012 ABL Revolver to support our operating activities.

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

The senior credit facility and the indentures governing the senior notes contain provisions that allow the respective creditors to declare all outstanding borrowings under one agreement to be immediately due and payable as a result of a default under the other agreement. Consequently, under the senior credit facility, failure to make a payment required by the indentures governing the senior notes, among other things, may lead to an event of default under the senior credit facility. Similarly, an event of default or failure to make a required payment at maturity under the senior credit facility, among other things, may lead to an event of default under the indentures governing the senior notes. If the debt under the senior credit facility and indentures governing the senior notes were to both be accelerated, the aggregate amount immediately due and payable as of June 30, 2013 would have been approximately $953.2 million. We presently do not have sufficient liquidity to repay these borrowings in the event they were to be accelerated, and we may not have sufficient liquidity in the future to do so. Additionally, we may not be able to borrow money from other lenders to enable us to refinance our indebtedness. At June 30, 2013, the book value of our current assets was $163.0 million. Although the book value of our total assets was $1,736.1 million, approximately $1,538.1 million was in the form of intangible assets, including goodwill of $167.5 million, a significant portion of which may not be available to satisfy our creditors in the event our debt is accelerated.

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

Item 5. Other Information

Submission of Matters to a Vote of Security Holders.

The 2013 Annual Meeting of Stockholders of the Company was held on July 29, 2013. The stockholders of the Company voted upon four proposals at the Annual Meeting, with the following results:

Item 1 – Election of five directors nominated by the Board of Directors to serve until the 2014 Annual Meeting of Stockholders

Director Nominee	For	Withheld	Broker Non-Votes
Matthew Mannelly	46,298,608	358,157	1,764,571
John Byom	43,248,171	3,408,594	1,764,571
Gary Costley	43,120,926	3,535,839	1,764,571
Charles Hinkaty	43,247,471	3,409,294	1,764,571
Carl Johnson *	46,525,953	130,812	1,764,571

* Mr. Johnson replaced the retiring Patrick Lonergan.

Item 2 – Ratification of PricewaterhouseCoopers LLC as the Company's independent registered public accounting firm for the fiscal year ending March 31, 2014.

For	Against	Abstentions
48,277,157	134,054	10,125

Item 3 – Approval of amendment to 2005 Long-term Equity Incentive Plan.

For	Against	Abstentions	Broker Non-Votes
42,476,629	4,151,418	28,718	1,764,571

Item 4 – Non-binding resolution to approve the compensation of the Company's named executive officers as disclosed in the Company's proxy statement.

For	Against	Abstentions	Broker Non-Votes
45,179,607	543,014	934,144	1,764,571

ITEM 6. EXHIBITS

See Exhibit Index immediately following the signature page.

SIGNATURES

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

PRESTIGE BRANDS HOLDINGS, INC.

Date:	August 1, 2013	By:	**/s/ RONALD M. LOMBARDI**
			Ronald M. Lombardi Chief Financial Officer (Principal Financial Officer and Duly Authorized Officer)

Exhibit Index

10.1	Executive Agreement, dated as of April 1, 2013, between Prestige Brands Holdings, Inc. and Paul Migaki.
10.2	Amendment, dated as of June 11, 2013, to the ABL Credit Agreement dated as of January 31, 2012.
31.1	Certification of Principal Executive Officer of Prestige Brands Holdings, Inc. pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of Principal Financial Officer of Prestige Brands Holdings, Inc. pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
32.1	Certification of Principal Executive Officer of Prestige Brands Holdings, Inc. pursuant to Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code.
32.2	Certification of Principal Financial Officer of Prestige Brands Holdings, Inc. pursuant to Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* XBRL information is furnished and not filed for purposes of Section 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934, and is not subject to liability under those sections, is not part of any registration statement, prospectus or other document to which it relates and is not incorporated or deemed to be incorporated by reference into any registration statement, prospectus or other document.

EXHIBIT 10.1
EXECUTION COPY

Executive Employment Agreement

1. Employment. Prestige Brands Holdings, Inc. ("Employer") agrees to employ Paul Migaki ("Executive") and Executive accepts such employment for the period beginning as of April 1, 2013 and ending upon his termination pursuant to Section 1(c) hereof (the "Employment Period"), subject only to the approval of the Prestige Brands Holdings, Inc. Board of Directors (the "Board").

(a) Position and Duties.

(i) During the Employment Period, Executive shall serve as Vice President Strategic Planning-Canada/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 Employer and its Subsidiaries (as defined below).

(iii) Executive shall work exclusively out of Employer's New York Office and shall establish residence throughout his employment in New York, New Jersey or Connecticut.

