UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2006

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Jarden Corporation

Delaware	**0-21052**	**35-1828377**
State of Incorporation	**Commission File Number**	**IRS Identification Number**

555 Theodore Fremd Avenue
Rye, New York 10580

Registrant's telephone number, including area code: (914) 967-9400

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 24, 2006
Common Stock, par value $0.01 per share	67,455,563 shares

JARDEN CORPORATION
Quarterly Report on Form 10-Q
For the three and nine month periods ended September 30, 2006

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

JARDEN CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In millions, except per share amounts)

	Three month periods ended September 30, 2006	Three month periods ended September 30, 2005	Nine month periods ended September 30, 2006	Nine month periods ended September 30, 2005
Net sales	$ 1,033.1	$ 938.0	$ 2,786.8	$ 2,213.7
Cost of sales	767.9	699.3	2,103.8	1,657.6
Gross profit	265.2	238.7	683.0	556.1
Selling, general and administrative expenses (including stock-based compensation costs of $6.4 and $29.8 for the three months ended September 30, 2006 and 2005, respectively, and $16.1 and $30.4 for the nine months ended September 30, 2006 and 2005, respectively)	156.0	169.2	444.9	384.7
Reorganization and acquisition-related integration costs, net	7.5	7.2	22.5	16.0
Operating earnings	101.7	62.3	215.6	155.4
Interest expense, net	29.6	23.5	83.5	57.6
Loss on early extinguishment of debt	—	—	—	6.1
Income before taxes	72.1	38.8	132.1	91.7
Income tax provision	20.8	13.4	61.8	33.5
Net income	51.3	25.4	70.3	58.2
Paid-in-kind dividends on Series B and C preferred stock	—	(1.4)	—	(9.7)
Charge from beneficial conversion of Series C preferred stock	—	—	—	(38.9)
Income allocable to common stockholders	$ 51.3	$ 24.0	$ 70.3	$ 9.6
Earnings per share:				
Basic earnings per share	$ 0.79	$ 0.41	$ 1.08	$ 0.20
Diluted earnings per share	$ 0.78	$ 0.40	$ 1.07	$ 0.19
Weighted average shares outstanding:				
Basic	64.6	58.3	64.9	48.8
Diluted	65.6	60.5	65.9	50.7

See accompanying notes to condensed consolidated financial statements.

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JARDEN CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except per share amounts)

	(Unaudited) September 30, 2006	December 31, 2005
Assets		
Current assets:		
Cash and cash equivalents	$ 82.9	$ 237.1
Accounts receivable, net of allowances of $42.1 in 2006, $41.2 in 2005	609.7	523.2
Inventories	760.8	566.3
Deferred income taxes	67.9	84.7
Prepaid expenses and other current assets	42.9	53.1
Total current assets	1,564.2	1,464.4
Non-current assets:		
Property, plant and equipment, net	339.0	320.6
Goodwill	1,275.3	1,263.2
Intangibles, net	635.8	431.2
Other assets	46.5	45.2
Total assets	$ 3,860.8	$ 3,524.6
Liabilities and stockholders' equity		
Current liabilities:		
Short-term debt and current portion of long-term debt	$ 199.3	$ 86.3
Accounts payable	326.8	260.2
Accrued salaries, wages and employee benefits	87.9	107.9
Taxes on income	14.9	15.4
Other current liabilities	276.2	244.7
Total current liabilities	905.1	714.5
Non-current liabilities:		
Long-term debt	1,445.1	1,455.1
Deferred income taxes	217.6	123.9
Other non-current liabilities	231.5	227.3
Total non-current liabilities	1,894.2	1,806.3
Total liabilities	2,799.3	2,520.8
Stockholders' equity		
Preferred stock ($0.01 par value, 5 shares authorized, no shares issued and outstanding at September 30, 2006 and December 31, 2005)	—	—
Common stock ($0.01 par value, 150 shares authorized; 68.8 shares issued at September 30, 2006 and December 31, 2005; and 67.5 and 68.1 shares outstanding at September 30, 2006 and December 31, 2005, respectively)	0.7	0.7
Additional paid-in capital	856.9	877.3
Retained earnings	225.6	155.3
Accumulated other comprehensive income (loss)	12.8	(4.0)
Less: Treasury stock, at cost (1.3 and 0.7 shares at September 30, 2006 and December 31, 2005, respectively)	(34.5)	(25.5)
Total stockholders' equity	1,061.5	1,003.8
Total liabilities and stockholders' equity	$ 3,860.8	$ 3,524.6

See accompanying notes to condensed consolidated financial statements.

JARDEN CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	Nine month periods ended	
	September 30, 2006	September 30, 2005
Cash flows from operating activities:		
Net income	$ 70.3	$ 58.2
Reconciliation of net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	47.0	40.8
Other non-cash items	77.4	80.6
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable	(78.7)	(163.9)
Inventory	(126.0)	(73.7)
Accounts payable	45.8	59.7
Other assets and liabilities	(8.0)	(16.1)
Net cash provided by (used in) operating activities	27.8	(14.4)
Cash flows from financing activities:		
Proceeds from revolver and securitization borrowings	460.2	127.3
Payments on revolver and securitization borrowings	(278.1)	(100.6)
Proceeds from issuance of senior debt	—	1,330.0
Payments on senior debt	(63.0)	(310.7)
Proceeds from issuance of stock, net of transaction fees	3.9	350.5
Repurchase of common stock	(50.0)	(6.0)
Debt issuance costs	(2.6)	(19.9)
Proceeds from recouponing of interest rate swaps	6.6	—
Other borrowings (repayments), net	(3.6)	(9.1)
Net cash provided by financing activities	73.4	1,361.5
Cash flows from investing activities:		
Capital expenditures for property, plant and equipment	(47.9)	(36.5)
Acquisition of businesses, net of cash acquired	(209.1)	(1,270.8)
Other	0.8	(0.2)
Net cash used in investing activities	(256.2)	(1,307.5)
Effect of exchange rate changes on cash	0.8	(0.2)
Net (decrease) increase in cash and cash equivalents	(154.2)	39.4
Cash and cash equivalents at beginning of period	237.1	20.7
Cash and cash equivalents at end of period	$ 82.9	$ 60.1
Supplemental non-cash disclosure:		
Common stock issued in conjunction with acquisitions	$ —	$ 281.5
Supplemental cash disclosures:		
Taxes paid	$ 27.4	$ 19.5
Interest paid	$ 82.1	$ 50.6

See accompanying notes to condensed consolidated financial statements.

JARDEN CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited, except for December 31, 2005 amounts)

1. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Jarden Corporation (the "Company" or "Jarden") have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information and in accordance with the rules and regulations of the United States Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. These unaudited condensed consolidated interim financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods. The Condensed Consolidated Balance Sheet at December 31, 2005 has been derived from the audited financial statements as of that date, but does not include all of the information and footnotes required by GAAP for complete financial statements. These unaudited condensed consolidated interim statements should be read in conjunction with the consolidated financial statements and the related notes thereto included in the Company's latest Annual Report on Form 10-K and any amendment thereto for the year ended December 31, 2005. Results of operations for the periods shown are not necessarily indicative of results for the full year, particularly in view of the varying seasonality of certain of the Company's product line sales and the acquisitions of American Household, Inc. ("AHI" and the "AHI Acquisition") and The Holmes Group, Inc. ("Holmes" and the "THG Acquisition") completed on January 24, 2005 and July 18, 2005, respectively (see Note 5). All significant intercompany transactions have been eliminated in consolidation. These unaudited condensed consolidated interim financial statements include estimates and assumptions of management that affect the amounts reported in the condensed consolidated financial statements. Actual results could differ from these estimates.

Certain reclassifications have been made in the Company's financial statements of the prior year to conform to the current year presentation. These reclassifications have no impact on previously reported net income.

New Accounting Standards

In November 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 151, "Inventory Costs," an amendment of ARB No. 43, Chapter 4 ("SFAS 151"). SFAS 151 requires the exclusion of certain costs from inventories and the allocation of fixed production overheads to inventories to be based on normal capacity of the production facilities. The provisions of SFAS 151 became effective for costs incurred during fiscal years beginning after June 15, 2005. The adoption of SFAS 151 did not have a significant impact on the Company's consolidated financial position, results of operation and cash flows for the three and nine months ended September 30, 2006.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Correction," ("SFAS 154") effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. SFAS 154 supersedes APB Opinion No. 20, "Accounting Changes" and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements" and requires retrospective application to prior periods of any voluntary changes to alternatively permitted accounting principles, unless impracticable. The Company has determined SFAS 154 does not have an impact on the condensed consolidated financial statements as of and for the three and nine month periods ended September 30, 2006.

In February 2006, the FASB issued SFAS No. 155 "Accounting for Certain Hybrid Financial Instrument – an amendment of FASB No. 133 and 140" ("SFAS 155"). SFAS 155 is effective for all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006. The Company has determined there will not be a significant impact on the consolidated financial position, results of operations and cash flows of the Company as a result of adopting the provisions of SFAS 155.

During the fourth quarter of 2005, the Company adopted SFAS No. 123R, "Share-Based Payment (Revised 2004)," ("SFAS 123R"). On February 3, 2006, the FASB issued FASB Staff Position SFAS 123R-4, "Classification of Options and Similar Instruments Issued as Employee Compensation That Allow for Cash Settlement upon the Occurrence of a Contingent Event" ("FSP SFAS 123R-4"). The Company has determined that the adoption of FSP FAS 123R-4 did not have a material impact on its consolidated financial position, results of operations, and cash flows.

In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets – an amendment of FASB Statement No. 140" ("SFAS 156"). SFAS 156 is effective for fiscal years beginning after September 15, 2006. The Company has determined there will not be a significant impact on the consolidated financial position, results of operations and cash flows as a result of adopting SFAS 156.

In June 2006, the FASB issued FASB interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB No. 109" ("FIN 48"). FIN 48 prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return, including a decision whether to file or not to file in a particular jurisdiction. FIN 48 is effective for fiscal years beginning after December 15, 2006. If there are changes in net assets as a result of application of FIN 48 these will be accounted for as an adjustment to retained earnings. The Company is currently assessing the impact of FIN 48 on its consolidated financial position and results of operations.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS 157 is effective beginning with interim periods in fiscal years beginning after November 15, 2007. SFAS 157 will not have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)" ("SFAS 158"). Among other items, SFAS 158 requires recognition of the overfunded or underfunded status of an entity's defined benefit postretirement plan as an asset or liability in the financial statements, requires the measurement of defined benefit postretirement plan assets and obligations as of the end of the employer's fiscal year and requires recognition of the funded status of defined benefit postretirement plans in other comprehensive income. SFAS 158 is effective for fiscal years ending after December 15, 2006, and early application is encouraged. The Company is currently still assessing the impact this standard will have on the Company's consolidated results of operations and cash flows.

2. Stock-Based Compensation

Effective October 1, 2005, the Company adopted SFAS No. 123R which requires the measurement and recognition of all unvested outstanding stock-based payment awards made to employees and directors based on estimated fair value at date of grant. Compensation cost is recognized on a straight-line basis in the Condensed Consolidated Statement of Income related to stock options and restricted stock expected to vest as well as the Company's employee stock purchase plans.

The fair value of stock options was determined using the Black-Scholes option-pricing model which was previously used for disclosing the Company's pro forma information under SFAS 123. The fair value of the market-based restricted stock awards was determined using a Monte Carlo simulation embedded in a lattice model, and for all other restricted stock awards were based on the closing price of the Company's common stock on the date of grant. The determination of the fair value of the Company's stock option awards and restricted stock awards is based on a variety of factors including, but not limited to, the Company's common stock price, expected stock price volatility over the expected life of awards, and actual and projected exercise behavior. Additionally pursuant to SFAS 123R, the Company has estimated forfeitures for options and restricted stock awards at the dates of grant based on historical experience and will revise as necessary if actual forfeitures differ from these estimates.

