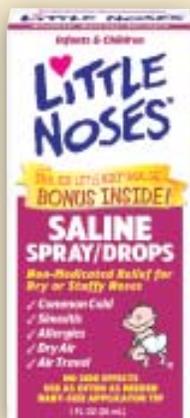


What Makes Us Unique?

Prestige Brands

2005 Annual Report
Prestige Brands Holdings, Inc.



Our Strong Portfolio of Brands

Prestige sells strong, broadly distributed, well-recognized brand name over the counter drugs, household cleaning and personal care products. Our portfolio is made up of time-tested brands that have an established history as well as future potential.

We identify brands that have strong consumer followings, but may not have had adequate marketing focus or the capital resources to develop their full value. In many cases, these brands were considered non-core under previous ownership and did not benefit

from the focus of senior-level management or strong brand-marketing support. Our management team has taken advantage of this opportunity by providing the acquired brands with the support and the attention necessary to enhance the brand's market position, expand its distribution, and successfully launch line extensions and new products.

Today our brands are present in the medicine cabinet or under the sink of most American households. Our brands hold leading market positions in their respective categories.

**Proven brand names,
with leading positions
in attractive niche markets.**



Leading Market Positions

Key Brands	Category	Market Ranking	ACV*
OTC Drugs			
Chloraseptic®	Liquid sore throat relief	#1	96%
Compound W®	Wart remover	#2	88%
Clear eyes®	Redness relief eye drops	#2	92%
Murine®	Ear drops	#3	63%
New Skin®	Liquid bandage	#1	89%
Household Cleaning			
Comet®	Abrasive tub and tile cleanser	#2	95%
Spic and Span®	All-purpose cleaner	#6	63%
Personal Care			
Cutex®	Nail polish remover	#1	91%
Denorex®	Medicated shampoo	#4	74%

Source: Information Resources, Inc.

*ACV, all-commodity volume, is a measure of retail distribution.



Our High-Margin Business Model

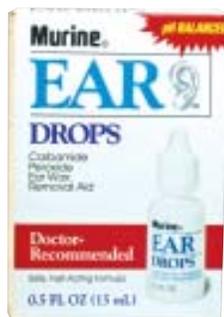
Prestige's unique business model allows the Company to concentrate on key brand-building projects while maintaining high flexibility through outsourced manufacturing and distribution.

As a result, senior management is able to focus its time and resources on key business drivers like marketing, sales, product development and strong customer relationships. In addition, although the ingenuity behind

new product innovation comes primarily from Prestige's management, the Company is able to share the costs of research and development with its manufacturing partners.

As a result, Prestige maintains very low capital expenditures, generates strong cash flow and remains highly profitable, with margins above industry averages. All this provides Prestige with the ability to fund both organic growth and strategic acquisitions.

**Highly variable cost structure
with minimal capital investment,
resulting in strong cash flow.**



Our Experienced Management Team

The Prestige executive team has proven over time that they are among the best in their business. With more than three decades of experience in the industry, CEO Peter Mann leads the senior management team, whose members each have more than 25 years of experience and have worked together since the Company's inception in 2001. These executives, who comprise one of the leanest teams in the industry, have the relationships and expertise that have

allowed Prestige to negotiate, innovate and integrate more efficiently than competitors.

All of these senior managers are fully engaged in the marketing, sales and operational decisions of the Company. Unlike larger consumer products companies, where experienced executives can grow distant from the day-to-day operations of the company, Prestige has "hands-on" senior management involved in every brand and every aspect of the business.

**Experience,
combined with true teamwork,
makes the difference.**



Michael A. Fink
Senior Vice President—
Marketing, OTC/Personal Care

Peter J. Anderson
Chief Financial Officer

Gerard F. Butler
Chief Sales Officer

Eric M. Millar
Senior Vice President—
Operations

Peter C. Mann
Chairman, President and
Chief Executive Officer

Charles Schrank
Senior Vice President—
Marketing, Household



Leading to Consistent Growth

The Prestige profile—the exceptional product portfolio, the unique operating model, the strong cash flows, the ability to identify and integrate strategic acquisitions and the experienced management team—is designed to deliver the Company’s overriding objective: strong, sustained growth.