(b) Salary, Bonus and Benefits. During the Employment Period, Employer will pay Executive a base salary of $250,000.00 per annum (the "Annual Base Salary"), paid twice monthly, in accordance with Employer's normal payroll cycle and procedures. In addition, in fiscal years 2014 and beyond, the Executive shall be eligible for and participate in the Annual Incentive Compensation Plan (the "Annual Bonus") under which the Executive shall be eligible for an annual Target Bonus payment of 40% of Annual Base Salary, subject to the terms and conditions of the applicable Annual Incentive Compensation Plan and the discretion of the Board. For clarification purposes, Executive acknowledges that he is not entitled to receive any pro rated Annual Bonus for fiscal year 2013. Executive shall be eligible to participate in the Long-Term Equity Incentive Plan of Employer (the "Plan") and receive grants thereunder at the same time as grants are made to the rest of senior management; provided, however, that the Board reserves its discretion to not make an equity grant in any fiscal year. Any equity grant provided under the Plan shall have at the time of grant a value equal to Executive's Annual Base Salary then in effect at the time of grant; provided, however, at the discretion of the Board, such grant may be modified to have a value equal to no less than 80% or no greater than 120% of Executive's Annual Base Salary then in effect at the time of grant. In addition, any equity grant provided under the Plan shall automatically vest upon a Change in Control (as defined in the Plan). During the Employment Period, Executive will be entitled to such other benefits approved by the Board and made available to the senior management of Employer and its Subsidiaries, which shall include vacation time (four weeks per year), flexible spending account, 401(k) Plan (currently 65% match of up to 6% of salary, subject to IRS cap and periodic potential adjustment by the Board), expense reimbursement in accordance with the policies and procedures of Employer, as well as medical, dental, vision, life, long term care and disability insurance (collectively, such insurance plans, the "Welfare Plans"). The Board, on a basis consistent with past practice, shall review the Annual Base Salary of Executive and may increase the Annual Base Salary by such amount as the Board, in its sole discretion, shall deem appropriate; provided, however, Executive shall not be entitled to an increase in Annual Base Salary for fiscal year 2014. The term "Annual Base Salary" as used in this Agreement shall refer to the Annual Base Salary as it may be so increased.

(c) Termination. The Employment Period will continue until (i) Executive's death, Disability or resignation from employment with Employer and its Subsidiaries or (ii) Employer and its Subsidiaries decide to terminate Executive's employment with or without Cause (as defined below). If (A) Executive's employment is terminated without Cause pursuant to clause (ii) above or (B) Executive resigns from employment with Employer and its Subsidiaries for Good Reason, then, subject to Executive's execution and delivery of a Release in form and substance as set forth below, starting on the sixtieth (60^{th}) day following Executive's termination of employment, Employer shall pay to Executive, in equal installments ratably over twelve (12) months (the "Severance Period") in accordance with the Employer's normal payroll cycle and procedures, an aggregate amount (the "Severance") equal to (I) his Annual Base Salary (prior to any material diminution that constitutes Good Reason for Employee's resignation), plus (II) an amount equal to the average Annual Bonus paid or payable to Executive by Employer for the last three completed fiscal years prior to the date of termination (or if Executive has not completed three (3) fiscal years prior to the date of termination, then the average Annual Bonus paid or payable to Executive by Employer will be determined based on the actual number of completed fiscal years prior to the date of termination). In calculating the average Annual Bonus for purposes of the immediately preceding sentence, in the event Executive's employment is terminated pursuant to this Section 1(c) during fiscal years 2014 through 2016, Executive's Annual Bonus payable hereunder shall be calculated using a fiscal year 2014 Annual Bonus payment equal to the amount that Executive would have otherwise received had Executive been employed by Employer during all of fiscal year 2014. Notwithstanding anything contained herein to the contrary, if Executive's employment with Employer terminates on or prior to April 30, 2014, Executive's Annual Bonus payment for purposes of this Section 1(c) shall equal a prorated amount of Executive's Target Bonus based on the number of days during fiscal year 2014 that Executive was employed by Employer. In addition, if Executive is entitled on the date of termination to coverage under the Welfare Plans, such coverage shall continue for Executive and Executive's covered dependents for a period ending on the first anniversary of the date of termination at the active employee cost payable by Executive with respect to those costs paid by Executive prior to the date of termination; provided, that this coverage will not count towards the depletion of any continued health care coverage rights that Executive and Executive's dependents may have pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), and such rights to continued health care coverage under COBRA shall remain available to Executive and Executive's dependents after the Severance Period; provided further, that Executive's or Executive's covered dependents' rights to continued health care coverage pursuant to this Section 1(c) shall terminate at the time Executive or Executive's covered dependents become covered, as described in COBRA, under another group health plan, and shall also terminate as of the date Employer ceases to provide coverage to its senior executives generally under any such Welfare Plan. Notwithstanding the foregoing, (I) Executive shall not be entitled to receive any payments or benefits pursuant to this Section 1(c) unless Executive has executed and delivered to Employer a general release in form and substance satisfactory to Employer and (II) Executive shall be entitled to receive such payments and benefits only so long as Executive has not breached the provisions of Section 2 or Section 3 hereof. The release described in the foregoing sentence shall not require Executive to release any claims for Severance or benefits under the Welfare Plans as set forth in this Agreement, any vested employee benefits, workers compensation benefits covered by insurance or self-insurance, claims to indemnification to which Executive may be entitled under Employer's or its Subsidiaries' certificate(s) of incorporation, by-laws, any indemnification agreement or under any of Employer's or its Subsidiaries' directors or officers insurance policy(ies) or applicable law, or equity claims to contribution from Employer or its 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 Employer or its Subsidiaries. Not later than eighteen (18) months following the termination of Executive's employment, Employer and its Subsidiaries for which the Executive has acted in the capacity of a senior manager, shall sign and deliver to Executive a release of claims that Employer and its Subsidiaries have against Executive; provided that, such release shall not release any claims that Employer and/or its Subsidiaries commenced prior to the date of the release(s), any claims relating to matters actively concealed by Executive, any claims to contribution from Executive to which Employer or its Subsidiaries are entitled as a matter of law or any claims arising out of mistaken indemnification by Employer and/or any of its Subsidiaries. Except as otherwise provided in this Section 1(c) or in the Employer's employee benefit plans or as otherwise required by applicable law, Executive shall not be entitled to any other salary, compensation or benefits after termination of Executive's employment with Employer.