For the three and nine month periods ended September 30, 2006, the Company recorded $6.4 million and $16.1 million of stock-based compensation costs (pretax) in accordance with SFAS 123R. For the three and nine month periods ended September 30, 2005, stock-based compensation costs of $29.8 million and $30.6 million were recognized using the intrinsic value method as opposed to the fair value method as permitted under APB No. 25. Had stock-based compensation costs been recognized using the fair value method, pro forma net loss allocable to shareholders and loss per share would have been presented as follows (in millions, except per share data):

	Three month period ended		Nine month period ended	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
Income allocable to common stockholders	$ 51.3	$ 24.0	$ 70.3	$ 9.6
Add: Total stock-based employee compensation expense included in reported net income, net of related tax effects	—	19.2	—	19.6
Deduct: Total stock-based employee compensation expense determined under the fair value based method for all awards, net of tax related effects	—	(28.4)	—	(32.8)
Pro forma net income (loss) allocable to common stockholders	$ 51.3	$ 14.8	$ 70.3	$ (3.6)
Basic earnings (loss) per share:				
As reported	$ 0.79	$ 0.41	$ 1.08	$ 0.20
Pro forma	$ 0.79	$ 0.25	$ 1.08	$ (0.07)
Diluted earnings (loss) per share:				
As reported	$ 0.78	$ 0.40	$ 1.07	$ 0.19
Pro forma	$ 0.78	$ 0.25	$ 1.07	$ (0.07)

For the nine month period ended September 30, 2006, the Company issued 1.2 million restricted share awards. For those awards with common stock performance price vesting thresholds, the weighted average grant date fair values of these awards was $22.41 based on the following weighted average assumptions:

Expected volatility	36.3%
Risk-free interest rates	3.5%
Derived service periods (in years)	1.5

For all other restricted share awards issued during the nine month period ended September 30, 2006, including those which contained operating profitability performance criteria, the weighted average grant date fair value was $28.92. As of September 30, 2006, unrecognized compensation cost attributable to all restricted share awards, regardless of vesting criteria, was $37.8 million, expected to be recognized over a weighted average period of 0.9 years.

For the nine month period ended September 30, 2006, the Company issued 0.1 million options, with a weighted average grant date fair value of $10.43 per share. As of September 30, 2006 unrecognized compensation cost attributable to all stock options was $12.5 million, expected to be recognized over a weighted average period of 1.5 years.

3. Inventories

Inventories are stated at the lower of cost or market with cost being determined principally by the first-in, first-out method ("FIFO"), and were comprised of the following (in millions):

	September 30, 2006	December 31, 2005
Raw materials and supplies	$ 133.8	$ 108.4
Work in process	37.2	24.9
Finished goods	589.8	433.0
Total inventories	$ 760.8	$ 566.3

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4. Property, Plant and Equipment

Property, plant and equipment, net, consist of the following (in millions):

	September 30, 2006	December 31, 2005
Land	$ 24.6	$ 23.8
Buildings	106.9	98.4
Machinery and equipment	424.7	374.5
Less: Accumulated depreciation	(217.2)	(176.1)
	$ 339.0	$ 320.6

As of September 30, 2006, assets held under capital leases amounted to $18.6 million and are included in “Machinery and equipment”.

Depreciation and amortization of property, plant and equipment charged against operations for the three and nine month periods ended September 30, 2006 was $14.9 million and $45.2 million, respectively, and $15 million and $39.6 million for the three and nine month periods ended September 30, 2005, respectively.

5. Acquisitions

On July 18, 2005, the Company completed the acquisition of Holmes for approximately $420 million in cash and 6.15 million shares of the Company’s common stock. Holmes is a leading manufacturer and distributor of select home environment and small kitchen electrics under well-recognized consumer brands, including Bionaire®, Crock-Pot®, Harmony®, Holmes®, Patton®, Rival®, Seal-a-Meal® and White Mountain™. The aggregate purchase price was approximately $681 million, including transaction expenses. The cash portion of the THG Acquisition purchase price was financed with the issuance of an additional $380 million of term debt under the Senior Credit Facility, cash on hand and revolver borrowings.

On January 24, 2005, the Company completed its acquisition of AHI, a privately held company, for approximately $746 million for 100% of its equity and the repayment of approximately $100 million of indebtedness. AHI is the parent of The Coleman Company, Inc. (“Coleman”) and Sunbeam Products, Inc. (which we refer to as “Jarden Consumer Solutions” or “JCS”), leading producers of global consumer products through brands such as BRK®, Campingaz®, Coleman®, First Alert®, Health o meter®, Mr. Coffee®, Oster® and Sunbeam®. Of the equity portion of the purchase price, $40 million was held back by the Company to cover potential indemnification claims against the sellers of AHI and has not been accrued as a liability or considered part of the purchase price since the outcome of this contingency remains uncertain.

The Company financed the AHI Acquisition with the issuance of $350 million of equity securities and a new $1.05 billion senior credit facility (“Senior Credit Facility”), consisting of a term loan facility (“Term Loan”) in the aggregate principal amount of $850 million and a revolving credit facility (“Revolver”) with an aggregate commitment of $200 million. This facility replaced the Company’s Second Amended Credit Agreement (“Second Amended Credit Agreement”).

The AHI Acquisition and THG Acquisition represent significant elements in advancing the Company’s strategy of acquiring branded consumer products businesses with leading market positions in markets for products used in and around the home and home away from home.

The unaudited pro forma financial information below is not intended to represent or be indicative of the Company’s consolidated results of operations or financial condition that would have been reported had these acquisitions been completed as of the beginning of the periods presented and should not be taken as indicative of the Company’s future consolidated results of operations or financial condition. Pro forma adjustments are tax-effected at the applicable statutory tax rates. The following unaudited pro forma financial information includes the actual reported results of the Company, as well as giving pro forma effect to the THG Acquisition, the AHI Acquisition and related financing as if they had been consummated as of January 1, 2005 (in millions, except per share data):

	Three month period ended September 30, 2005 (Pro Forma)	Nine month period ended September 30, 2005 (Pro Forma)
Net sales	$ 962.9	$ 2,562.4
Net income	20.4	43.4
Net profit (loss) allocable to common stockholders (after deducting preferred stock dividends and beneficial conversion charges)	19.0	(4.2)
Basic earnings (loss) per share	0.33	(0.08)
Diluted earnings (loss) per share	0.31	(0.08)

During 2005, the Company completed three tuck-in acquisitions within the Branded consumables segment. During the nine months ended September 30, 2006, the Company completed four tuck-in acquisitions, three within Branded consumables and one within JCS. None of these tuck-in acquisitions were significant in the aggregate and have been excluded from the pro forma disclosures above.

The goodwill and other intangibles recorded in connection with the Company's acquisitions are discussed in Note 6. The table below summarizes the final estimated fair values of the assets acquired and the liabilities assumed at the effective date of acquisition for the THG Acquisition, which purchase allocation was finalized during 2006 (in millions):

Current assets	$275.2
Property, plant and equipment	50.0
Other non-current assets	34.5
Total assets acquired	359.7
Current liabilities	137.9
Non-current liabilities	150.0
Total liabilities assumed	287.9
Net assets acquired	71.8
Purchase price (including transaction expenses and assumed debt)	680.6
Purchase price paid in excess of fair value of tangible assets	$608.8

6. Goodwill and Intangibles

As of September 30, 2006 and December 31, 2005, the Company's intangible assets by segment are as follows (in millions):

	Branded Consumables	Consumer Solutions[1]	Outdoor Solutions	Total
September 30, 2006				
Intangible assets not subject to amortization:				
Goodwill	$ 542.0	$ 493.7	$ 239.6	$1,275.3
Trademarks and Brand names	79.4	393.6	76.4	549.4
	$ 621.4	$ 887.3	$ 316.0	$1,824.7
Intangible assets subject to amortization:				
Patents	$ —	$ 0.1	$ —	$ 0.1
Non-compete agreements	1.1	0.4	—	1.5
Brand names	—	1.9	—	1.9
Manufacturing process and expertise	—	6.7	—	6.7
Customer relationships and distributor channels	—	82.4	—	82.4
Accumulated amortization	(1.1)	(5.1)	—	(6.2)
Total goodwill, trademarks and other intangible assets	$ 621.4	$ 973.7	$ 316.0	$1,911.1

	Branded Consumables	Consumer Solutions	Outdoor Solutions	Total
December 31, 2005				
Intangible assets not subject to amortization:				
Goodwill	$ 437.9	$ 588.3	$ 237.0	$1,263.2
Trademarks	75.5	275.4	76.4	427.3
	$ 513.4	$ 863.7	$ 313.4	$1,690.5
Intangible assets subject to amortization:				
Patents	$ —	$ 0.1	$ —	$ 0.1
Non-compete agreements	1.1	0.4	—	1.5
Manufacturing processes and expertise	—	6.7	—	6.7
Accumulated amortization	(1.0)	(3.4)	—	(4.4)
Total goodwill, trademarks and other intangible assets	$ 513.5	$ 867.5	$ 313.4	$1,694.4

In the Branded consumables segment, the only intangible assets which had finite lives and were subject to amortization were two non-compete agreements in the aggregate amount of approximately $1.1 million, which were assumed by the Company in connection with the U.S. Playing Cards Acquisition and which were being amortized over the term of the respective agreements. There is no amortization for the non-compete agreement for the three months ended September 30, 2006 and about $0.2 million for the three months ended September 30, 2005. Amortization was less than $0.1 million for the nine month period ended September 30, 2006 and $0.5 million for the nine month period ended September 30, 2005. These amounts are included in selling, general and administrative expenses in the Condensed Consolidated Statements of Income.

In the Consumer solutions segment, the intangible assets which have finite lives and are currently subject to amortization are the manufacturing processes and expertise, and patents, which are being amortized over a period of seven years. Also, the finite lived brands and customer relationships and distributor channels are being amortized over a period of 10 to 25 years. Amortization for the manufacturing processes and expertise in the aggregate amount of approximately $0.2 million was recorded in the three month periods ended September 30, 2006 and 2005, and $0.8 million and $0.7 million for the nine month periods ended September 30, 2006 and 2005, respectively. These amounts are included in selling, general and administrative expenses in the Condensed Consolidated Statements of Income. Amortization of the patents was less than $0.1 million for both the three and nine month periods ended September 30, 2006, as well as 2005. The brand names and customer relationships and distributor channels amortization was $1 million for the three and nine month period ended September 30, 2006. There was no amortization expense for these intangibles in 2005.

Annual amortization expense related to intangibles is expected to be approximately $4.7 million for the years ended December 31, 2007 through 2009 and is expected to be approximately $3.7 million for the years December 31, 2010 and 2011.

As of September 30, 2006, approximately $860 million of the goodwill and other intangible assets recorded by the Company is not deductible for income tax purposes. Such amount is subject to change based upon purchase accounting adjustments that may be made within the allocation period.

7. Income Taxes

For the three and nine months ended September 30, 2006, the Company's tax rate was 28.9% and 46.8%, respectively, which includes a deferred tax provision of $19.1 million recorded in the second quarter of 2006, reduced by a $5.5 million adjustment due to a change in estimate in the third quarter of 2006, resulting from the legal entity reorganization of the Company's domestic Consumer solutions segment. The Company's effective tax rate for the three and nine months ended September 30, 2006 was 36.5% excluding the aforementioned adjustments for the legal entity reorganization.

8. Debt

Debt is comprised of the following at September 30, 2006 and December 31, 2005 (in millions):

	September 30, 2006	December 31, 2005
Senior Credit Facility Term Loans	$ 1,200.5	$ 1,263.1
9 3/4% Senior Subordinated Notes	179.9	179.9
Senior Credit Facility Revolver	5.1	—
Securitization Facility	177.0	—
Non-U.S. borrowings (including Foreign Senior Debt)	63.5	61.9
Other (primarily capital leases)	19.1	19.9
Non-debt balances arising from interest rate swap activity	(0.7)	16.6
Total debt	1,644.4	1,541.4
Less: current portion	(199.3)	(86.3)
Total long-term debt	$ 1,445.1	$ 1,455.1

Senior Credit Facility

On February 24, 2006, the Company executed an amendment to its Senior Credit Facility which modified certain covenants and permitted the Company to increase its repurchases of common stock. In connection with this amendment, the Company agreed to repay $26 million of principal outstanding under its Senior Credit Facility Term Loans, which was repaid in March 2006 and accordingly classified as "Short-term debt and current portion of long-term debt" on the Condensed Consolidated Balance Sheets as of December 31, 2005. In March 2006, in accordance with the Senior Credit Facility agreement, the Company was required to repay $2.4 million of its Senior Credit Facility Term Loans and Foreign Senior Debt based on a calculation of "Excess Cash Flow" as defined in the Senior Credit Facility, which along with a voluntary repayment on its Senior Credit Facility Term Loans of $25 million, was made in April 2006.