Brands that were languishing under their former owners find new life and new growth under the Prestige approach. On the facing page are two typical case histories that demonstrate the Prestige effect on revenues. Of course, revenue growth is only half of the

Prestige success formula. Thanks to our unique and highly efficient operating model, profits often grow even faster.

The Prestige results speak for themselves:

- Organic revenue growth of approximately 7% annually over the past four years.
- At least one meaningful strategic acquisition every year over that same four-year period.
- Profit growth (as measured by EBITDA) of 26.5% in fiscal year 2005 over pro forma fiscal year 2004.

**Brands flourish and grow
under our management approach.**





Prestige acquired the Chloraseptic business in 2000 when the brand was declining due to little promotion and media support. Under Prestige, distribution was rebuilt, advertising reinstated, promotional offerings renewed and new items launched. The most recent of these new products has been the highly success-

ful Relief Strips, which are now available in Original Cherry, Adult Citrus and Kids Grape flavors.

Chloraseptic will benefit from a number of new initiatives, including improved package graphics to increase retail presence and appeal. Chloraseptic will also launch new items and improved formulations.

Net Sales

Base Year = 1997



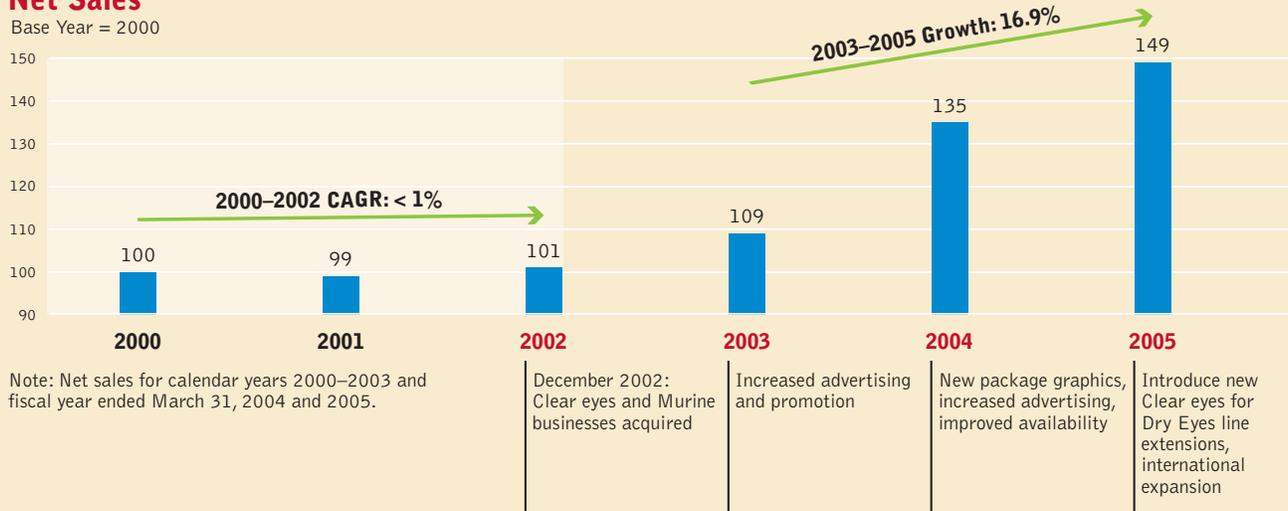
Prestige acquired the Clear eyes and Murine businesses in December 2002 following relatively flat sales. Prestige renewed the product movement by increasing advertising support, stimulating retail with promotional offers, broadening product distribution in all classes of trade and introducing new, contemporary package graphics. Currently, the Clear eyes brand enjoys very high consumer brand awareness and maintains a leadership position in the Redness Relief segment with the No.1 SKU in the category.

Clear eyes for Dry Eyes and Clear eyes for Dry Eyes Plus Redness Relief were launched in February 2005 with promotional offers and increased consumer advertising featuring longtime spokesperson Ben Stein.

Clear eyes and Murine, which have established distribution and trademark registrations outside North America, will remain a focus of our international growth. Prestige has hired experienced international management to oversee the business.