2. Confidential Information.

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

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

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

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

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

(a) Non-competition. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination (the "Severance Period"), he shall not without the express written consent of Employer, anywhere in the United States, directly or indirectly, own, manage, control, participate in, consult with, render services for, or in any manner engage in any business (i) which competes with (a) OTC wart or skin tag treatment products (including, without limitation, salicylic acid or cryogen-based products), (b) dental devices for treatment or management of bruxism, (c) OTC sore throat treatment products (including, without limitation, liquids, lozenges and strips) and cough drops, (d) inter-proximal devices, (e) powdered and liquid cleansers, (f) pediatric OTC medicinal and non-medicinal products, (g) OTC eye care products, (h) denture cleansers or adhesives, (i) motion sickness products or (j) any other business acquired by Employer and its Subsidiaries after the date hereof which represents 5% or more of the consolidated revenues or EBITDA of Employer and its Subsidiaries for the trailing 12 months ending on the last day of the last completed calendar month immediately preceding the date of termination of the Employment Period, or (ii) in which Employer and/or its Subsidiaries have conducted discussions or have requested and received information relating to the acquisition of such business by such Person (x) within one year prior to the date of termination and (y) during the Severance Period, if any. Nothing herein shall prohibit Executive from (i) consulting with, being employed by, or rendering services for a company which operates a business unit engaged in the activities described in subsection (a)(i)(a) - (j) of this Section 3; provided, that Executive is not employed in and has no involvement with such competing business unit; or (ii) being a passive owner of not more than 2% of the outstanding stock of any class of a corporation that is publicly traded, so long as Executive has no active participation in the business of such corporation

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

(c) Enforcement. If, at the time of enforcement of Section 2 or this Section 3, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum duration, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be 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, Employer, its Subsidiaries or their successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security).

(d) Additional Acknowledgments. Executive acknowledges that the provisions of this Section 3 are in consideration of: (i) employment with the Employer, (ii) the prospective issuance of securities by Employer pursuant to the Plan and (iii) additional good and valuable consideration as set forth in this Agreement. In addition, Executive agrees and acknowledges that the restrictions contained in Section 2 and this Section 3 do not preclude Executive from earning a livelihood, nor do they unreasonably impose limitations on Executive's ability to earn a living. In addition, Executive acknowledges (i) that the business of Employer and its Subsidiaries will be conducted throughout the United States, (ii) notwithstanding the state of incorporation or principal office of Employer or any of its Subsidiaries, or any of their respective executives or employees (including the Executive), it is expected that Employer and its Subsidiaries will have business activities and have valuable business relationships within its industry throughout the United States and (iii) as part of his responsibilities, Executive will be traveling throughout the United States in furtherance of Employer's and/or its Subsidiaries' business and their relationships. Executive agrees and acknowledges that the potential harm to Employer and its Subsidiaries of the non-enforcement of Section 2 and this Section 3 outweighs any potential harm to Executive of their enforcement by injunction or otherwise. Executive acknowledges that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Executive by this Agreement, and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of Employer and its Subsidiaries now existing or to be developed in the future. Executive expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