As of September 30, 2006, the Company had $1.2 billion outstanding under its Term Loan and $5.1 million outstanding under its Revolver. As of September 30, 2006, net availability under the Senior Credit Facility was approximately $167 million, after deducting $28 million of issued letters of credit. The Company is required to pay commitment fees on the unused balance of the Senior Credit Facility Revolver.

Securitization Facility

On August 28, 2006, the Company completed a $250 million receivable purchase agreement, which is subject to annual renewal, bears interest at a margin over the commercial paper rate and is accounted for as a borrowing. Under this agreement, substantially all of the Company's Outdoor Solutions and Consumer Solutions accounts receivable are sold to a special purpose entity, Jarden Receivables, LLC ("JRLLC"), which is a wholly-owned consolidated subsidiary of the Company. JRLLC funds these purchases with borrowings under a loan agreement, secured by the accounts receivable. There is no recourse to the Company for the unpaid portion of any loans under this loan agreement. The securitization facility is reflected as a short-term borrowing on the Company's balance sheet because the term of the loan agreement, subject to annual renewals, runs until August 23, 2007. The facility will be drawn upon and repaid as needed to fund general corporate purposes. The initial proceeds were used to fund a portion of the tuck-in acquisition of the Pine Mountain® firelog and fire starter businesses (the "Firelog Acquisition). In contemplation of this securitization transaction, the Company executed an amendment to its Senior Credit Facility, dated August 23, 2006, which permitted the securitization facility, among other things.

As of September 30, 2006, the Company had $177 million outstanding under this securitization facility and $0.3 million of borrowing base availability. The Company is required to pay commitment fees on the unused balance of the $250 million securitization facility.

9. Derivative Financial Instruments

The Company does not invest or trade in any significant derivative financial or commodity instruments nor does it invest in any foreign financial instruments. The Company does not use derivative instruments for speculative purposes.

The Company actively manages its fixed and floating rate debt mix using interest rate swaps. The Company will enter into fixed and floating rate swaps to alter its exposure to the impact of changing interest rates on its consolidated results of operations and future cash outflows for interest. Floating rate swaps are used to convert the fixed rates of long-term debt into short-term variable rates to take advantage of current market conditions. Fixed rate swaps are used to reduce the Company's risk of the possibility of increased interest costs. Interest rate swap contracts are therefore used by the Company to separate interest rate risk management from the debt funding decision.

At September 30, 2006, the interest rate on approximately 44% of the Company's debt obligation, excluding the amortizing non-debt balances arising from interest rate swap transactions, was fixed by either the nature of the obligation or through interest rate swap contracts.

Fair Value Hedges

The Company has a cross-currency interest rate swap that fixes the exchange rate of the amortizing loan balance for a $42.6 million notional principal amount Canadian loan denominated in U.S. dollars. The swap instrument exchanges the variable interest rate U.S. dollar balance (3-month U.S. LIBOR plus a spread of 175 basis points) and the equivalent variable interest rate Canadian dollar balance (3-month CAD BA plus a spread of 192 basis points). The fair market value of this interest rate swap as of September 30, 2006 was a non-cash liability of approximately $2.5 million and is included in “Non-current liabilities” in the Condensed Consolidated Balance Sheet, with a corresponding offset to long-term debt.

The Company also has two swaps in a notional principal amount totaling $105 million to receive a fixed rate of interest and pay a variable rate of interest based upon six-month LIBOR in arrears, plus a spread of 523 to 528 basis points.

These swaps are considered to be effective hedges against changes in the fair value of our fixed-rate debt obligation for both tax and accounting purposes. Accordingly, the interest rate swap contracts are reflected at fair value in the Company’s Condensed Consolidated Balance Sheets and the related portion of fixed-rate debt being hedged is reflected at an amount equal to the sum of its carrying value plus an adjustment representing the change in fair value of the debt obligations attributable to the interest rate risk being hedged. The fair market value of these interest rate swaps as of September 30, 2006 was a non-cash liability of approximately $4.6 million and is included in “Non-current liabilities” in the Condensed Consolidated Balance Sheet, with a corresponding offset to long-term debt. Changes during any accounting period in the fair value of the interest rate swaps, as well as offsetting changes in the adjusted carrying value of the related portion of fixed-rate debt being hedged, will be recognized as adjustments to interest expense in the Company’s Condensed Consolidated Statements of Income. The net effect of this accounting on the Company’s operating results is that interest expense on the portion of fixed-rate debt being hedged is generally recorded based on variable interest rates. The Company is exposed to credit loss, in the event of non-performance by the other party to its current existing swap, a large financial institution. However, the Company does not anticipate non-performance by the other party.

Cash Flow Hedges

The Company has four interest rate swaps that convert an aggregate notional principal amount of $625 million from floating rate interest payments (excluding the Company’s applicable margin) under its term loan facility to fixed interest rate obligations. The variable rate of interest is based on three-month LIBOR. The fixed rates range from 4.73% to approximately 5.25%.

Gains and losses related to the effective portion of these swaps are reported as a component of “Accumulated other comprehensive income” and are reclassified into earnings in the same period that the hedged transaction affects earnings. As of September 30, 2006, the fair value of these swaps was a liability of approximately $2 million and such amount is included as an unrealized loss in “Accumulated other comprehensive income” on the Company’s Condensed Consolidated Balance Sheet.

During September 2006, the Company executed a new interest rate swap contract, effective for the fourth quarter of 2006, that converts an aggregate notional principal amount of $100 million from floating rate interest payments (excluding the Company’s applicable margin) under its term loan facility to fixed interest rate obligations. The variable rate of interest is based on three-month LIBOR. The contracted fixed rate is approximately 5.05%.

Interest Rate Swap Recouponments

During the third quarter of 2006, the Company recouponed and replaced $475 million notional principal amount interest rate swaps relating to cash flow hedges and received $6.6 million in cash. This amount is reported as a component of “Accumulated other comprehensive income” on the Company’s Condensed Consolidated Balance Sheet and is amortized through interest expense over the remaining life of the original swaps. During prior years, the Company recouponed and replaced an aggregate of $730 million notional principal amount interest rate swaps receiving $23.3 million that is amortized through interest expense over the remaining life of the original swaps. Such recouponed amounts received for fair value hedges are included as a portion of “Long-term debt” while amounts received for cash flow hedges are included in “Accumulated other comprehensive income.”

Foreign Exchange Rate Contracts

The Company utilizes forward foreign exchange rate contracts (“Forward Contracts”) to reduce its foreign currency exchange rate exposures. The Company designates qualifying Forward Contracts as cash flow hedge instruments. At September 30, 2006, the fair value of its open Forward Contracts was a net liability of approximately $0.4 million, and is reflected in “Other current liabilities” in its Condensed Consolidated Balance Sheet. The unrealized change in the fair values of open Forward Contracts from December 31, 2005 to September 30, 2006 was a net loss of approximately $1.2 million, of which $1.5 million of net losses were reclassified to “Accumulated other comprehensive income.” At September 30, 2006, the U.S. dollar equivalent contractual notional amounts to purchase and sell currencies for open Forward Contracts totaled approximately $135 million.

The Company’s derivative activities do not create additional risk because gains and losses on derivative contracts offset gains and losses on the assets, liabilities and transactions being hedged. As derivative contracts are initiated, the Company designates the instruments individually as either a fair value hedge or a cash flow hedge. Management reviews the correlation and effectiveness of its derivatives on a periodic basis.

10. Contingencies

Product Warranty Costs

The Company recognizes warranty costs based on an estimate of amounts required to meet future warranty obligations arising as part of the sale of its products. In accordance with the SFAS No. 5 "Accounting for Contingencies," the Company accrues an estimated liability at the time of a product sale based on historical claim rates applied to current period sales, as well as any information applicable to current product sales that may indicate a deviation from such historical claim rate trends. Product warranty reserves included $65.6 million within "Other current liabilities" and $10.8 million within "Other non-current liabilities" in the Company's Condensed Consolidated Balance Sheet as of September 30, 2006. At December 31, 2005, product warranty reserves included $54 million within "Other current liabilities" and $5.9 million within "Other non-current liabilities" in the Company's Condensed Consolidated Balance Sheet.

Activity for the nine months ended September 30, 2006 was as follows (in millions):

Warranty reserve at December 31, 2005	$ 59.9
Acquisitions and other adjustments	18.3
Provisions for warranties issued, net	82.9
Warranty claims paid	(84.7)
Warranty reserve at September 30, 2006	$ 76.4

The Company is involved in various legal disputes and other legal proceedings that arise from time to time in the ordinary course of business. In addition, the Company or various of its subsidiaries have been identified by the United States Environmental Protection Agency or a state environmental agency as a Potentially Responsible Party pursuant to the federal Superfund Act and/or state Superfund laws comparable to the federal law at various sites. Based on currently available information, the Company does not believe that the disposition of any of the legal or environmental disputes the Company is currently involved in will have a material adverse effect upon the consolidated financial condition, results of operations, cash flows or competitive position of the Company. It is possible, that as additional information becomes available, the impact on the Company of an adverse determination could have a different effect.

Litigation

The Company and/or its subsidiaries are involved in various lawsuits arising from time to time that the Company considers ordinary routine litigation incidental to its business. Amounts accrued for litigation matters represent the anticipated costs (damages and/or settlement amounts) in connection with pending litigation and claims and related anticipated legal fees for defending such actions. The costs are accrued when it is both probable that a liability has been incurred and the amount can be reasonably estimated. The accruals are based upon the Company's assessment, after consultation with counsel (if deemed appropriate), of probable loss based on the facts and circumstances of each case, the legal issues involved, the nature of the claim made, the nature of the damages sought and any relevant information about the plaintiffs and other significant factors that vary by case. When it is not possible to estimate a specific expected cost to be incurred, the Company evaluates the range of probable loss and records the minimum end of the range. The Company believes that anticipated probable costs of litigation matters have been adequately accrued to the extent determinable.

Environmental Matters

The Company's operations are subject to certain federal, state, local and foreign environmental laws and regulations in addition to laws and regulations regarding labeling and packaging of products and the sales of products containing certain environmentally sensitive materials.

In addition to ongoing environmental compliance at its operations, the Company also is actively engaged in environmental remediation activities, the majority of which relate to divested operations and sites. The Company or various of its subsidiaries have been identified by the United States Environmental Protection Agency ("EPA") or a state environmental agency as a Potentially Responsible Party ("PRP") pursuant to the federal Superfund Act and/or state Superfund laws comparable to the federal law at various sites (collectively, the "Environmental Sites").

The Company has established reserves to cover the anticipated probable costs of investigation and remediation, based upon periodic reviews of all sites for which they have, or may have remediation responsibility. The Company accrues environmental investigation and remediation costs when it is probable that a liability has been incurred, the amount of the liability can be reasonably estimated and their responsibility for the liability is established. Generally, the timing of these accruals coincides with the earlier of formal commitment to an investigation plan, completion of a feasibility study or a commitment to a formal plan of action. The Company accrued its best estimate of investigation and remediation costs based upon facts known at such dates and because of the inherent difficulties in estimating the ultimate amount of environmental costs, which are further described below, these estimates may materially change in the future as a result of the uncertainties described below. Estimated costs, which are based upon experience with similar sites and technical evaluations, are judgmental in nature and are recorded at discounted amounts without considering the impact of inflation and are adjusted periodically to reflect changes in applicable laws or regulations, changes in available technologies and receipt by the Company of new information. It is difficult to estimate the ultimate level of future environmental expenditures due to a number of uncertainties surrounding environmental liabilities. These uncertainties include the applicability of laws and regulations, changes in environmental remediation requirements, the enactment of additional regulations, uncertainties surrounding remediation procedures including the development of new technology, the identification of new sites for which the Company and various of its subsidiaries could be a PRP, information relating to the exact nature and extent of the contamination at each site and the extent of required cleanup efforts, the uncertainties with respect to the ultimate outcome of issues which may be actively contested and the varying costs of alternative remediation strategies.

Due to the uncertainty described above, the Company's ultimate future liability with respect to sites at which remediation has not been completed may vary from the amounts reserved as of September 30, 2006.

The Company believes that the costs of completing environmental remediation of all sites for which the Company has a remediation responsibility have been adequately reserved and that the ultimate resolution of these matters will not have a material adverse effect upon the Company's consolidated financial position, results of operations or cash flows.

Product Liability Matters

As a consumer goods manufacturer and distributor, the Company and/or its subsidiaries face the risk of product liability and related lawsuits involving claims for substantial money damages, product recall actions and higher than anticipated rates of warranty returns or other returns of goods.

