

Helen of Troy Limited Provides Updated Outlook for Fiscal Year 2015

9/2/2014

- Introduces Second Quarter Fiscal Year 2015 Guidance
- Revises Fiscal Year 2015 Outlook
- Projects Eight Month GAAP Diluted EPS Accretion from Healthy Directions in the Range of \$0.12 to \$0.16 and Cash EPS Accretion in the Range of \$0.32 to \$0.36
- Company to Hold Conference Call Today at 4:45pm ET

EL PASO, Texas--(BUSINESS WIRE)--Sep. 2, 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, today provided an updated outlook for its fiscal year ending February 28, 2015 and introduced both second quarter fiscal year 2015 guidance and expectations related to its acquisition of Healthy Directions, which was completed on June 30, 2014. The Company is providing this update ahead of its presentation at the Barclays Back-To-School conference being held tomorrow, September 3, 2014. Investors should not expect the Company to provide quarterly guidance or updates of its annual outlook in advance of scheduled quarterly earnings announcement dates in the future. The Company expects to report full results for its second quarter of fiscal 2015 during the week of October 6, 2014.

Fiscal Year 2015 Annual Outlook

For fiscal year 2015, the Company now expects net sales revenue excluding Healthy Directions in the range of \$1.275 to \$1.30 billion, and diluted EPS (GAAP) in the range of \$3.42 to \$3.52, which includes after-tax non-cash asset impairment charges of \$0.28 per share. Excluding the non-cash asset impairment charges, diluted EPS without significant items (non-GAAP) is expected to be in the range of \$3.70 to \$3.80, which compares to the prior diluted EPS outlook of \$4.30 to \$4.40. Projected sales and diluted EPS (GAAP) from the Healthy Directions

acquisition is expected to be in the range of \$100 million to \$105 million and \$0.12 to \$0.16, respectively, for the remaining eight months of the fiscal year since acquisition. Healthy Directions diluted EPS without significant items (non-GAAP), which excludes acquisition-related expenses of \$0.08 per share, is expected to be in the range of \$0.20 to \$0.24. The Company now expects consolidated net sales revenue including Healthy Directions in the range of \$1.375 to \$1.405 billion. Including Healthy Directions, consolidated diluted EPS excluding significant items (non-GAAP) is now expected to be in the range of \$3.90 to \$4.04.

Cash EPS excluding Healthy Directions is now expected to be in the range of \$4.55 to \$4.65, which excludes after-tax non-cash asset impairment charges, intangible asset amortization expense, and non-cash share-based compensation expense. This compares to the prior Cash EPS outlook in the range of \$5.15 to \$5.25, which did not include any impact of the Healthy Directions acquisition. Consolidated Cash EPS including Healthy Directions is expected to be in the range of \$4.87 to \$5.01.

The diluted EPS outlook is based on an estimated weighted average shares outstanding of 29.2 million for the full fiscal year 2015, which includes the impact of the "Dutch auction" tender offer completed on March 14, 2014, as well as an additional buyback of \$25.8 million in the first quarter of fiscal year 2015, as previously disclosed. Further information concerning the fiscal year 2015 outlook, including a reconciliation of fiscal year 2015 projected diluted EPS (GAAP) to Diluted EPS without significant items (non-GAAP) and Cash EPS (non-GAAP), is furnished in a table below.

The Company's guidance assumes that the severity of the upcoming cold/flu season will be in line with historical averages. The likelihood and potential impact of any additional fiscal year 2015 acquisitions, asset impairment charges or share repurchases are unknown and cannot be reasonably estimated; therefore they are not included in the Company's sales and earnings outlook.

Reconciliation of Fiscal Year 2015 Projected Diluted Earnings Per Share (EPS)(GAAP) to Diluted EPS without significant items (non-GAAP) and Cash EPS (non-GAAP) (Unaudited)

	Fiscal Year Ended February 28, 2015						Healthy Directions Guidance (Eight Months)	Consolidated Revised Guidance (Twelve Months)		
	Previous Guidance (Twelve Months)		Revision		Revised Guidance (Twelve Months)					
Diluted EPS, as reported (GAAP)	\$ 4.02	-\$ 4.12	\$ (0.60)	\$ 3.42	-\$ 3.52	\$ 0.12	-\$ 0.16	\$ 3.54	-\$ 3.68

Non-cash asset impairment charges, net of tax	0.28	-	0.28	-	0.28
Acquisition-related expenses, net of tax	-	-	-	0.08	0.08
Diluted EPS without significant items (non-GAAP)	4.30	- 4.40	(0.60) 3.70	- 3.80	0.20 - 0.24 3.90 - 4.04
Intangible asset amortization expense, net of tax	0.67	-	0.67	0.09	0.76
Non-cash share-based compensation expense, net of tax	0.18	-	0.18	0.03	0.21
Cash EPS (non-GAAP)	\$ 5.15	-\$ 5.25	\$ (0.60) \$ 4.55	-\$ 4.65	\$ 0.32 - \$ 0.36 \$ 4.87 - \$ 5.01

Introduces Second Quarter Fiscal Year 2015 Guidance

For the second quarter, the Company currently expects net sales revenue excluding Healthy Directions in the range of \$291 to \$294 million, and diluted EPS (GAAP) in the range of \$0.58 to \$0.61. Projected sales from the Healthy Directions acquisition is expected to be in the range of \$22 million to \$24 million. Healthy Directions' diluted EPS (GAAP) is expected to be in the range of \$(0.02) to \$0.00, which includes acquisition-related expenses of \$0.08 per share, net of tax. Healthy Directions' diluted EPS excluding acquisition-related expenses (non-GAAP), is expected to be in the range of \$0.06 to \$0.08 for the quarter ended August 31, 2014. Including Healthy Directions, consolidated diluted EPS without significant items (non-GAAP) is expected to be in the range of \$0.64 to \$0.69 for the quarter ended August 31, 2014.