4. Miscellaneous.

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

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

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

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

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

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

(i) To Employer: Prestige Brands Holdings, Inc.
660 White Plains Road
Tarrytown, New York 10591
Attention: Chief Executive Officer

(ii) With a copy to: Prestige Brands Holdings, Inc.
660 White Plains Road
Tarrytown, New York 10591
Attention: General Counsel

(iii) To the Employee: Paul Migaki
21 Willett Avenue, PH14
Port Chester, NY 10573

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

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

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

(i) Arbitration. (a) Except as provided in subsection (b) of this Section 4(i), the following provisions shall apply to disputes between Employer and Executive arising out of or related to either: (i) this Agreement (including any claim that any part of this Agreement is invalid, illegal or otherwise void or voidable), or (ii) the employment relationship that exists between Employer and Executive:

(i) The parties shall first use their reasonable best efforts to discuss and negotiate a resolution of the dispute.

(ii) If efforts to negotiate a resolution do not succeed within 5 business days after a written request for negotiation has been made, the dispute shall be resolved timely and exclusively by final and binding arbitration in New York County or Westchester County, New York pursuant to the American Arbitration Association (“AAA”) National Rules for the Resolution of Employment Disputes (the “AAA Rules”). Arbitration must be demanded within ten (10) calendar days after the expiration of the five (5) day period referred to above. The arbitration opinion and award shall be final and binding on the Employer and the Executive and shall be enforceable by any court sitting within New York County or Westchester County, New York. Employer and Executive shall share equally all costs of arbitration excepting their own attorney’s fees unless and to the extent ordered by the arbitrator(s) to pay the attorneys’ fees of the prevailing party.

(iii) The parties recognize that this Section 4(i) means that certain claims will be reviewed and decided only before an impartial arbitrator or panel of arbitrators instead of before a court of law and/or a jury, but desire the many benefits of the arbitration process over court proceedings, including speed of resolution, lower costs and fees, and more flexible rules of evidence. The arbitration or arbitrators duly selected pursuant to the AAA’s Rules shall have the same power and authority to order any remedy for violation of a statute, regulation, or ordinance as a court would have; and shall have the same power to order discovery as a federal district court has under the Federal Rules of Civil Procedure.

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

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

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

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

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

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

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

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

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

(f) [Remainder of page intentionally left blank]

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

PRESTIGE BRANDS HOLDINGS, INC.

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

By: /s/ Paul Migaki
Name: Paul Migaki

DEFINITIONS

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

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

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

“Good Reason” means that the Executive terminated his employment with the Employer because, within the twelve (12) month period preceding the Executive’s termination, one or more of the following conditions arose and the Executive notified the Employer of such condition within 90 days of its occurrence and the Employer did not remedy such condition within 30 days:

(i) a material diminution in the Executive’s base salary as in effect on the date hereof or as the same may be increased from time to time;

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

(iii) the relocation of the Employer’s headquarters outside a thirty-mile radius of Tarrytown, New York or the Employer’s requiring the Executive to be based at any place other than a location within a thirty-mile radius of Tarrytown, New York, except for reasonably required travel on the Employer’s business; or

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

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

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

Exhibit 10.2

AMENDMENT

This amendment (this "Amendment"), dated as of June 11, 2013 is entered into among Prestige Brands, Inc., a Delaware corporation ("Borrower"), Prestige Brands Holdings, Inc., a Delaware corporation ("Holdings"), the Subsidiaries of the Borrower identified as "Guarantors" on the signature pages hereto (the "Subsidiary Guarantors" and, together with Holdings, the "Guarantors"), the Incremental Lenders (as defined below) signatory hereto (in their capacities as such), the Lenders party hereto and Citibank, N.A., in its capacity as administrative agent for the Lenders (in such capacity, the "Administrative Agent"), and in its capacity as L/C Issuer and Swing Line Lender and amends that certain ABL Credit Agreement dated as of January 31, 2012 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") entered into among the Borrower, the institutions from time to time party thereto as Lenders (the "Lenders"), the Administrative Agent, L/C Issuer and the other agents and arrangers named therein. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

W I T N E S S E T H:

WHEREAS, Section 2.14 of the Credit Agreement provides that Borrower may from time to time make Incremental Commitment Requests, subject to the terms and conditions set forth therein;