The Company and/or its subsidiaries are party to various personal injury and property damage lawsuits relating to their products and incidental to its business. Annually, the Company sets its product liability insurance program which is an occurrence-based program based on the Company and its subsidiaries' current and historical claims experience and the availability and cost of insurance. The Company's product liability insurance program generally is comprised of a self-insurance retention per occurrence and an aggregate limit on exposure.

Cumulative amounts estimated to be payable by the Company with respect to pending and potential claims for all years in which the Company is liable under its self-insurance retention have been accrued as liabilities. Such accrued liabilities are based on estimates (which include actuarial determinations made by an independent actuarial consultant as to liability exposure, taking into account prior experience, number of claims and other relevant factors); thus, the Company's ultimate liability may exceed or be less than the amounts accrued. The methods of making such estimates and establishing the resulting liability are reviewed on a regular basis and any adjustments resulting therefrom are reflected in current operating results.

Based on current information, the Company believes that the ultimate conclusion of the various pending product liability claims and lawsuits of the Company and its subsidiaries, in the aggregate, will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

Securities and Related Litigation

In January and February 2006, purported class action lawsuits were filed in the Federal District Court for the Southern District of New York against the Company and certain Company officers alleging violations of the federal securities laws. The actions purport to be filed on behalf of purchasers of the Company's common stock during the period from June 29, 2005 (the date the Company announced the signing of the agreement to acquire Holmes) through January 12, 2006.

Joint lead plaintiffs were appointed on June 9, 2006. No class has been certified in the actions. The lead plaintiffs filed an amended consolidated complaint on August 25, 2006, against the Company, Jarden Consumer Solutions and certain officers of the Company, alleging, among other things, that the plaintiffs were injured by reason of certain allegedly false and misleading statements made by the Company relating to the expected benefits of the THG Acquisition. The Company, Jarden Consumer Solutions and the individual defendants filed a motion to dismiss the complaint on October 20, 2006.

In February 2006, a derivative complaint was filed against certain Company officers and the Board of Directors of the Company in the United States District Court for the Southern District of New York. The Company is named as a nominal defendant. The complaint alleges, among other things, that the individual defendants violated their fiduciary duties by failing to disclose material information and/or by misleading the investing public about the Company's business and financial condition relating to the THG Acquisition. The complaint seeks damages and other monetary relief against the individual defendants. The Company and the individual defendants filed a motion to dismiss the complaint on June 15, 2006.

These actions are in the early stages of litigation and an outcome cannot be predicted. Management does not believe that the outcome of this litigation will have a material adverse effect on the consolidated financial position, results of operations or cash flows of the Company. The Company intends to defend itself vigorously in these actions.

11. Equity

In February 2006, the Board of Directors of the Company authorized a new stock repurchase program to acquire up to $150 million of Company common stock through open market and privately negotiated transactions. On March 1, 2006, the Company repurchased two million shares of the Company's common stock for $50 million through a privately negotiated transaction.

12. Earnings Per Share Calculation

A computation of earnings per share was as follows (in millions, except per share data):

	Three month period ended		Nine month period ended	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
Income allocable to common stockholders	$ 51.3	$ 24.0	$ 70.3	$ 9.6
Basic weighted average shares outstanding	64.6	58.3	64.9	48.8
Additional shares assuming conversion of stock options and restricted stock	1.0	2.2	1.0	1.9
Diluted weighted average shares outstanding assuming conversion	65.6	60.5	65.9	50.7
Basic earnings (loss) per share	$ 0.79	$ 0.41	$ 1.08	$ 0.20
Diluted earnings (loss) per share	$ 0.78	$ 0.40	$ 1.07	$ 0.19

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13. Comprehensive Income

Comprehensive income was as follows (in millions):

	Three month period ended		Nine month period ended	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
Net income	$ 51.3	$ 25.4	$ 70.3	$ 58.2
Unrealized gain (loss) on interest rate swaps	(8.3)	7.1	11.4	8.3
Foreign currency translation	4.3	2.7	7.5	(4.2)
Unrealized (loss) gain on foreign exchange forward contracts	0.9	(0.4)	(2.1)	(0.1)
Comprehensive income	$ 48.2	$ 34.8	$ 87.1	$ 62.2

14. Employee Benefit Plans

Components of Net Periodic Costs for Domestic Plans

Net periodic pension costs and net periodic postretirement costs for domestic plans include the following components (in millions):

	Pension Benefits		Postretirement Benefits	
	Three month period ended		Three month period ended	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
Service cost	$ 0.2	$ 0.4	$ 0.1	$ 0.1
Interest cost	3.5	3.7	0.4	0.3
Expected return on plan assets	(3.2)	(3.4)	—	—
Amortization of unrecognized prior service benefit	—	—	(0.1)	—
Recognized net actuarial loss (gain)	0.1	—	—	—
Net periodic cost	$ 0.6	$ 0.7	$ 0.4	$ 0.4
Curtailment gain	—	—	—	—
Total pension cost	$ 0.6	$ 0.7	$ 0.4	$ 0.4

	Pension Benefits		Postretirement Benefits	
	Nine month period ended		Nine month period ended	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
Service cost	$ 0.5	$ 1.0	$ 0.3	$ 0.4
Interest cost	10.5	9.3	1.1	1.0
Expected return on plan assets	(9.4)	(8.5)	—	—
Amortization of unrecognized prior service benefit	0.1	0.1	(0.2)	—
Recognized net actuarial loss (gain)	0.2	0.1	0.1	—
Net periodic cost	$ 1.9	$ 2.0	$ 1.3	$ 1.4
Curtailment gain	—	—	(1.7)	—
Total pension cost	$ 1.9	$ 2.0	$ (0.4)	$ 1.4

Components of Net Periodic Pension Costs for Foreign Plans

Net periodic pension costs for foreign plans include the following components (in millions):

	Three month period ended September 30, 2006	Three month period ended September 30, 2005
Service cost	$ 0.1	$ 0.2
Interest cost	0.2	0.1
Expected return on plan assets	(0.1)	(0.1)
Net periodic pension cost	$ 0.2	$ 0.2
Curtailment gain	—	—
Total pension cost	$ 0.2	$ 0.2

	Nine month period ended September 30, 2006	Nine month period ended September 30, 2005
Service cost	$ 0.5	$ 0.5
Interest cost	0.5	0.4
Expected return on plan assets	(0.3)	(0.3)
Net periodic pension cost	$ 0.7	$ 0.6
Curtailment gain	(0.1)	—
Total pension cost	$ 0.6	$ 0.6

15. Reorganization and Acquisition-Related Integration Costs

The following table sets forth the details and the activity related to reorganization and acquisition-related integration costs (in millions):

	Accrual Balance at December 31, 2005	Reorganization and Acquisition-Related Costs, net	Foreign Currency Translations	Cash Payments	Accrual Balance at September 30, 2006
Severance and other employee related	$ 15.9	$ 7.6	$ 0.1	$ (17.4)	$ 6.2
Other costs	1.6	15.5	(0.1)	(13.2)	3.8
Sub-total	$ 17.5	23.1	$ —	$ (30.6)	$ 10.0
Impairment charges		1.8			
Reversal of lease restructuring liability		(2.4)			
Total		$ 22.5			

Consumer Solutions Segment Reorganization

As part of the AHI Acquisition and THG Acquisition, it was determined that, due to similarities between the combined Consumer solutions segment customer base, distribution channels and operations, significant cost savings could be achieved by integrating certain functions of the businesses, such as distribution and warehousing, information technology and certain administrative functions. In order to leverage a shared infrastructure, the Company initiated certain reorganization plans during 2005. During the nine months ended September 30, 2006, the Company recorded charges of approximately $6.3 million in severance and other employee benefit-related costs, $4.1 million of facility exit costs and $8 million in other costs related to these plans. Of the $6.3 million related to employee terminations, $5.8 million was included in “Reorganization and acquisition-related integration costs, net” in the Condensed Consolidated Statements of Income, and $0.5 million was included in the determination of the cost of the THG Acquisition. Other costs primarily consist of $1.7 million of retention bonuses, $3.8 million of professional fees, $1.1 million of travel expenses and $0.8 million of relocation costs. Other costs are included in “Reorganization and acquisition-related integration costs, net” in the Condensed Consolidated Statements of Income. The initiative is expected to result in approximately 325 terminations of which approximately 121 were terminated as of September 30, 2006. As of September 30, 2006, $8 million of severance, other employee benefit-related costs and other costs remain accrued in the Condensed Consolidated Balance Sheet. The amounts are included in “Other current liabilities” and “Other non-current liabilities” for $6.6 million and $1.4 million, respectively. The amounts accrued are expected to be fully paid by the end of fiscal year 2007.

Outdoor Solutions Segment

Domestic Salesforce Reorganization

During the three months ended September 30, 2006, the Company made a strategic plan to rationalize its domestic sales platform. In conjunction with this plan, the Company recorded $0.7 million related to employee terminations and $0.1 million of other costs. As of September 30, 2006, approximately $0.5 million remains accrued in Condensed Consolidated Balance Sheet.

European Reorganization

During 2006, the Company made a strategic plan to rationalize its European manufacturing and administrative platform in order to facilitate a long-term cost savings initiative. During the nine months ended September 30, 2006, the Company recorded net charges of $0.8 million, related to this strategic plan consisting of severance and other employee benefit-related costs which are reflected in "Reorganization and acquisition-related integration costs, net" in the Condensed Consolidated Statements of Income. As of September 30, 2006, $0.5 million remains accrued and is reflected in "Other current liabilities" in the Condensed Consolidated Balance Sheet. The amounts accrued are expected to be substantially paid by the end of fiscal year 2007.

Outsourcing

In prior years, Coleman announced its intention to outsource the manufacturing of its outdoor recreation appliances manufactured at its Lyon, France facility, and Coleman initiated the outsourcing activities upon completion of reviews conducted by government and union officials. Other manufacturing operations in Lyon were unaffected by this move. During the nine months ended September 30, 2006, the Company reversed approximately $0.4 million of charges, primarily related to the plant closing. These are reflected in "Reorganization and acquisition-related integration costs, net" in the Condensed Consolidated Statements of Income. The initiative is currently scheduled to be substantially completed in 2006 and is expected to result in the termination of approximately 125 employees, of which 121 were terminated as of September 30, 2006. As of September 30, 2006, $1 million, primarily related to severance and other employee benefit-related costs, remains accrued, of which $0.9 million is reflected in "Other current liabilities" and $0.1 million is reflected in "Other non-current liabilities" in the Condensed Consolidated Balance Sheets. The amounts accrued are expected to be fully paid by the end of fiscal year 2007.

Branded Consumables Segment

Segment Reorganization

During the first quarter of 2005, the Company began implementing a strategic plan to reorganize its Branded consumables segment and thereby facilitate long-term cost savings and improve management and reporting capabilities. Specific cost savings initiatives include the utilization of certain shared distribution and warehousing services and information systems platforms and outsourcing the manufacturing of certain kitchen products. During the nine months ended September 30, 2006, the Company recorded severance charges of $0.6 million and other charges of $4.5 million primarily related to a fixed asset impairment ($1.8 million) and inventory move costs ($1.4 million) which are included in "Reorganization and acquisition-related integration costs, net" in the Condensed Consolidated Statements of Income. As of September 30, 2006, less than $0.1 million of the charges recorded remain accrued and are reflected in "Other current liabilities" in the Condensed Consolidated Balance Sheets. All amounts are expected to be paid by the end of the fiscal year 2006.

Corporate Reorganization and Acquisition-Related Integration Costs

As part of the AHI Acquisition, it was determined that certain corporate functions of the two entities would be combined and redundant functions would be eliminated. Further, certain functions and responsibilities would be transitioned to the Company's offices in Florida, while other functions would transition to the Company's New York headquarters. During the nine months ended September 30, 2006, the Company recorded charges of $0.7 million consisting primarily of retention and travel expenses directly associated with the reorganization, which are included in "Reorganization and acquisition-related integration costs, net" in the Condensed Consolidated Statements of Income. The initiative was completed during the second quarter of 2006 and resulted in the termination of 21 employees, all of which were terminated as of September 30, 2006.

During the three months ended September 30, 2006, the Company reversed a $2.4 million lease restructuring liability which was initially recorded in the Corporate segment for unutilized office space. Due to the Consumer solutions plan to integrate certain functions within its businesses and the related relocation of employees, the Company determined that this space will now be utilized.

