

Spectrum Brands to Sell United Pet Group

Spectrum Brands Sells United Pet Group To Salton, Inc

By The BirdChannel News Division

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Spectrum Brands Inc. has decided to sell its global pet supply business, United Pet Group, to Salton Inc. of Miramar, Fla., for \$692.5 million in cash. United Pet Group includes such brands as Jungle Talk, a bird toy and accessory producer, and Eight In One, a producer of bird and small animal diets.

"The sale of our Global Pet Supply business for a full and fair value is a critical step toward achieving one of our key priorities, improving the overall capital structure of this company," said Kent Hussey, chief executive officer of Spectrum Brands.

"We estimate that this transaction will decrease our total leverage ratio of approximately 8.5 as of March 30, 2008 to approximately 7.8 on a pro forma basis and will provide greater flexibility to our remaining core businesses.

"Additionally, we estimate that this transaction will decrease our senior leverage ratio from approximately 5 as of March 30, 2008 to approximately 4 on a pro forma basis."

UPG's largest specialty pet brands include 8 in 1, Dingo, Firstrax, Nature's Miracle and Wild Harvest. Aquatic brands include Tetra, Marineland, Whisper, Jungle and Instant Ocean.

Salton expects to integrate its existing LitterMaid self-cleaning cat litter box business into UPG.

John Heil, co-chief operating officer and president, Global Pet Supplies of Spectrum Brands, will continue to lead UPG, which will operate as a standalone business with dedicated sales and marketing, and research and development.

"The addition of the United Pet Group establishes Salton as one of the leading providers of specialty pet supplies," said Terry Polistina, president and chief executive officer of Salton. "UPG is well positioned for continued success with strong market positions, diversified product offerings and established customer relationships.

"We believe there are many opportunities to continue to leverage our core competency in electronics within the specialty pet business using UPG's brands and global distribution channels. We expect to realize considerable revenue synergies, as our LitterMaid business will benefit from UPG's geographic reach."

The transaction is expected to close by the end of August 2008.