



news

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**FOR IMMEDIATE RELEASE**

**PRESTIGE BRANDS ANNOUNCES ACQUISITION OF LITTLE REMEDIES®**

IRVINGTON, NY – October 7, 2004 – Prestige Brands, Inc. today announced that it has acquired the rights to the Little Remedies® umbrella brand through its purchase of all of the capital stock of Vetco, Inc., a leading company engaged in the development, distribution and marketing of pediatric over-the-counter healthcare products.

The transaction was valued at approximately \$49.3 million, and was funded with approximately \$30 million of senior debt and the remainder with cash from the Prestige balance sheet. For the twelve months ended June 30, 2004, Vetco had EBITDA before anticipated cost savings of approximately \$5.8 million and net income of approximately \$5.6 million. In addition, we expect to achieve certain cost savings when integrating Vetco's operations with Prestige. For example, we intend to eliminate several full-time positions at Vetco and move Vetco's advertising, logistics, brokerage and media buying needs under the Prestige umbrella. After giving effect to these anticipated cost savings that we expect to achieve in the next three months, Vetco would have had pro forma EBITDA of approximately \$6.7 million for the twelve months ended June 30, 2004. A reconciliation of pro forma EBITDA to EBITDA, EBITDA to net income and net income to cash flows from operations is set forth below.

Specifically designed to address the unique needs of infants and children, Little Remedies® products deliver relief of common childhood ailments without unnecessary additives such as saccharin, alcohol, artificial flavors, coloring dyes or harmful preservatives.

The Little Remedies® brand name includes, amongst others, Little Noses® nasal products, Little Tummys® digestive health products, Little Colds® cough/cold remedies and the popular Little Remedies® New Parents Survival Kit.

Vetco distributes its wide variety of products to drug and food stores, mass merchandisers and specialty retailers throughout the U.S. Sawaya Segalas & Co., LLC, a leading consumer products investment banking firm, served as exclusive financial advisor to Vetco.



### **Conference Call**

The Company will hold a conference call to review the transaction at 10:00 A.M. Eastern Time on Thursday, October 14, 2004. The domestic dial in number for the call is +1 866 761 0752. The international dial in number is +1 617 614 3901. The conference pass code is 27218483.

A replay of the conference call will be available beginning at approximately 12:00 P.M. Eastern Time on the day of the call through 12:00 P.M. Eastern Time on October 28, 2004 by calling +1 888 286 8010 using the code 27218483#. For international callers, please dial +1 617 801 6888 using the code 27218483#.

### **About Prestige Brands, Inc.**

Prestige Brands is a marketer and distributor of well-recognized, branded over-the-counter healthcare, personal care and household products sold throughout the United States and Canada. Key brands include Compound W<sup>®</sup> wart remover, Chloraseptic<sup>®</sup> sore-throat relief products, New-Skin<sup>®</sup> liquid bandage, Clear Eyes<sup>®</sup> and Murine<sup>®</sup> eye and ear care products, Cutex<sup>®</sup> nail polish remover, Comet<sup>®</sup> and Spic & Span<sup>®</sup> household cleaner and several other well recognized brands. Prestige Brands is controlled by affiliates of GTCR Golder Rauner, LLC. Prestige Brands is headquartered in Irvington, New York. For more information, visit [www.prestigebrandsinc.com](http://www.prestigebrandsinc.com).

### **About GTCR Golder Rauner, LLC**

Founded in 1980, GTCR Golder Rauner is a leading private equity investment firm and long-term strategic partner for outstanding management teams. The Chicago-based firm pioneered the investment strategy of identifying and partnering with exceptional executives to build leading companies through a combination of acquisitions and strong internal growth. GTCR currently manages more than \$6 billion of equity capital invested in a wide range of companies and industries. For more information, visit [www.gtcr.com](http://www.gtcr.com).

### **Forward-Looking Statements**

This press release may contain “forward-looking statements.” These statements reflect our expectations or beliefs concerning future events that involve risks and uncertainties, including general economic conditions affecting our products and their respective markets, changing consumer trends, pricing pressures which may cause us to lower our prices, increases in supplier prices, changes in our senior management team, our ability to protect our intellectual property rights, our dependency on the reputation of our brand names, the competition in our markets, shortages of supply of sourced goods or interruptions in the manufacturing of our products, our level of debt, our ability to obtain additional financing, the restrictions in our senior credit facility and the indenture relating to our outstanding senior subordinated notes on our operations and our ability to service our debt. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. These forward-looking statements may contain the words “believe,” “anticipate,” “expect,” “estimate,” “project,” “will be,” “will continue,” “will likely result,” or other similar words and phrases. Forward-looking statements and our plans and expectations are subject to a



number of risks and uncertainties that could cause actual results to differ materially from those anticipated; and our business in general is subject to certain risks, including, but not limited to the risks identified in our most recent Registration Statement on Form S-4 on file with the SEC.

	<b>Twelve Months Ended June 30, 2004</b>
	<b>(dollars in thousands)</b>
Cash flows from operating activities .....	\$5,240
Depreciation and amortization.....	(13)
Next change in operating assets and liabilities .....	334
Other .....	75
Net income .....	<u>\$5,636</u>
Income taxes .....	?
Interest income .....	(61)
Depreciation and Amortization....	13
Other non-recurring items .....	226
EBITDA <sup>(1)</sup> .....	<u>\$5,814</u>
Anticipated cost savings:	
Freight and shipping .....	149
Sales commissions .....	208
Marketing consultants .....	73
Other general and administrative .....	441
Pro forma EBITDA <sup>(1)</sup> .....	<u><u>\$6,685</u></u>

- (1) EBITDA is defined as income before taxes, interest expense, depreciation, amortization and certain other non-recurring items. Pro forma EBITDA is defined as EBITDA after giving effect to certain anticipated cost savings expected to be achieved when integrating Vetco's operations with Prestige. EBITDA and pro forma EBITDA are presented to aid in developing an understanding of the ability of a businesses' operations to generate cash for debt services and taxes, as well as cash for investments in working capital, capital expenditures and other liquidity needs. EBITDA and pro forma EBITDA should not be considered as alternatives to, or more meaningful than, amounts determined in accordance with generally accepted accounting principles. EBITDA and pro forma EBITDA are not calculated identically by all companies, and therefore, the presentations herein may not be comparable to similarly titled measures of other companies.