16. Segment Information

During the first quarter of 2006, management changed the Company's reportable segments to reflect the new structure of the organization and the manner in which the chief operating decision maker regularly assesses information for decision-making purposes, including the allocation of resources. As a result, the First Alert business was moved from the Consumer solutions segment to the Branded consumables segment. During the second quarter of 2006, the Company changed the manner in which it measures segment operating performance to be "segment earnings". All prior periods have been reclassified to conform to the current reporting structure and performance measures.

The Company reports four business segments: Branded consumables, Consumer solutions, Outdoor solutions and Process solutions.

In the Branded consumables segment, the Company markets, distributes and in certain cases manufactures a broad line of branded products that includes arts and crafts, paintbrushes, children's card games, clothespins, collectible tins, food preparation kits, home canning jars, jar closures, kitchen matches, other craft items, plastic cutlery, playing cards and card accessories, rope, cord and twine, smoke and carbon monoxide alarms, storage and workshop accessories, toothpicks and other accessories marketed under the Aviator ®, Ball®, Bee®, Bernardin®, Bicycle®, BRK®, Crawford®, Diamond®, First Alert®, Forster®, Hoyle®, KEM®, Kerr®, Lehigh®, Leslie-Locke®, Loew-Cornell® and Pine Mountain® brand names, among others.

In the Consumer solutions segment, the Company manufactures or sources, markets and distributes an array of innovative kitchen and other household products that includes bedding, blenders, coffee makers, heating pads, home vacuum packaging machines, personal and animal grooming products, and warming blankets, as well as related consumable products. The segment's leading brands include Bionaire®, Crock-Pot®, FoodSaver®, Harmony®, Health o meter®, Holmes®, Mr. Coffee®, Oster®, Patton®, Rival®, Seal-a-Meal®, Sunbeam®, VillaWare® and White Mountain™. As discussed in Note 5, the JCS portion of this business was purchased with the AHI Acquisition effective January 24, 2005, and the Holmes portion of this business was purchased with the THG Acquisition, effective July 18, 2005.

In the Outdoor solutions segment, the Company manufactures or sources, markets and distributes outdoor leisure products worldwide under the Campingaz® and Coleman® brand names for use outside the home or away from the home, such as products for camping, backpacking, tailgating, backyard grilling and other outdoor activities.

The Process solutions segment (formerly referred to as the "Other" segment) primarily consists of a plastic consumables business which manufactures, markets and distributes a wide variety of consumer and medical plastic products, including products sold to retailers by the Company's Branded consumables segment (plastic cutlery) and Consumer solutions segment (containers). The Process solutions segment also includes a producer of zinc strip.

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(in millions)	Branded Consumables	Consumer Solutions	Outdoor Solutions	Process Solutions	Intercompany Eliminations	Total Operating Segments	Corporate/ Unallocated	Consolidated
Three months ended September 30, 2006								
Net sales	$ 221.9	$ 540.7	$ 208.4	$ 79.1	$ (17.0)	$1,033.1	$ —	$ 1,033.1
Segment earnings (loss)	$ 38.4	$ 83.7	$ 17.8	$ 7.0	$ —	$ 146.9	$ (9.6)	$ 137.3
Adjustments to reconcile to reported operating earnings(loss):								
Fair value adjustment of inventory	(3.9)	—	—	—	—	(3.9)	—	(3.9)
Reorganization costs, net	(0.8)	(8.2)	(0.9)	—	—	(9.9)	2.4	(7.5)
Other integration-related costs	—	(0.6)	—	—	—	(0.6)	(1.1)	(1.7)
Stock-based compensation	—	—	—	—	—	—	(6.4)	(6.4)
Depreciation and amortization	(3.3)	(5.9)	(4.1)	(2.3)	—	(15.6)	(0.5)	(16.1)
Operating earnings (loss)	$ 30.4	$ 69.0	$ 12.8	$ 4.7	$ —	$ 116.9	$ (15.2)	$ 101.7
Depreciation and amortization	$ 3.3	$ 5.9	$ 4.1	$ 2.3	$ —	$ 15.6	$ 0.5	$ 16.1

(in millions)	Branded Consumables	Consumer Solutions	Outdoor Solutions	Process Solutions	Intercompany Eliminations	Total Operating Segments	Corporate/ Unallocated	Consolidated
Three months ended September 30, 2005 (Reclassified)								
Net sales	$ 189.1	$ 495.0	$ 214.1	$ 60.5	$ (20.7)	$ 938.0	$ —	$ 938.0
Segment earnings (loss)	$ 30.8	$ 71.9	$ 18.9	$ 7.9	$ —	$ 129.5	$ (10.6)	$ 118.9
Adjustments to reconcile to reported operating earnings(loss):								
Fair value adjustment to inventory	—	(4.2)	—	—	—	(4.2)	—	(4.2)
Reorganization and acquisition-related integration costs, net	(0.5)	(6.1)	(0.3)	—	—	(6.9)	(0.3)	(7.2)
Stock-based compensation	—	—	—	—	—	—	(29.8)	(29.8)
Depreciation and amortization	(2.7)	(6.0)	(4.3)	(2.4)	—	(15.4)	—	(15.4)
Operating earnings (loss)	$ 27.6	$ 55.6	$ 14.3	$ 5.5	$ —	$ 103.0	$ (40.7)	$ 62.3
Depreciation and amortization	$ 2.7	$ 6.0	$ 4.3	$ 2.4	$ —	$ 15.4	$ —	$ 15.4

(in millions)	Branded Consumables	Consumer Solutions	Outdoor Solutions	Process Solutions	Intercompany Eliminations	Total Operating Segments	Corporate/ Unallocated	Consolidated
Nine months ended September 30, 2006								
Net sales	$ 583.2	$1,251.7	$ 768.4	$ 235.2	$ (51.7)	$2,786.8	$ —	$ 2,786.8
Segment earnings (loss)	$ 90.9	$ 143.5	$ 87.0	$ 26.4	$ —	$ 347.8	$ (38.9)	$ 308.9
Adjustments to reconcile to reported operating earnings (loss):								
Fair value adjustment to inventory	(3.9)	—	—	—	—	(3.9)	—	(3.9)
Reorganization costs, net	(5.1)	(17.9)	(1.2)	—	—	(24.2)	1.7	(22.5)
Impairment/write-off of assets	—	—	(0.3)	—	—	(0.3)	—	(0.3)
Other integration-related costs	—	(2.4)	—	—	—	(2.4)	(1.1)	(3.5)
Stock-based compensation	—	—	—	—	—	—	(16.1)	(16.1)
Depreciation and amortization	(8.9)	(17.5)	(12.5)	(7.0)_	—	(45.9)	(1.1)	(47.0)
Operating earnings (loss)	$ 73.0	$ 105.7	$ 73.0	$ 19.4	—	$ 271.1	$ (55.5)	$ 215.6
Depreciation and amortization	$ 8.9	$ 17.5	$ 12.5	$ 7.0	$ —	$ 45.9	$ 1.1	$ 47.0
Total assets	$ 1,089.4	$1,937.6	$ 718.4	$ 95.0	$ —	$3,840.4	$ 20.4	$ 3,860.8

(in millions)	Branded Consumables	Consumer Solutions	Outdoor Solutions	Process Solutions	Intercompany Eliminations	Total Operating Segments	Corporate/ Unallocated	Consolidated
Nine months ended September 30, 2005 (Reclassified)								
Net sales	$ 518.3	$ 879.6	$ 695.6	$ 175.6	$ (55.4)	$2,213.7	$ —	$ 2,213.7
Segment earnings (loss)	$ 77.1	$ 99.1	$ 88.3	$ 23.1	$ —	$ 287.6	$ (25.0)	$ 262.6
Adjustments to reconcile to reported operating earnings (loss):								
Fair value adjustment to inventory	(0.2)	(4.2)	—	—	—	(4.4)	(16.2)	(20.6)
Reorganization and acquisition-related integration costs, net	(1.8)	(10.3)	(1.1)	—	—	(13.2)	(2.8)	(16.0)
Stock-based compensation	—	—	—	—	—	—	(29.8)	(29.8)
Depreciation and amortization	(7.8)	(13.1)	(12.8)	(7.0)	—	(40.7)	(0.1)	(40.8)
Operating earnings (loss)	$ 67.3	$ 71.5	$ 74.4	$ 16.1	—	$ 229.3	$ (73.9)	$ 155.4
Depreciation and amortization	$ 7.8	$ 13.1	$ 12.8	$ 7.0	$ —	$ 40.7	$ 0.1	$ 40.8
Total assets	$ 781.6	$1,738.8	$ 554.9	$ 74.1	$ —	$3,149.4	$ 456.3	$ 3,605.7

(a) Intersegment sales are recorded at cost plus an agreed upon profit on sales.

(b) For the three and nine month periods ended September 30, 2006, unallocated costs include a reversal of $2.4 million and a net reversal of $1.7 million of reorganization and acquisition-related integration costs, net, respectively, and $6.4 million and $16.1 million of stock-based compensation costs, respectively, related to the issuance of stock options and restricted shares of the Company's common stock to employees and Directors of the Company (see Note 2). For the nine months ended September 30, 2005, unallocated costs include a purchase accounting adjustment for the elimination of manufacturer's profit in inventory of $16.2 million related to the AHI Acquisition. For the three and nine month periods ended September 30, 2005, unallocated costs include $0.3 million and $2.8 million of reorganization and acquisition-related integration costs, respectively, and $29.8 million of stock-based compensation related to the issuance of restricted shares of Company common stock.

The Company's sales are principally within the United States. The Company's international operations are mainly based in Europe, Canada, Latin America and Japan. Net sales of the Company's products outside of the United States were approximately $212 million and $654 million for the three and nine month periods ended September 30, 2006, respectively, or on a percentage basis approximately 21% and 24%, respectively, of the Company's net sales. For the three and nine month periods ended September 30, 2005, net sales of the Company's products outside of the United States were approximately $214 million and $602 million, or on a percentage basis approximately 23% and 27%, respectively of the Company's net sales for the same period.

17. Condensed Consolidating Financial Statements

The Company's 9 3/4% Senior Subordinated Notes are fully guaranteed, jointly and severally, by several of the Company's domestic subsidiaries ("Guarantor Subsidiaries"). The Company's non-United States subsidiaries and those domestic subsidiaries who are not guarantors ("Non-Guarantor Subsidiaries") are not guaranteeing these Senior Subordinated Notes. Following the AHI Acquisition in 2005, the Non-Guarantor Subsidiaries are not considered minor and, as such, pursuant to Article 3-10(f) of Regulation S-X, the Company has presented below the summarized condensed consolidating financial statements of the Company ("Parent"), the Guarantor Subsidiaries and the Non-Guarantor Subsidiaries on a consolidated basis as of September 30, 2006 and December 31, 2005 and for the three and nine month periods ended September 30, 2006 and 2005.