WHEREAS, each Person identified on Schedule 1 hereto (each, an "Incremental Lender", and collectively, the "Incremental Lenders") has agreed (on a several and not a joint basis), subject to the terms and conditions set forth herein and in the Credit Agreement, to provide a Revolving Commitment Increase in the amount set forth opposite such Incremental Lender's name on Schedule 1 hereto (and the total amount of Revolving Commitment Increases made pursuant to this Amendment shall be $20,000,000); and

WHEREAS, Section 10.01 of the Credit Agreement permits certain amendments of the Credit Agreement with the consent of the Required Lenders, Administrative Agent and the applicable Loan Parties.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto hereby agree as follows:

Section 1. Incremental Amendment

This Amendment includes an Incremental Amendment referred to in Section 2.14(f) of the Credit Agreement, and Borrower and each Incremental Lender hereby agrees that, subject to the satisfaction of the conditions in Section 3 hereof, on the June 2013 Amendment Closing Date (as defined below), the Revolving Commitment Increase of such Incremental Lender shall become effective and the Revolving Credit Commitments shall be deemed increased by the amount of the Revolving Commitment Increases of such Incremental Lenders. After giving effect to such Revolving Commitment Increases, the Revolving Credit Commitment of each Revolving Credit Lender shall be as set forth on Schedule 2 hereto (and such Schedule 2 shall supersede Schedule 1.01A to the Confidential Disclosure Letter). Subject to the satisfaction of the conditions set forth in Section 3 of this Amendment, the Incremental Facility Closing Date with respect to the Revolving Commitment Increases contemplated by this Amendment shall be June 11, 2013 (the "June 2013 Amendment Closing Date").

Section 2. Other Amendments to the Credit Agreement

Effective upon the satisfaction of the conditions set forth in Section 3 of this Amendment, the Credit Agreement is hereby amended as follows:

(a) The definition of "**Minimum Availability Period**" set forth in Section 1.01 of the Credit Agreement is amended by deleting the definition therein and replacing it with the following:

> ""**Minimum Availability Period**" means any period (a) commencing when Excess Availability for any consecutive two calendar day period is less than the greater of (i) 10% of the Aggregate Commitments and (ii) $9,500,000 and (b) ending after Excess Availability is at least the greater of (i) 10.0% of the Aggregate Commitments and (ii) $9,500,000 for a period of 30 consecutive days."

(b) The definition of "**Payment Condition**" set forth in Section 1.01 of the Credit Agreement is amended by deleting the definition therein and replacing it with the following:

> ""**Payment Condition**" means, with respect to any action taken pursuant to Section 6.14, Section 7.02(i), 7.02(n)(y), 7.06(g)(y) or 7.13(a) (in the case of Section 7.13, to the extent using the Cumulative Credit) or 7.03(s), immediately after giving effect to such action, (I) Excess Availability is (and was for the period of 30 days immediately preceding such action) no less than the greater of (A) $23,750,000 and (B) 25% of the Aggregate Commitments or (II) (x) Excess Availability is (and was for the period of 30 days immediately preceding such action) no less than the greater of (A) $11,875,000 (but with respect to any action taken pursuant to 7.06(g)(y),$14,250,000) and (B) 12.5% of the Aggregate Commitments (but with respect to any action taken pursuant to 7.06(g)(y), 15% of the Aggregate Commitments) and (y) the Consolidated Fixed Charge Coverage Ratio for the most recently ended Test Period at the end of which financial statements were required to be delivered hereunder calculated on a Pro Forma Basis is greater than or equal to 1.00 to 1.00."

(c) The definition of "**Weekly Reporting Period**" set forth in Section 1.01 of the Credit Agreement is amended by deleting the definition therein and replacing it with the following:

> ""**Weekly Reporting Period**" means any period beginning on the date that is five (5) Business Days following the date when the Excess Availability is less than the greater of (x) 12.5% of the Aggregate Commitments and (y) $11,875,000 and ending on the date that is five (5) Business Days following the date when the Excess Availability is equal to or greater than the greater of (x) 12.5% of the Aggregate Commitments and (y) $11,875,000."

(d) Section 1.01 of the Credit Agreement is hereby amended by inserting the following definitions in appropriate alphabetical order as follows:

> ""**Commodity Exchange Act**" means the Commodity Exchange Act (7 U.S.C. Section 1 et seq.), as amended from time to time, and any successor statute."

