

## Helen of Troy Announces Completion of Acquisition of Healthy Directions

6/30/2014

EL PASO, Texas--(BUSINESS WIRE)--Jun. 30, 2014-- Helen of Troy Limited (NASDAQ, NM:HELE), designer, developer and worldwide marketer of brand-name housewares, healthcare/home environment and personal care consumer products, announced that it has completed its previously-announced acquisition of Healthy Directions, LLC and its subsidiaries (Healthy Directions), a U.S. market leader in premium doctor-branded vitamins, minerals and supplements (VMS), as well as other health products sold directly to consumers, for approximately \$195 million in cash, subject to certain customary closing adjustments. The sellers are certain funds controlled by American Securities, LLC and ACI Capital Co., LLC.

On a trailing twelve month basis through March 2014, the acquisition implies a multiple of less than 8.0 times adjusted EBITDA. The acquisition is expected to be accretive on a cash flow, adjusted EBITDA and adjusted EPS basis.

Tim Meeker, Chairman of the Board, commented: "We are very pleased to complete the acquisition of Healthy Directions, which is in line with our stated goal of investing our cash flow for the benefit of our shareholders. Following this acquisition, we continue to have an attractive debt to adjusted EBITDA ratio of less than 3.0 times. The cash flow generation of our business and the additional capacity of our recently revised revolving credit facility provides us with sufficient financial resources to support our current brands and businesses, evaluate strategic acquisitions, and repurchase outstanding shares."

Julien R. Mininberg, Chief Executive Officer, stated: "The addition of Healthy Directions to our growing portfolio of market-leading health and wellness businesses is a great strategic fit for Helen of Troy. The advantages of Healthy Directions' business model are expected to drive continued positive sales and earnings opportunities for its core business and other health and wellness businesses at Helen of Troy. These advantages include its direct-to-

consumer distribution model, its stable of highly regarded doctor-branded VMS offerings, its consumable product offering that encourages repeat purchase, and its solid top line momentum. Healthy Directions is poised to continue capitalizing on the expected growth in the VMS market and the growth in its core demographic of those aged 55-plus. I would like to take this opportunity to welcome the entire Healthy Directions team to the Helen of Troy family and look forward to many years of profitable growth together.”

Connie Hallquist, Chief Executive Officer of Healthy Directions, stated: “I am pleased that we are officially joining the Helen of Troy family today. We look forward to being a part of the continued success of Helen of Troy. I believe Healthy Directions will benefit greatly from the additional financial and operational resources Helen of Troy provides us, as well as opportunities to work with their strong stable of brands and products, paving the way for even greater growth potential in the years ahead.”

J.P. Morgan Securities LLC acted as an exclusive financial advisor to Helen of Troy Limited on the acquisition of Healthy Directions. Additionally, JPMorgan Chase Bank, N.A. and Bank of America, N.A. provided committed financing for the transaction. Houlihan Lokey served as exclusive financial advisor and assisted in structuring and negotiating the transaction on behalf of Healthy Directions. Baker & McKenzie LLP acted as legal counsel to Helen of Troy Limited in connection with the transaction. Kaye Scholer LLP acted as legal counsel to Healthy Directions.

On June 11, 2014, Helen of Troy entered into a Fourth Amendment to its Credit Agreement (the “Amendment”) with Bank of America, N.A., and other lenders. The Amendment increased the unsecured revolving commitment of the Credit Agreement from \$375 million to \$570 million and permitted the acquisition of Healthy Directions.

The above matters are more fully described in public filings that have been filed by Helen of Troy with the Securities and Exchange Commission, which are available on the Investor Relations portion of Helen of Troy’s website at [www.hotus.com](http://www.hotus.com).

#### About Helen of Troy Limited:

About Helen of Troy Limited: Helen of Troy Limited is a leading global consumer products company offering creative solutions for its customers through a strong portfolio of well-recognized and widely-trusted brands, including: Housewares: OXO®, Good Grips®, Soft Works®, OXO tot® and OXO Steel®; Healthcare/Home Environment: Vicks®, Braun®, Honeywell®, PUR®, Febreze®, Stinger®, Duracraft® and SoftHeat®; and Personal Care: Revlon®, Vidal Sassoon®, Dr. Scholl’s®, TONI&GUY®, Sure®, Pert®, Infusium23®, Brut®, Ammens®, Hot Tools®, Bed Head®, Karina®, Sea Breeze® and Gold 'N Hot®. The Honeywell® trademark is used under license from Honeywell International Inc. The Vicks®, Braun®, Febreze® and Vidal Sassoon® trademarks are used under license from The Procter & Gamble Company. The Revlon® trademark is used under license from

Revlon Consumer Products Corporation. The Bed Head® trademark is used under license from Unilever PLC. The Dr. Scholl's® trademark is used under license from MSD Consumer Care, Inc.