Condensed Consolidating Statements of Income (in millions):

	Three month period ended September 30, 2006				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ —	$ 767.2	$ 299.4	$ (33.5)	$ 1,033.1
Costs and expenses	13.8	684.7	266.4	(33.5)	931.4
Operating (loss) earnings	(13.8)	82.5	33.0	—	101.7
Other expense, net	23.3	17.3	9.8	—	50.4
Equity in the income of subsidiaries	88.4	22.1	—	(110.5)	—
Net income (loss)	$ 51.3	$ 87.3	$ 23.2	$ (110.5)	$ 51.3

	Three month period ended September 30, 2005				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ —	$ 807.3	$ 308.2	$ (177.5)	$ 938.0
Costs and expenses	40.7	727.5	285.0	(177.5)	875.7
Operating (loss) earnings	(40.7)	79.8	23.2	—	62.3
Other expense, net	28.0	1.4	7.5	—	36.9
Equity in the income of subsidiaries	94.1	19.4	—	(113.5)	—
Net income (loss)	$ 25.4	$ 97.8	$ 15.7	$ (113.5)	$ 25.4

	Nine month period ended September 30, 2006				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ —	$ 2,085.1	$ 847.8	$ (146.1)	$ 2,786.8
Costs and expenses	51.7	1,898.4	767.2	(146.1)	2,571.2
Operating (loss) earnings	(51.7)	186.7	80.6	—	215.6
Other expense, net	93.6	26.1	25.6	—	145.3
Equity in the income of subsidiaries	215.6	52.4	—	(268.0)	—
Net income (loss)	$ 70.3	$ 213.0	$ 55.0	$ (268.0)	$ 70.3

	Nine month period ended September 30, 2005				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ —	$ 1,819.2	$ 672.6	$ (278.1)	$ 2,213.7
Costs and expenses	73.9	1,656.3	606.2	(278.1)	2,058.3
Operating (loss) earnings	(73.9)	162.9	66.4	—	155.4
Other expense, net	75.7	3.4	18.1	—	97.2
Equity in the income of subsidiaries	207.8	51.5	—	(259.3)	—
Net income (loss)	$ 58.2	$ 211.0	$ 48.3	$ (259.3)	$ 58.2

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Condensed Consolidating Balance Sheet (in millions):

	As of September 30, 2006				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Current assets	$ 28.7	$ 1,161.7	$ 374.6	$ (0.8)	$ 1,564.2
Investment in subsidiaries	2,943.3	125.5	—	(3,068.8)	—
Non-current assets	99.8	2,554.0	134.9	(492.1)	2,296.6
Total assets	$3,071.8	$ 3,841.2	$ 509.5	$ (3,561.7)	$ 3,860.8
Liabilities and stockholders' equity					
Current liabilities	$ 64.2	$ 613.2	$ 226.1	$ 1.6	$ 905.1
Non-current liabilities	1,946.1	304.6	138.0	(494.5)	1,894.2
Stockholders' equity	1,061.5	2,923.4	145.4	(3,068.8)	1,061.5
Total liabilities and stockholders' equity	$3,071.8	$ 3,841.2	$ 509.5	$ (3,561.7)	$ 3,860.8

	As of December 31, 2005				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Current assets	$ 226.0	$ 958.0	$ 303.9	$ (23.5)	$ 1,464.4
Investment in subsidiaries	2,762.4	104.1	—	(2,866.5)	—
Non-current assets	32.8	2,387.0	245.9	(605.5)	2,060.2
Total assets	$3,021.2	$ 3,449.1	$ 549.8	$ (3,495.5)	$ 3,524.6
Liabilities and stockholders' equity					
Current liabilities	$ 93.4	$ 408.0	$ 212.2	$ 0.9	$ 714.5
Non-current liabilities	1,924.0	293.8	218.4	(629.9)	1,806.3
Stockholders' equity	1,003.8	2,747.3	119.2	(2,866.5)	1,003.8
Total liabilities and stockholders' equity	$3,021.2	$ 3,449.1	$ 549.8	$ (3,495.5)	$ 3,524.6

Condensed Consolidating Statement of Cash Flows (in millions):

	Nine month period ended September 30, 2006				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash (used in) provided by operating activities	$ (119.4)	$ 46.3	$ 100.9	$ —	$ 27.8
Financing activities:					
Proceeds from revolving credit borrowings	460.2	—	—	—	460.2
Payments on revolving credit borrowings	(278.1)	—	—	—	(278.1)
(Payments) proceeds (to) from intercompany transactions	63.3	10.2	(73.5)	—	—
Payments on senior debt	(62.5)	(0.5)	—	—	(63.0)
Net borrowings from foreign lines of credit	—	—	(2.0)	—	(2.0)
Proceeds from issuance of stock, net of transaction fees	3.9	—	—	—	3.9
Repurchase of common stock	(50.0)	—	—	—	(50.0)
Debt issuance costs	(2.0)	—	(0.6)	—	(2.6)
Proceeding from recouponing interest rate swaps	6.6	—	—	—	6.6
Other	(1.2)	(0.4)	—	—	(1.6)
Net cash provided by (used in) financing activities	140.2	9.3	(76.1)	—	73.4
Investing Activities:					
Additions to property, plant and equipment	(0.2)	(38.6)	(9.1)	—	(47.9)
Acquisition of business, net of cash acquired	(198.0)	(11.1)	—	—	(209.1)
Other	—	0.8	—	—	0.8
Net cash used in investing activities	(198.2)	(48.9)	(9.1)	—	(256.2)
Effect of exchange rate changes on cash	—	—	0.8	—	0.8
Net (decrease) increase in cash and cash equivalents	(177.4)	6.7	16.5	—	(154.2)
Cash and cash equivalents at beginning of period	184.5	(4.6)	57.2	—	237.1
Cash and cash equivalents at end of period	$ 7.1	$ 2.1	$ 73.7	$ —	$ 82.9

	Nine month period ended September 30, 2005				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash (used in) provided by operating activities	$ (118.9)	$ (24.1)	$ 128.6	$ —	$ (14.4)
Financing activities:					
Proceeds from revolving credit borrowings	127.3	—	—	—	127.3
Payments on revolving credit borrowings	(100.6)	—	—	—	(100.6)
(Payments) proceeds (to) from intercompany transactions	44.3	51.5	(95.8)	—	—
Proceeds from issuance of long-term debt	1,330.0	—	—	—	1,330.0
Payments on long-term debt	(310.7)	—	—	—	(310.7)
Proceeds from issuance of stock, net of transaction fees	350.5	—	—	—	350.5
Repurchase of common stock	(6.0)	—	—	—	(6.0)
Debt issuance costs	(19.9)	—	—	—	(19.9)
Other	4.5	(2.1)	(11.5)	—	(9.1)
Net cash provided by (used in) financing activities	1,419.4	49.4	(107.3)	—	1,361.5
Investing Activities:					
Additions to property, plant and equipment	(0.3)	(30.0)	(6.2)	—	(36.5)
Acquisition of business, net of cash acquired	(1,312.3)	(1.0)	42.5	—	(1,270.8)
Other	(0.2)	—	—	—	(0.2)
Net cash (used in) provided by investing activities	(1,312.8)	(31.0)	36.3	—	(1,307.5)
Effect of exchange rate changes on cash	—	—	(0.2)	—	(0.2)
Net (decrease) increase in cash and cash equivalents	(12.3)	(5.7)	57.4	—	39.4
Cash and cash equivalents at beginning of period	16.5	(0.7)	4.9	—	20.7
Cash and cash equivalents at end of period	$ 4.2	$ (6.4)	$ 62.3	$ —	$ 60.1

The amounts reflected as (payments) proceeds (to) from intercompany transactions represent cash flows originating from transactions conducted between guarantor subsidiaries, non-guarantor subsidiaries and parent in the normal course of business operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Information

From time to time, we may make or publish forward-looking statements relating to such matters as anticipated financial performance, business prospects, technological developments, new products and similar matters. Such statements are necessarily estimates reflecting management's best judgment based on current information. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. Such statements are usually identified by the use of words or phrases such as "believes", "anticipates", "expects", "estimates", "planned", "outlook" and "goal". Because forward-looking statements involve risks and uncertainties, our actual results could differ materially. In order to comply with the terms of the safe harbor, we note that a variety of factors could cause our actual results and experience to differ materially from the anticipated results or other expectations expressed in forward-looking statements.

Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements.

We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our Forms 10-Q, 8-K and 10-K reports to the Securities and Exchange Commission. Please see our Company's Annual Report on Form 10-K for 2005 for a list of risk factors which could cause our Company's actual results to differ materially from those projected in our Company's forward-looking statements and certain risks and uncertainties that may affect the operations, performance and results of our business. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

The following "Overview" section is a brief summary of the significant items addressed in Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"). Investors should read the relevant sections of this MD&A for a complete discussion of the items summarized below.

Overview

Jarden Corporation is a leading provider of primarily niche consumer products used in and around the home. Jarden currently operates in three primary business segments: Branded consumables, Consumer solutions, and Outdoor solutions. During the first quarter of 2006, management changed the Company's reportable segments to reflect the new structure of the organization and the manner in which the chief operating decision maker regularly assesses information for decision-making purposes, including the allocation of resources. As a result, the First Alert business was moved from the Consumer solutions segment to the Branded consumables segment. During the second quarter of 2006, the Company changed the manner in which it measures segment operating performance to be "segment earnings". All prior periods have been reclassified to conform to current reporting structure and performance measures.

In the Branded consumables segment, the Company markets, distributes and in certain cases manufactures a broad line of branded products that includes arts and crafts, paintbrushes, children's card games, clothespins, collectible tins, food preparation kits, home canning jars, jar closures, kitchen matches, other craft items, plastic cutlery, playing cards and card accessories, rope, cord and twine, storage and workshop accessories, toothpicks and other accessories marketed under the Aviator® , Ball® , Bee® , Bernardin® , Bicycle ® , BRK® , Crawford® , Diamond® , First Alert® , Forster® , Hoyle® , KEM® , Kerr®, Lehigh®, Leslie-Locke® , Loew-Cornell® and Pine Mountain® brand names, among others.

In the Consumer solutions segment, the Company manufactures or sources, markets and distributes an array of innovative kitchen and other household products that includes bedding, blenders, coffee makers, heating pads, home vacuum packaging machines, smoke and carbon monoxide alarms, personal and animal grooming products, and warming blankets, as well as related consumable products. The segment's leading brands include Bionaire® , Crock-Pot® , FoodSaver® , Harmony® , Health o meter® , Holmes® , Mr. Coffee® , Oster®, Patton® , Rival® , Seal-a-Meal® , Sunbeam® , VillaWare® and White Mountain™. As discussed in Note 5, the JCS portion of this business was purchased with the AHI Acquisition effective January 24, 2005, and the Holmes portion of this business was purchased with the THG Acquisition, effective July 18, 2005.

In the Outdoor solutions segment, the Company manufactures or sources, markets and distributes outdoor leisure products worldwide under the Campingaz® and Coleman® brand names for use outside the home or away from the home, such as products for camping, backpacking, tailgating, backyard grilling and other outdoor activities.

The Process solutions segment (formerly referred to as the "Other" segment) primarily consists of a plastic consumables business which manufactures, markets and distributes a wide variety of consumer and medical plastic products, including products sold to retailers by the Company's Branded consumables segment (plastic cutlery) and Consumer solutions segment (containers). The Process solutions segment also includes a producer of zinc strip.

Acquisition Activity

On July 18, 2005, the Company completed its acquisition of Holmes for approximately $420 million in cash and 6.15 million shares of our common stock. Holmes is a leading manufacturer and distributor of select home environment and small kitchen electrics under well-recognized brand names such as Bionaire® , Crock-Pot® , Harmony® , Holmes® , Patton® , Rival® , Seal-a-Meal® and White Mountain™. The aggregate purchase price was approximately $681 million, including transaction expenses. The cash portion of the THG Acquisition purchase price was financed with the issuance of an additional $380 million of term debt under the Senior Credit Facility, cash on hand and revolver borrowings.

On January 24, 2005, the Company completed its acquisition of AHI, a privately held company, for approximately $746 million for the equity and the repayment of approximately $100 million of indebtedness. AHI is the parent of The Coleman Company, Inc. ("Coleman") and Sunbeam Products, Inc. (which we refer to as "Jarden Consumer Solutions" or "JCS"), leading producers of global consumer products through brands such as BRK® , Campingaz® , Coleman® , First Alert® , Health o meter® , Mr. Coffee® , Oster® and Sunbeam® . Of the equity portion of the purchase price, $40 million was held back by the Company to cover potential indemnification claims against the sellers of AHI and has not been accrued as a liability or considered part of the purchase price since the outcome of this contingency remains uncertain.

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The Company financed the AHI Acquisition with the issuance of $350 million of equity securities and a new $1.05 billion senior credit facility ("Senior Credit Facility"), consisting of a term loan facility ("Term Loan") in the aggregate principal amount of $850 million and a revolving credit facility ("Revolver") with an aggregate commitment of $200 million. This facility replaced the Company's Second Amended Credit Agreement ("Second Amended Credit Agreement").

The AHI Acquisition and THG Acquisition represent significant elements in advancing the Company's strategy of acquiring branded consumer products businesses with leading market positions in markets for products used in and around the home and home away from home.

In addition to the AHI and THG acquisition during 2005, the Company completed three tuck-in acquisitions within the Branded consumables segment. During the nine months ended September 30, 2006, the Company completed four tuck-in acquisitions, three within Branded consumables and one within JCS.

As discussed further hereafter, the results of operations for the nine month period ended September 30, 2006 versus September 30, 2005 include the results of THG and AHI from their respective acquisition dates. The differences in operating results in 2006 versus 2005 are primarily due to these acquisitions (the "Acquisitions").

During the second quarter 2006, the Company changed the manner in which it measures operating performance of segments to be "segment earnings". Segment earnings is the primary measure used by the chief operating decision maker and the segment information in the table below reconciles "segment earnings (loss)" to "operating earnings (loss)."