> ""**Excluded Swap Obligation**" means, with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official

interpretation of any thereof) by virtue of such Loan Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (for the avoidance of doubt, giving effect to all provisions of the Loan Documents at the time of such Guarantee or the grant of such security interest) at the time the Guarantee of such Loan Party or a grant by such Loan Party of a security interest, would otherwise have become effective with respect to such Swap Obligation but for such Loan Party's failure to constitute an "eligible contract participant" at such time." If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes excluded in accordance with the first sentence of this definition.

""**Qualified ECP Guarantor**" means, in respect of any Swap Obligation, each Loan Party with total assets exceeding $10,000,000 or that qualifies at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time under §1a(18)(A)(v)(II) of the Commodity Exchange Act."

""**Specified Loan Party**" means any Loan Party that is not an "eligible contract participant" under the Commodity Exchange Act (determined prior to giving effect to Section 11.11 hereof)."

""**Swap Obligations**" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act."

(e) The definition of "**Obligations**" appearing in Section 1.01 of the Credit Agreement is hereby amended by inserting the following text immediately after the period at the end thereof:

"Notwithstanding anything herein to the contrary, in no circumstances shall Excluded Swap Obligations constitute Obligations."

(f) The definition of "**Guaranteed Obligations**" appearing in Section 11.01 of the Credit Agreement is hereby amended by inserting the following text immediately prior to the period at the end thereof:

"; *provided*, that notwithstanding the foregoing, with respect to any Guarantor, Guaranteed Obligations shall not include Excluded Swap Obligations of such Guarantor."

(g) Section 8.03 of the Credit Agreement is hereby amended by inserting the following text immediately at the end thereof

"Notwithstanding anything to the contrary in this Agreement or any other Loan Document, in no circumstances shall any amounts received from a Loan Party that is not an "eligible contract participant" (as defined in the Commodity Exchange Act) be applied towards the payment of obligations that are Excluded Swap Obligations, but, to the extent permitted by applicable law, appropriate adjustments shall be made with respect to payments from other Loan Parties that are "eligible contract participants" to preserve, as nearly as possible, the proportional allocation to the Obligations otherwise set forth above in this Section."

(h) Article XI of the Credit Agreement is hereby amended by inserting the following new Section 11.11:

"Section 11.11 Keepwell

Each Guarantor that is a Qualified ECP Guarantor at the time the Guarantee or the grant of the security interest under the Loan Documents, in each case, by any Specified Loan Party, becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its Guaranteed Obligations under this Agreement and the other Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this Section 11.11 voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the payment in full of the Obligations. Each Qualified ECP Guarantor intends this Section 11.11 to constitute, and this Section 11.11 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act."

(i) Article XI of the Credit Agreement is hereby amended by inserting the following new Section 11.12:

"Section 11.12 Excluded Swap Obligations Limitation

Notwithstanding anything in this Article XI to the contrary, no Guarantor shall be required to make any payment pursuant to this Guarantee to any party, and the right of set-off provided in Section 10.09 shall not apply with respect to any Guarantor, in each case, with respect to Excluded Swap Obligations, if any, of such Guarantor."

Section 3. Conditions Precedent to the Effectiveness of this Amendment

This Amendment shall become effective as of the date when, and only when, the following conditions precedent have been satisfied:

(a) Administrative Agent shall have received counterparts of this Amendment duly executed by (1) the Borrower, (2) each Guarantor, (3) the Administrative Agent, (4) the Incremental Lenders and (5) the Required Lenders.

(b) (x) no Default or Event of Default shall exist after giving effect to this Amendment and any Revolving Loans made pursuant thereto on the June 2013 Amendment Closing Date and (y) after giving effect to the Revolving Commitment Increases contemplated hereby, the conditions of Section 4.02(i) of the Credit Agreement shall be satisfied (it being understood that all references to "the date of such Credit Extension" or similar language in such Section 4.02(i) shall be deemed to refer to the June 2013 Amendment Closing Date).

(c) The Borrower shall have paid (x) to the Administrative Agent, for the account of each Lender that consents hereto, a fee equal to 0.10% of the Revolving Credit Commitments of such Lender immediately prior to the effectiveness of this Amendment and (y) to the Administrative Agent, for the account of each Incremental Lender, such fees as the Borrower shall separately have agreed to pay such Person.

(d) The Administrative Agent shall have received the executed legal opinion of Kirkland & Ellis LLP, counsel to the Borrower and the Guarantors, in form and substance reasonably satisfactory to the Administrative Agent.