Cash EPS (non-GAAP) excluding Healthy Directions is being introduced in the range of \$0.79 to \$0.82, which excludes intangible asset amortization expense and non-cash share-based compensation expense. Consolidated Cash EPS (non-GAAP) including Healthy Directions is being introduced in the range of \$0.87 to \$0.92.

Reconciliation of the Second Quarter of Fiscal Year 2015 Projected Diluted Earnings Per Share (EPS)(GAAP) to Diluted EPS without significant items (non-GAAP) and Cash EPS (non-GAAP) (Unaudited)

	Quarter Ended August 31, 2014		Consolidated Guidance (Three Months)
	Guidance Excluding Healthy Directions (Three Months)	Healthy Directions Guidance (Two Months)	
Diluted EPS, as reported (GAAP)	\$ 0.58	- \$ 0.61	\$ (0.02)- \$ 0.00 \$ 0.56 - \$ 0.61

Non-cash asset impairment charges, net of tax		-		-		-		-	
Acquisition-related expenses, net of tax		-		0.08				0.08	
Diluted EPS without significant items (non-GAAP)	0.58	-	0.61	0.06	-	0.08	0.64	-	0.69
Intangible asset amortization expense, net of tax			0.17			0.02			0.19
Non-cash share-based compensation expense, net of tax			0.04			-			0.04
Cash EPS (non-GAAP)	\$ 0.79	-	\$ 0.82	\$ 0.08	-	\$ 0.10	\$ 0.87	-	\$ 0.92

“The recent weakness in the retail environment has impacted all of our segments. In our Personal Care business, the multi-year downward trend has accelerated recently, particularly in the more commoditized parts of our appliance business. This has been compounded by the slower store traffic and softer mass market retail sales reported by some of our largest retail customers. These factors have prompted us to reduce our full year outlook and introduce a second quarter guidance range,” began Julien R. Mininberg, Chief Executive Officer. “The Personal Care segment contributes strong cash flow to the Company, and we believe that we have identified the right strategies to improve the fundamentals in this portion of our business. We are acting to implement the changes needed to make a significant improvement in Personal Care, but expect it to take some time for them to have a significant impact.”

Mr. Mininberg continued, “While disappointed that we will not be able to demonstrate a more immediate improvement in Personal Care, I am delighted to announce the earnings accretion for our newly-acquired Healthy Directions business. For the eight months of fiscal year 2015 after the acquisition in which Healthy Directions will be included in our results, we expect it to contribute diluted EPS (GAAP) in the range of \$0.12 to \$0.16, which includes one-time acquisition-related expenses of \$0.08 per share. Cash EPS (non-GAAP) from Healthy Directions in fiscal year 2015 is expected to be in the range of \$0.32 to \$0.36. Our previously-announced global shared services platform is progressing well. We are building a new culture, opening new opportunities for efficiency across our organization, and investing prudently in our strongest businesses. The acquisition of Healthy Directions and our recent share repurchase program illustrate our deep commitment and focus to position Helen of Troy for sustained profitable growth and creation of additional value for our shareholders.”

The information in this press release is subject to change. This data has been prepared by and is the responsibility of management. The Company's independent registered public accounting firm, Grant Thornton LLP, has not audited, reviewed, compiled or performed any procedures, and will not express an opinion or any other form of assurance with respect to this data. As a result of the foregoing considerations and limitations, investors are cautioned not to place undue reliance on this projected financial information.

The Company will conduct a teleconference in conjunction with today's update release. The teleconference begins at 4:45pm Eastern Time today, Tuesday, September 2, 2014. Institutional investors and analysts interested in

participating in the call are invited to dial (877) 407-3982. The conference call will also be available to interested parties through a live webcast at www.hotus.com. Please visit the website and select the "Investor Relations" link at least 5 minutes prior to the start of the call to register and download any necessary software.

A telephone replay of the call will be available until 11:59 pm Eastern Time on September 9, 2014, by dialing (877) 870-5176 (international) and entering the conference replay number: 13590082

Please note participants must enter the conference identification number in order to access the replay.

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®, Pro Beauty Tools®, Sure®, Pert®, Infusium23®, Brut®, Ammens®, Hot Tools®, Bed Head®, Karina®, Ogilvie® and Gold 'N Hot®. The Company recently acquired Healthy Directions, a U.S. market leader in premium doctor-branded vitamins, minerals and supplements, as well as other health products sold directly to consumers. 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.

Non-GAAP Financial Measures:

The Company reports and discusses its operating results using financial measures consistent with accounting principles generally accepted in the United States of America ("GAAP"). To supplement its presentation, the Company discloses certain financial measures that may be considered non-GAAP financial measures, such as Diluted EPS without significant items and Cash EPS, which are presented in tables above along with a reconciliation of these financial measures to their corresponding GAAP based measures presented in the Company's consolidated statements of income.

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, 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

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