(in millions)	Branded Consumables	Consumer Solutions	Outdoor Solutions	Process Solutions	Intercompany Eliminations	Total Operating Segments	Corporate/ Unallocated	Consolidated
Three months ended September 30, 2006								
Net sales	$ 221.9	$ 540.7	$ 208.4	$ 79.1	$ (17.0)	$1,033.1	$ —	$ 1,033.1
Segment earnings (loss)	$ 38.4	$ 83.7	$ 17.8	$ 7.0	$ —	$ 146.9	$ (9.6)	$ 137.3
Adjustments to reconcile to reported operating earnings(loss):								
Fair value adjustment of inventory	(3.9)	—	—	—	—	(3.9)	—	(3.9)
Reorganization costs, net	(0.8)	(8.2)	(0.9)	—	—	(9.9)	2.4	(7.5)
Other integration-related costs	—	(0.6)	—	—	—	(0.6)	(1.1)	(1.7)
Stock-based compensation	—	—	—	—	—	—	(6.4)	(6.4)
Depreciation and amortization	(3.3)	(5.9)	(4.1)	(2.3)	—	(15.6)	(0.5)	(16.1)
Operating earnings (loss)	$ 30.4	$ 69.0	$ 12.8	$ 4.7	$ —	$ 116.9	$ (15.2)	$ 101.7
Depreciation and amortization	$ 3.3	$ 5.9	$ 4.1	$ 2.3	$ —	$ 15.6	$ 0.5	$ 16.1

(in millions)	Branded Consumables	Consumer Solutions	Outdoor Solutions	Process Solutions	Intercompany Eliminations	Total Operating Segments	Corporate/ Unallocated	Consolidated
Three months ended September 30, 2005 (Reclassified)								
Net sales	$ 189.1	$ 495.0	$ 214.1	$ 60.5	$ (20.7)	$ 938.0	$ —	$ 938.0
Segment earnings (loss)	$ 30.8	$ 71.9	$ 18.9	$ 7.9	$ —	$ 129.5	$ (10.6)	$ 118.9
Adjustments to reconcile to reported operating earnings(loss):								
Fair value adjustment to inventory	—	(4.2)	—	—	—	(4.2)	—	(4.2)
Reorganization and acquisition-related integration costs, net	(0.5)	(6.1)	(0.3)	—	—	(6.9)	(0.3)	(7.2)
Stock-based compensation	—	—	—	—	—	—	(29.8)	(29.8)
Depreciation and amortization	(2.7)	(6.0)	(4.3)	(2.4)	—	(15.4)	—	(15.4)
Operating earnings (loss)	$ 27.6	$ 55.6	$ 14.3	$ 5.5	$ —	$ 103.0	$ (40.7)	$ 62.3
Depreciation and amortization	$ 2.7	$ 6.0	$ 4.3	$ 2.4	$ —	$ 15.4	$ —	$ 15.4

(in millions)	Branded Consumables	Consumer Solutions	Outdoor Solutions	Process Solutions	Intercompany Eliminations	Total Operating Segments	Corporate/ Unallocated	Consolidated
Nine months ended September 30, 2006 (Reclassified)								
Net sales	$ 583.2	$1,251.7	$ 768.4	$ 235.2	$ (51.7)	$2,786.8	$ —	$ 2,786.8
Segment earnings (loss)	$ 90.9	$ 143.5	$ 87.0	$ 26.4	$ —	$ 347.8	$ (38.9)	$ 308.9
Adjustments to reconcile to reported operating earnings (loss):								
Fair value adjustment to inventory	(3.9)	—	—	—	—	(3.9)	—	(3.9)
Reorganization costs, net	(5.1)	(17.9)	(1.2)	—	—	(24.2)	1.7	(22.5)
Impairment/write-off of assets	—	—	(0.3)	—	—	(0.3)	—	(0.3)
Other integration-related costs	—	(2.4)	—	—	—	(2.4)	(1.1)	(3.5)
Stock-based compensation	—	—	—	—	—	—	(16.1)	(16.1)
Depreciation and amortization	(8.9)	(17.5)	(12.5)	(7.0)	—	(45.9)	(1.1)	(47.0)
Operating earnings (loss)	$ 73.0	$ 105.7	$ 73.0	$ 19.4	$ —	$ 271.1	$ (55.5)	$ 215.6
Depreciation and amortization	$ 8.9	$ 17.5	$ 12.5	$ 7.0	$ —	$ 45.9	$ 1.1	$ 47.0
Total assets	$ 1,089.4	$1,937.6	$ 718.4	$ 95.0	$ —	$3,840.4	$ 20.4	$ 3,860.8

(in millions)	Branded Consumables	Consumer Solutions	Outdoor Solutions	Process Solutions	Intercompany Eliminations	Total Operating Segments	Corporate/ Unallocated	Consolidated
Nine months ended September 30, 2005 (Reclassified)								
Net sales	$ 518.3	$ 879.6	$ 695.6	$ 175.6	$ (55.4)	$2,213.7	$ —	$ 2,213.7
Segment earnings (loss)	$ 77.1	$ 99.1	$ 88.3	$ 23.1	$ —	$ 287.6	$ (25.0)	$ 262.6
Adjustments to reconcile to reported operating earnings (loss):								
Fair value adjustment to inventory	(0.2)	(4.2)	—	—	—	(4.4)	(16.2)	(20.6)
Reorganization and acquisition-related integration costs, net	(1.8)	(10.3)	(1.1)	—	—	(13.2)	(2.8)	(16.0)
Stock-based compensation	—	—	—	—	—	—	(29.8)	(29.8)
Depreciation and amortization	(7.8)	(13.1)	(12.8)	(7.0)	—	(40.7)	(0.1)	(40.8)
Operating earnings (loss)	$ 67.3	$ 71.5	$ 74.4	$ 16.1	$ —	$ 229.3	$ (73.9)	$ 155.4
Depreciation and amortization	$ 7.8	$ 13.1	$ 12.8	$ 7.0	$ —	$ 40.7	$ 0.1	$ 40.8
Total assets	$ 781.6	$1,738.8	$ 554.9	$ 74.1	$ —	$3,149.4	$ 456.3	$ 3,605.7

(a) Intersegment sales are recorded at cost plus an agreed upon profit on sales.

(b) For the three and nine month periods ended September 30, 2006, unallocated costs include a reversal of $2.4 million and a net reversal of $1.7 million of reorganization and acquisition-related integration costs, net, respectively, and $6.4 million and $16.1 million of stock-based compensation costs, respectively, related to the issuance of stock options and restricted shares of the Company's common stock to employees and Directors of the Company (see Note 2). For the nine months ended September 30, 2005, unallocated costs include a purchase accounting adjustment for the elimination of manufacturer's profit in inventory of $16.2 million related to the AHI Acquisition. For the three and nine month periods ended September 30, 2005, unallocated costs include $0.3 million and $2.8 million of reorganization and acquisition-related integration costs, respectively, and $29.8 million of stock-based compensation related to the issuance of restricted shares of Company common stock.

Results of Operations

	Net Sales		Segment Earnings	
	Three months ended		Three months ended	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
Branded consumables	$ 221.9	$ 189.1	$ 38.4	$ 30.8
Consumer solutions	540.7	495.0	83.7	71.9
Outdoor solutions	208.4	214.1	17.8	18.9
Process solutions	79.1	60.5	7.0	7.9
Corporate / Unallocated	—	—	(9.6)	(10.6)
Intercompany eliminations[1]	(17.0)	(20.7)	—	—
	$ 1,033.1	$ 938.0	$ 137.3	$ 118.9

(1) Intersegment sales are recorded at cost plus an agreed upon intercompany profit on intersegment sales.

Net sales for the three months ended September 30, 2006, increased $95.1 million, or 10% versus the same period in the prior year. The increase was primarily due to the acquisitions of THG and the tuck-in acquisition of the Pine Mountain® firelog and fire starter business (the "Firelog Acquisition"), and organic growth primarily in the Consumer solutions and Process solutions segments. Net sales in the Consumer solutions segment increased $45.7 million, due to the inclusion of an additional eighteen days of operating activity in 2006 of THG, acquired on July 18, 2005, and organic growth as a result of new product introductions, increased volumes in the home environment product categories, and favorable point of sale promotional activity. Net sales in the Branded consumable segment increased by $32.8 million, primarily due to the Firelog Acquisition ($20.1 million), and volume increases in rope and cordage, and smoke and carbon monoxide detectors product categories. Net sales in the Outdoor solutions segment, which is subject to lower historical volumes in the second half of the year due to the seasonal nature of demand for camping and other outdoor related products, declined $5.7 million versus the same period in the prior year, primarily due to lower hurricane activity ($12 million) related volumes in 2006 versus 2005. Net sales increased $18.6 million in the Process solutions segment primarily due to increased metal pricing for zinc, copper, and nickel versus the prior year, as well as new customers and products at both the zinc and plastics operations.

Cost of sales increased $68.6 million for the three months ended September 30, 2006, versus the same period in the prior year, due to the increased operating activity and the acquisitions mentioned above, which includes the $3.9 million charge related to the purchase accounting adjustment for the elimination of manufacturer's profit in inventory related to the Firelog Acquisition. Cost of sales as a percentage of net sales improved marginally over the same period primarily due to a favorable product mix and increased benefits from company cost saving initiatives, including benefits from prior reorganization programs, and increased focus on global procurement efforts. Gross margins during the three months ended September 30, 2006, improved versus the first six months of 2006 primarily due to increased seasonal volumes, a more favorable product mix, slightly more favorable materials pricing and acquisitions.

Selling, general and administrative expenses declined $13.2 million for the three months ended September 30, 2006, versus the same period in the prior year, largely due to a decline in stock-based compensation charges ($23.4 million), ongoing benefits achieved from reorganization, and cost reduction activities initiated in 2005, which were partially offset by $1.1 million of an executive separation in Branded consumables, and certain duplicative costs ($0.6 million) associated with the ongoing integration activities.

Reorganization and acquisition-related integration costs, net, increased $0.3 million for the three months ended September 30, 2006, versus the same period in the prior year due to additional reorganization activities primarily in the Consumer Solutions segment related to a $ 4.8 million provision for the closure of an administrative facility. The Company believes it will continue to incur certain reorganization charges primarily related to ongoing programs for the remainder of 2006. The amounts of such charges currently cannot be estimated.

Net interest expense increased by $6.1 million to $29.6 million for the three months ended September 30, 2006 versus the same period in the prior year. The increase was principally due to higher levels of outstanding debt versus the same period in the prior year due to increased debt financing required to fund acquisitions, and an increase in the Company's average cost of borrowing related to its revolving debt facilities. The weighted average interest rate increased from 6.2% to 7.6% for the three months ended September 30, 2006, versus the same period in the prior year.

For the three months ended September 30, 2006 and 2005, the Company's effective tax rate was 28.9% versus 34.5% for the same period in the prior year. The decrease in the tax rate results principally from a $5.5 million deferred tax benefit recorded in the third quarter of 2006, due to a change in the estimate of the tax effects resulting from the legal entity reorganization of the Company's domestic Consumer solutions segment. The Company's effective income tax rate varies from the statutory rates primarily due to the lower taxable rates in certain foreign jurisdictions, where the Company has operations.

Net earnings available to common stockholders for the three months ended September 30, 2006, increased $27.3 million to $51.3 million versus the same period in the prior year. For the three months ended September 30, 2006, earnings per share was $0.78 per diluted share versus $0.40 per diluted share for the same period in the prior year. The increase in earnings was primarily due to improved operating results for the period attributable to increased volumes related to the acquisitions, lower non-cash stock compensation charges and benefits achieved from prior reorganization and integration related initiatives.

	Net Sales		Segment Earnings	
	Nine months ended		Nine months ended	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
Branded consumables	$ 583.2	$ 518.3	$ 90.9	$ 77.1
Consumer solutions	1,251.7	879.6	143.5	99.1
Outdoor solutions	768.4	695.6	87.0	88.3
Process solutions	235.2	175.6	26.4	23.1
Corporate / Unallocated	—	—	(38.9)	(25.0)
Intercompany eliminations[1]	(51.7)	(55.4)	—	—
	$ 2,786.8	$ 2,213.7	$ 308.9	$ 262.6

(1) Intersegment sales are recorded at cost plus an agreed upon intercompany profit on intersegment sales.