For in-depth information about Helen of Troy, please visit [www.hotus.com](http://www.hotus.com).

## About Healthy Directions

Healthy Directions, LLC, a direct-to-consumer retailer and leading health publisher of doctor-formulated **nutritional supplements** and **skincare products**, is dedicated to helping people lead healthier, happier lives. Healthy Directions provides expert guidance and advanced nutritional supplements from some of America's most knowledgeable and highly respected integrative- and alternative-health doctors including **Julian Whitaker, MD, Dr. David Williams, Stephen Sinatra, MD, Aaron Tabor, MD, Susan Lark, MD, Richard Wurtman, MD, and Joseph Pergolizzi, Jr., MD.**

## Non-GAAP Financial Measures:

Adjusted EBITDA and adjusted EPS are considered non-GAAP financial measures. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, non-cash asset impairment charges and non-cash share based compensation. Adjusted EPS is defined as earnings per share excluding transaction costs and amortization of intangible assets related to the acquisition.

## Forward Looking Statements:

This press release may contain forward-looking statements, which are subject to change. The forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Any or all of the forward-looking statements may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many of these factors will be important in determining the Company's actual future results. Consequently, no forward-looking statement can be guaranteed. Actual future results may vary materially from those expressed or implied in any forward-looking statements. The forward-looking statements are qualified in their entirety by a number of risks that could cause actual results to differ materially from historical or anticipated results. Generally, the words "anticipates", "estimates", "believes", "expects", "plans", "may", "will", "should", "seeks", "project", "predict", "potential", "continue", "intends", and other similar words identify forward-looking statements. The Company cautions readers not to place undue reliance on forward-looking statements. The Company intends its forward-looking statements to speak only as of the time of such statements, and does not undertake to update or revise them as more information becomes available. The forward-looking statements contained in this press release should be read in conjunction with, and are subject to and qualified by, the risks described in the Company's Form 10-K for the year ended February 28, 2014 and in our other filings with the SEC. Investors are urged to refer to the risk factors referred to above for a description of these

risks. Such risks include, among others, the departure and recruitment of key personnel, the Company's ability to deliver products to our customers in a timely manner, the costs of complying with the business demands and requirements of large sophisticated customers, the Company's relationship with key customers and licensors, our dependence on the strength of retail economies and vulnerabilities to an economic downturn, expectations regarding acquisitions and the integration of acquired businesses, exchange rate risks, disruptions in U.S., European and other international credit markets, risks associated with weather conditions, the Company's dependence on foreign sources of supply and foreign manufacturing, the impact of changing costs of raw materials and energy on cost of goods sold and certain operating expenses, the Company's geographic concentration of certain U.S. distribution facilities, which increases our exposure to significant shipping disruptions and added shipping and storage costs, difficulties encountered during the transition to the Company's new distribution facility could interrupt the Company's logistical systems and cause shipping disruptions, the Company's projections of product demand, sales, net income and earnings per share are highly subjective and our future net sales revenue and net income could vary in a material amount from such projections, circumstances that may contribute to future impairment of goodwill, intangible or other long-lived assets, the risks associated with the use of trademarks licensed from and to third parties, the Company's ability to develop and introduce innovative new products to meet changing consumer preferences, trade barriers, exchange controls, expropriations, and other risks associated with foreign operations, the Company's debt leverage and the constraints it may impose, the costs, complexity and challenges of upgrading and managing our global information systems, the risks associated with information security breaches, the risks associated with tax audits and related disputes with taxing authorities, potential changes in laws, including tax laws, and the Company's ability to continue to avoid classification as a controlled foreign corporation.

Source: Helen of Troy Limited

Investor:

ICR, Inc.

Allison Malkin / Anne Rakunas

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