Net Sales

Base Year = 2000



To My Fellow Shareholders

It is with great pleasure that I present to you the first annual report of Prestige Brands Holdings, Inc.

Fiscal 2005 (ended March 31, 2005) was an extraordinary year for Prestige Brands. For the year, revenues increased from \$88 million in fiscal 2004 to \$303 million in fiscal 2005 (as a result of both organic growth and significant acquisitions) with net income, on a pro forma basis, of \$0.82 per share. We significantly expanded our product line in all three of our business units by introducing a wide range of exciting new items. Toward the end of the fiscal year, the Company executed a very successful IPO on the New York Stock Exchange, placing 33 million shares in the hands of our investors.

Our goal every day is to develop further shareholder value by growing the sales and profits of our portfolio of some of America's most cherished brands. We do this by increasing consumer awareness and use of our existing products, by developing new and innovative items to broaden the range of our existing product lines, by increasing the geographic footprint of our company around the world, by selectively acquiring additional

brands that are good strategic fits with our business philosophy and by generating further operating and financial efficiencies.

A Successful Year of Acquisitions

During fiscal 2005, Prestige Brands completed two significant acquisitions that added additional strong brands to our portfolio.

At the beginning of the fiscal year, the Company completed the acquisition of Bonita Bay Holdings, which contributed several of Prestige Brands' most popular brands, including Comet, Chloraseptic and Clear eyes. We were able to quickly incorporate Bonita Bay's operations into the Company's Irvington, New York headquarters, completing the integration in July. This process yielded very significant operating synergies, which are now contributing to the Company's strong profit delivery.

We completed acquisitions of two companies with five strong brands that yielded very significant growth and operating synergies.



In October, Prestige acquired the Little Remedies product line, a diverse family of over-the-counter pediatric healthcare products. Specifically designed to address the unique needs of infants and children, Little Remedies products deliver relief from common childhood ailments without unnecessary additives such as saccharin, alcohol, artificial flavors, dyes or harmful preservatives. Once again, this new business was quickly integrated into the Company's operating infrastructure, and is now contributing strong sales and profit growth.

Innovative New and Exciting Products

Fiscal 2005 was a benchmark year for introductions of new Prestige Brands products that build off the strengths of our established brands. Key launches were inaugurated throughout the Company, including:

- *Kids Grape and Adult Citrus Chloraseptic Sore Throat Relief Strips*—Two extensions of the very successful original Cherry Chloraseptic strips, these new flavors broadened the retail “footprint” and contributed significant incremental sales volume.

- *Comet Cream*—During the year, Comet Cream, a uniquely formulated cream abrasive cleanser, was relaunched with new packaging, new sizing and new pricing, all designed to capture a significant share of the large and growing abrasive cream market.

- *New Skin Scar Therapy*—As America's No.1 liquid bandage, New Skin has become one of the most trusted brands for healing cuts, scrapes and blisters. In fiscal 2005, Prestige Brands strategically leveraged the New Skin heritage to introduce a unique treatment to reduce the visual appearance of scars.

- *Compound W Freeze Off*—This technological breakthrough was actually launched in the second half of fiscal 2004, but fiscal 2005 represented the first year of full marketing and sales support. Freeze Off gives wart sufferers the opportunity to use, in the comfort and

Fiscal 2005 was a benchmark year for introductions of new Prestige Brands products that build off the strengths of our established brands.



privacy of their homes, the same freezing treatment that many physicians employ in their offices. Sales of Freeze Off in this year were exceptionally strong and were largely incremental to the total Compound W franchise.

- *Little Remedies*—Shortly after the integration of Little Remedies, we began working to expand our selection of products for infants and toddlers. At the end of the fiscal year, Prestige Brands introduced innovative new products under the Little Bottoms, Little Teethers and Little Fevers brands. These items offer parents unique ways to treat and prevent diaper rash, to reduce the discomfort of teething and to lower infants' fevers.
- *Clear eyes for Dry Eyes*—These two items were launched late in the fiscal year and are targeted at consumers who suffer from dry, irritated and scratchy eyes. This segment of the OTC eye care market is large and growing rapidly. These new Clear eyes products have

unique formulas, which ensure that the relief stays in the user's eyes and won't run off. Initial trade and consumer reaction has been excellent.