Section 4. Representations and Warranties

On and as of the June 2013 Amendment Closing Date, after giving effect to this Amendment, the Borrower hereby represents and warrants to the Administrative Agent and the Lenders as follows:

(a) The execution, delivery and performance by each Loan Party of this Amendment (a) has been duly authorized by all necessary corporate or other organizational action, and (b) does not (i) contravene the terms of any of such Person's Organization Documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under (other than as permitted by Section 7.01 of the Credit Agreement), or require any payment to be made under (x) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (y) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (iii) violate any Law; except with respect to any conflict, breach or contravention or payment (but not creation of Liens) referred to in clauses (ii) and (iii), to the extent that such violation, conflict, breach, contravention or payment could not reasonably be expected to have a Material Adverse Effect;

(b) No material approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Amendment, except for (i) those approvals, consents, exemptions, authorizations or other actions, notices or filings, the failure of which to obtain or make could not reasonably be expected to have a Material Adverse Effect or (ii) the approvals, consents, exemptions, authorizations, actions, notices and filings which have been duly obtained, taken, given or made and are in full force and effect (except to the extent not required to be obtained, taken, given or made or in full force and effect pursuant to the Collateral and Guarantee Requirement);

(c) this Amendment and the Loan Documents (as amended hereby) has been duly executed and delivered by each Loan Party that is a party thereto. This Agreement and each other Loan Document (as amended hereby) constitutes, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is a party thereto in accordance with its terms, except as such enforceability may be limited by (i) Debtor Relief Laws and by general principles of equity and (ii) the need for filings and registrations necessary to create or perfect the Liens on the Collateral granted by the Loan Parties in favor of the Secured Parties and (iii) the effect of foreign Laws, rules and regulations as they relate to pledges of Equity Interests in Foreign Subsidiaries; and

(d) (x) no Default or Event of Default shall exist after giving effect to this Amendment and any Revolving Loans made pursuant thereto on the June 2013 Amendment Closing Date and (y) after giving effect to the Revolving Commitment Increases contemplated hereby, the conditions of Section 4.02(i) of the Credit Agreement are satisfied (it being understood that all references to "the date of such Credit Extension" or similar language in such Section 4.02(i) shall be deemed to refer to the June 2013 Amendment Closing Date).

Section 5. Reallocation

The reallocation of the Revolving Credit Lenders' Revolving Credit Loans contemplated by Section 2.14(g) with respect to any Revolving Commitment Increase shall occur with respect to the Revolving Commitment Increases contemplated hereby on the June 2013 Amendment Closing Date, and the Incremental Lenders shall make such Revolving Credit Loans on the June 2013 Amendment Closing Date as may be required to effectuate such reallocation. Furthermore, on the June 2013 Amendment Closing Date, all participations in L/C Obligations and Swing Line Loans shall be reallocated pro rata among the Revolving Credit Lenders after giving effect to the Revolving Commitment Increases contemplated hereby.

Section 6. Reference to and Effect on the Loan Documents

(a) As of the June 2013 Amendment Closing Date, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import, and each reference in the other Loan Documents to the Credit Agreement (including, without limitation, by means of words like "thereunder," "thereof" and words of like import), shall mean and be a reference to the Credit Agreement as amended hereby, and this Amendment and the Credit Agreement shall be read together and construed as a single instrument. Each of the table of contents and lists of Exhibits and Schedules of the Credit Agreement shall be amended to reflect the changes made in this Amendment as of the June 2013 Amendment Closing Date.

(b) Except as expressly amended hereby or specifically waived above, all of the terms and provisions of the Credit Agreement and all other Loan Documents are and shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Lenders, the Borrower or the Administrative Agent under any of the Loan Documents, nor constitute a waiver or amendment of any other provision of any of the Loan Documents or for any purpose except as expressly set forth herein.

(d) This Amendment shall constitute a Loan Document under the terms of the Credit Agreement.

Section 7. Acknowledgement and Reaffirmation of Guarantors

The Guarantors acknowledge and consent to all terms and conditions of this Amendment and agree that this Amendment and all documents executed in connection herewith do not operate to reduce or discharge the Guarantors' obligations under the Loan Documents. Each Guarantor hereby ratifies and confirms its obligations under the Loan Documents, including the Collateral and Guarantee Requirement of the Credit Agreement and including, without limitation, its guarantee of the Obligations and its grant of the security interest in the Collateral (as defined in the Security Agreement) to secure the Obligations (including any Obligations resulting from the Revolving Commitment Increases contemplated hereby).

Section 8. Costs and Expenses

The Borrower agrees to pay all reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, reproduction, execution and delivery of this Amendment (including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent with respect thereto).

Section 9. Execution in Counterparts

This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by telecopier of an executed counterpart of a signature page to this Amendment shall be effective as delivery of an original executed counterpart of this Amendment. The Administrative Agent may also require that any such documents and signatures delivered by telecopier be confirmed by a manually signed original thereof; *provided* that the failure to request or deliver the same shall not limit the effectiveness of any document or signature delivered by telecopier.

Section 10. Approval

To the extent required by the proviso to Section 2.14(c) of the Credit Agreement, the Administrative Agent, the Swing Line Lender and the L/C Issuer hereby consent to the provision by the Incremental Lenders providing Revolving Commitment Increases pursuant to the Amendment.

Section 11. Governing Law

THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. ANY LEGAL ACTION OR PROCEEDING ARISING UNDER THIS AMENDMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AMENDMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, SHALL BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY (BOROUGH OF MANHATTAN) OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF SUCH STATE, AND BY EXECUTION AND DELIVERY OF THIS AMENDMENT, EACH LOAN PARTY, THE ADMINISTRATIVE AGENT, THE SWING LINE LENDER, THE L/C ISSUER AND EACH LENDER, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS AND AGREES THAT IT WILL NOT COMMENCE OR SUPPORT ANY SUCH ACTION OR PROCEEDING IN ANOTHER JURISDICTION. EACH LOAN PARTY, THE ADMINISTRATIVE AGENT, THE SWING LINE LENDER, THE L/C ISSUER AND EACH LENDER IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO IRREVOCABLY CONSENTS TO

SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT IN THE MANNER PROVIDED FOR NOTICES (OTHER THAN TELECOPIER) IN SECTION 10.02 OF THE CREDIT AGREEMENT. NOTHING IN THIS AMENDMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

Section 12. ***Notices***

All communications and notices hereunder shall be given as provided in the Credit Agreement.

Section 13. ***Waiver of Jury Trial***

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first written above.

PRESTIGE BRANDS HOLDINGS, INC., as Holdings and Guarantor

By: /s/ Ron Lombardi

Name: Ronald M. Lombardi

Title: Chief Financial Officer

PRESTIGE BRANDS, INC., as Borrower

BY: /s/ Ron Lombardi

Name: Ronald M. Lombardi

Title: Chief Financial Officer

BLACKSMITH BRANDS, INC.
MEDTECH HOLDINGS, INC.
MEDTECH PRODUCTS INC.
PRESTIGE BRANDS HOLDINGS, INC.
PRESTIGE BRANDS INTERNATIONAL, INC.
PRESTIGE SERVICES CORP.
THE CUTEX COMPANY
THE SPIC AND SPAN COMPANY,
AS SUBSIDIARY GUARANTORS

BY: /s/ Ron Lombardi

NAME: Ronald M. Lombardi

TITLE: Chief Financial Officer

CITIBANK, N.A., as Administrative Agent, Swing Line Lender, L/C Issuer and as an Incremental Lender

By: /s/ Michael J. Smolow
Name: Michael J. Smolow
Title: Director & Vice President

MORGAN STANLEY BANK, N.A.,
as an Incremental Lender

By: /s/ Kelly Chin
Name: Kelly Chin
Title: Authorized Signatory

ROYAL BANK OF CANADA, as an
Incremental Lender

By: /s/ John Flores
Name: John Flores
Title: Authorized Signatory

DEUTSCHE BANK TRUST COMPANY AMERICAS, as a Lender

By: /s/ Michael Getz
Name: Michael Getz
Title: Vice President

By: /s/ Marcus M. Tarkington
Name: Marcus M. Tarkington
Title: Director

Exhibit 31.1

CERTIFICATIONS

I, Matthew M. Mannelly, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Prestige Brands Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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

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

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

Date:	August 1, 2013	**/s/ Matthew M. Mannelly**
		Matthew M. Mannelly
		Chief Executive Officer
		(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Ronald M. Lombardi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Prestige Brands Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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

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

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

Date: August 1, 2013

/s/ Ronald M. Lombardi

Ronald M. Lombardi
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew M. Mannelly, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Prestige Brands Holdings, Inc. on Form 10-Q for the quarter ended June 30, 2013, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Prestige Brands Holdings, Inc.

/s/ Matthew M. Mannelly
Name: Matthew M. Mannelly
Title: Chief Executive Officer
(Principal Executive Officer)
Date: August 1, 2013

EXHIBIT 32.2

CERTIFICATION
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Ronald M. Lombardi, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Prestige Brands Holdings, Inc. on Form 10-Q for the quarter ended June 30, 2013, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Prestige Brands Holdings, Inc.

/s/ Ronald M. Lombardi
Name: Ronald M. Lombardi
Title: Chief Financial Officer
(Principal Financial Officer)
Date: August 1, 2013