Strong Financial Performance

In 2005, Prestige Brands utilized our assets and unique operating model to outperform even our own challenging expectations. For the full fiscal year, revenues were \$303.3 million, an 8.5% increase over the prior fiscal year's pro forma results of \$279.4 million. This increase reflects strong revenue growth in OTC and Household Cleaners, plus the partial-year contribution of Little Remedies. Operating income was \$93.6 million, 35% greater than the pro forma results of \$69.2 million for the prior fiscal year. Net income increased substantially for fiscal 2005, from \$4.2 million to \$13.5 million. Importantly, these fiscal 2005 results included a \$26.9 million one-time debt loss extinguishment expense (a result of the Company paying down a significant amount of debt) as well as \$6.0 million in other one-time costs.

In the final quarter of the year, we launched five new Little Remedies products, plus two new Clear eyes items.



A Continued Positive Outlook

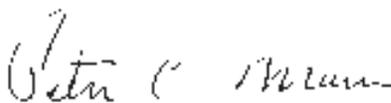
With a strong capital structure resulting from the IPO, the acquisitions of 2005 now fully integrated and a robust pipeline of future new product launches, I am very optimistic about the prospects for Prestige in the upcoming year and beyond. We anticipate that average annual organic top-line revenues will increase 5 to 7%, excluding the impact of any acquisitions or mergers, and annual EPS is anticipated to grow by a greater margin. And, of course, we are very active in searching for appropriate strategic acquisition opportunities. While it is difficult to predict when such an opportunity will be realized, we are quite optimistic that a number of potentially attractive acquisitions will be reviewed throughout the year.

The Company is blessed with a small but remarkably skilled and dedicated group of employees. Each and every person has played, and will continue to play, a key

role in the growth and success of the Company. Without this “family” of employees, Prestige would be only a company with great brands, but with them, we are one of the most successful and most rapidly growing businesses in our industry. I am truly proud to be a part of such a wonderful team.

As the point of an annual report is to discuss the events of the previous year, the majority of this report will focus on what *has* happened. The Prestige story for 2005 is a compelling one; but for all of us, what *will* happen is what drives our energies and our activities. By continuing to implement our unique strategies and processes, I am confident that our best days are still to come.

Sincerely,



Peter C. Mann

Chairman, President and Chief Executive Officer

The Company is blessed with a small but remarkably skilled and dedicated group of employees who have played, and will continue to play, a key role in the growth and success of the Company.



Directors

Peter C. Mann

Prestige Brands
Chairman, President and
Chief Executive Officer

L. Dick Buell

Chief Executive Officer of
Catalina Marketing Corporation

Gary E. Costley Ph.D.

Managing Partner at
C&G Capital and Management

David A. Donnini

Principal of GTCR Golder Rauner, LLC

Ronald B. Gordon

President and Chief Operating Officer of
Nice-Pak Products, Inc. (Retired)

Vincent J. Hemmer

Principal of GTCR Golder Rauner, LLC

Patrick M. Lonergan

Co-Founder and President of
Numark Laboratories

Officers

Peter C. Mann

Chairman, President and
Chief Executive Officer

Peter J. Anderson

Chief Financial Officer

Gerard F. Butler

Chief Sales Officer

Michael A. Fink

Senior Vice President—
Marketing, OTC/Personal Care

Charles N. Jolly

Baker, Donelson, Bearman,
Caldwell & Berkowitz, PC
Secretary

Charles Schrank

Senior Vice President—
Marketing, Household

Eric M. Millar

Senior Vice President—Operations



Shareholder Information

Transfer Agent and Registrar

Registered shareholders with questions regarding stock holdings, certificate replacement/transfer and address change should contact our Transfer Agent:

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Telephone: (718) 575-3400

Independent Auditor

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201 South Main Street, Suite 900
Salt Lake City, UT 84111

Corporate Counsel

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601

Baker, Donelson, Bearman,
Caldwell & Berkowitz, PC
1800 Republic Centre
Chattanooga, TN 37450

Common Stock Listing

New York Stock Exchange (Symbol—PBH)

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