Net sales for the nine months ended September 30, 2006 increased approximately $573 million, or 26% to $2.8 billion versus the same period in the prior year. The increase was primarily due to the Acquisitions and volume increases across all segments. Consumer solutions and Outdoor solutions volume increases were primarily due to new product introductions and favorable point of sale promotional activity. Branded consumable volume increases were primarily due to increased demand in plastic cutlery and other serviceware, smoke and carbon monoxide alarms, arts and crafts. Net sales increased in the Process solutions segment primarily due to increased commodity pricing, including zinc, copper, nickel and resin, as well as new customers and new products at both the zinc and plastic operations.

Cost of sales increased approximately $446 million to approximately $2.1 billion for the nine months ended September 30, 2006 versus the same period in the prior year, primarily due to the increase in sales volume due to the Acquisitions. Cost of sales as a percentage of net sales marginally increased from 75% in 2005 to 76% in 2006. When adjusted for the $3.9 million charge related to the purchase accounting adjustment for the elimination of manufacturer's profit in inventory for the Firelog Acquisition in 2006 and the $20.6 million charge related to the purchase accounting adjustment for the elimination of manufacturer's profit in inventory related to the AHI and THG Acquisitions in 2005 which are included in cost of sales for the nine months ended September 30, 2006 and 2005, respectively, the cost of sales as a percentage of net sales was 75% in 2006 compared to 74% in 2005.

Selling, general and administrative expenses increased $60.2 million to approximately $445 million for the nine months ended September 30, 2006 versus the same period in the prior year. The increase was primarily due to the Acquisitions and increased expenses to support higher sales volume. Selling, general and administrative expenses as a percentage of net sales improved from 17% in 2005 to 16% in 2006, primarily due to lower stock-based compensation expense in 2006, the benefits achieved from reorganization and cost reduction activities initiated in 2005, primarily in the Consumer solutions and Outdoor solutions segments.

Reorganization and acquisition-related integration costs, net, increased by $6.5 million to $22.5 million for the nine months ended September 30, 2006 versus the same period in the prior year. These charges primarily relate to integration-related activities as the Company rationalizes its manufacturing and administrative platforms principally as a result of the Acquisitions.

Net interest expense increased by $25.9 million to $83.5 million for the nine months ended September 30, 2006 versus the same period in the prior year. This increase was principally due to higher levels of outstanding debt in the first half of 2006 compared to the same period in 2005, resulting from the additional debt financing required to fund the Acquisitions. In addition, our weighted average interest rate increased from 6.1% for the nine months ended September 30, 2005 to 7.3% for the same period in 2006.

The Company's tax rate for the nine months ended September 30, 2006 and 2005 was approximately 46.8% and 36.5%, respectively. The increase in the tax rate results principally from a $13.6 million deferred tax charge recorded in the second and third quarters of 2006, in association with the legal reorganization of the domestic Consumer solutions businesses, offset by lower tax rates assessed on a greater percentage of foreign earnings.

Net earnings available to common stockholders for the nine months ended September 30, 2006 increased $60.7 million to $70.3 million versus the same period in the prior year. For the nine months ended September 30, 2006 earnings per share were $1.07 per diluted share versus $0.19 per diluted share for the nine months ended September 30, 2005. The increase in net earnings was primarily due to charges recorded in 2005 related to the loss on early extinguishment of debt ($6.1 million), the conversion of the Company's Series B and C preferred stock ($48.6 million) and the adjustment for the fair value of inventory and backlog related to the AHI and THG Acquisitions ($20.6 million). Improved operating results for the period were also attributable to increased volumes related to the Acquisitions and benefits achieved from prior year integration initiatives, partially offset by increased reorganization costs.

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LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

The Company believes that its cash and cash equivalents, cash generated from operations and the availability under the senior credit facility provide sufficient liquidity to support working capital requirements, planned capital expenditures, completion of current and future reorganization and acquisition-related integration programs, and servicing debt obligations.

Net cash provided by operating activities was $27.8 million for the nine months ended September 30, 2006, compared to net cash used by operating activities of $14.4 million for the same period last year. The improvement is primarily due to improved operating results and benefits realized from the reorganization and acquisition-related integration initiatives.

Net cash provided by financing activities for the nine months ended September 30, 2006 was $73.4 million compared to net cash provided of approximately $1.4 billion for the same period in 2005. The decrease was principally driven by the repurchase of two million shares of the Company’s common stock in March 2006 through a privately negotiated transaction for $50 million, as well as proceeds received in 2005 related to the AHI Acquisition of $850 million from the Term Loan and $350 million of equity securities issued. The Company has never paid cash dividends on its common shares and currently does not plan to do so for the foreseeable future.

Net cash used in investing activities for the nine months ended September 30, 2006 was $256 million versus approximately $1.3 billion for the nine months ended September 30, 2005. For the nine months ended September 30, 2006, capital expenditures were $47.9 million versus $36.5 million for the nine months ended September 30, 2005. The Company has historically maintained capital expenditures at less than 2% of net sales. Currently, the Company believes capital expenditures for 2006 and 2007 may slightly exceed 2% of net sales and then return below this threshold in 2008. During the nine months ended September 30, 2005, we used approximately $1.3 billion to fund the cash portion of the AHI Acquisition.

CAPITAL RESOURCES

On August 28, 2006, the Company completed a $250 million receivable purchase agreement, which is subject to annual renewal, bears interest at a margin over the commercial paper rate and is accounted for as a borrowing. Under this agreement, substantially all of the Company’s Outdoor solutions and Consumer solutions accounts receivable are sold to a special purpose entity, Jarden Receivables, LLC (“JRLLC”), which is a wholly-owned consolidated subsidiary of the Company. JRLLC funds these purchases with borrowings under a loan agreement, secured by the accounts receivable. There is no recourse to the Company for the unpaid portion of any loans under this loan agreement. The securitization facility is reflected as a short-term borrowing on the Company’s balance sheet because the term of the loan agreement, subject to annual renewals, runs until August 23, 2007. The facility will be drawn upon and repaid as needed to fund general corporate purposes. The initial proceeds were used to fund a portion of the Firelog Acquisition. In contemplation of this securitization transaction, the Company executed an amendment to its Senior Credit Facility, dated August 23, 2006, which permitted the securitization facility, among other things.

As of September 30, 2006, the Company had $177 million outstanding under this securitization facility and $0.3 million of borrowing base availability. The Company is required to pay commitment fees on the unused balance of the $250 million securitization facility.

On February 24, 2006, the Company executed an amendment to its Senior Credit Facility which modified certain covenants and permitted the Company to increase its repurchases of common stock. In connection with this amendment, the Company agreed to repay $26 million of principal outstanding under its Senior Credit Facility Term Loans and certain Foreign Senior Debt, which was repaid in March 2006 and accordingly classified as “Short-term debt and current portion of long-term debt” on the Condensed Consolidated Balance Sheets as of December 31, 2005. In March 2006, in accordance with the Senior Credit Facility agreement, the Company was required to repay $2.4 million of its Senior Credit Facility Term Loans and Foreign Senior Debt based on a calculation of “Excess Cash Flow” as defined in the Senior Credit Facility, which along with a voluntary repayment on its Senior Credit Facility Term Loans of $25 million, was made in April 2006.

As of September 30, 2006, the Company had $1.2 billion outstanding under its Term Loans and $5.1 million outstanding under its Revolver. As of September 30, 2006, the Company’s net availability under the credit agreement was approximately $167 million, after deducting $28 million of issued letters of credit. The Company is required to pay commitment fees on the unused balance of the revolving credit facility.

The Company was in compliance with all its debt covenants as of September 30, 2006.

On March 1, 2006, pursuant to the new stock repurchase program, the Company repurchased 2 million shares of our common stock for $50 million through a privately negotiated transaction.

Risk Management

The Company does not invest or trade in any significant derivative financial or commodity instruments nor does it invest in any foreign financial instruments. The Company does not use derivative instruments for speculative purposes.

The Company is exposed to interest rate risk on its variable rate debt and price risk on its fixed rate debt. As such, the Company monitors the interest rate environment and uses interest rate swap agreements to manage its interest rate risk and price risk by balancing its exposure to fixed and variable interest rates while attempting to minimize interest costs.

At September 30, 2006, the interest rate on approximately 44% of the Company’s debt obligations, excluding the amortizing non-debt balances arising from interest rate swap transactions, was fixed by either the nature of the obligation or through interest rate swap contracts. As of September 30, 2006, the Company has four interest rate swaps which convert an aggregate notional principal amount of $625 million from floating rate interest payments (excluding the Company’s applicable margin) under its term loan facility to fixed interest rate obligations. The variable rate of interest is based on three-month LIBOR. The fixed rates range from 4.73% to approximately 5.25%.

During September 2006, the Company executed a new interest rate swap contract, effective for the fourth quarter of 2006, that converts an aggregate notional principal amount of $100 million from floating rate interest payments (excluding the Company’s applicable margin) under its term loan facility to fixed interest rate obligations. The variable rate of interest is based on three-month LIBOR. The contracted fixed rate is approximately 5.05%.

The Company also has two swaps in a notional principal amount totaling $105 million to receive a fixed rate of interest and pay a variable rate of interest based upon six-month LIBOR in arrears, plus a spread of 523 to 528 basis points.

The Company also maintains a cross-currency interest rate swap that fixes the exchange rate of the amortizing loan balance for a $42.6 million notional principal amount Canadian loan denominated in U.S. dollars. The swap instrument exchanges the variable interest rate bases of the U.S. dollar balance (3-month U.S. LIBOR plus a spread of 175 basis points) and the equivalent Canadian dollar balance (3-month CAD BA plus a spread of 192 basis points).

The Company regularly uses forward foreign exchange contracts to reduce exposure to foreign currency movements related to borrowings, sales, purchases, other revenues, expenses or other transactions at its foreign subsidiaries that are not denominated in the local currency of the operating unit. The Company may enter into foreign currency forward contracts to hedge the currency risk. As of September 30, 2006, the aggregate U.S. dollar equivalent notional amount of outstanding forward contracts was approximately $135 million. The unrealized change in the fair values of open Forward Contracts from December 31, 2005 to September 30, 2006 was a net loss of $1.2 million, of which $1.5 million of net losses was included as a component of “Accumulated other comprehensive income” in the Condensed Consolidated Balance Sheets.

Contingencies

The Company is involved in various legal disputes and other legal proceedings that arise from time to time in the ordinary course of business. In addition, the Company or various of its subsidiaries have been identified by the United States Environmental Protection Agency or a state environmental agency as a Potentially Responsible Party pursuant to the federal Superfund Act and/or state Superfund laws comparable to the federal law at various sites. Based on currently available information, we do not believe that the disposition of any of the legal or environmental disputes our Company is currently involved in will require material capital or operating expenses or will otherwise have a material adverse effect upon the financial condition, results of operations, cash flows or competitive position of our Company. It is possible, that as additional information becomes available, the impact on our Company of an adverse determination could have a different effect.

Securities and Related Litigation

In January and February 2006, purported class action lawsuits were filed in the Federal District Court for the Southern District of New York against the Company and certain Company officers alleging violations of the federal securities laws. The actions purport to be filed on behalf of purchasers of the Company’s common stock during the period from June 29, 2005 (the date the Company announced the signing of the agreement to acquire Holmes) through January 12, 2006.

Joint lead plaintiffs were appointed on June 9, 2006. No class has been certified in the actions. The lead plaintiffs filed an amended consolidated complaint on August 25, 2006, against the Company, Jarden Consumer Solutions and certain officers of the Company, alleging, among other things, that the plaintiffs were injured by reason of certain allegedly false and misleading statements made by the Company relating to the expected benefits of the THG Acquisition. The Company, Jarden Consumer Solutions and the individual defendants filed a motion to dismiss the complaint on October 20, 2006.

In February 2006, a derivative complaint was filed against certain Company officers and the Board of Directors of the Company in the United States District Court for the Southern District of New York. The Company is named as a nominal defendant. The complaint alleges, among other things, that the individual defendants violated their fiduciary duties by failing to disclose material information and/or by misleading the investing public about the Company’s business and financial condition relating to the THG Acquisition. The complaint seeks damages and other monetary relief against the individual defendants. The Company and the individual defendants filed a motion to dismiss the complaint on June 15, 2006.

These actions are in the early stages of litigation and an outcome cannot be predicted. Management does not believe that the outcome of this litigation will have a material adverse effect on the financial position, results of operations or cash flows of the Company. The Company intends to defend itself vigorously in these actions.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In general, business enterprises can be exposed to market risks including fluctuations in commodity prices, foreign currency values, and interest rates that can affect the cost of operating, investing and financing. The Company's exposures to these risks are low. The Company's Process solutions business purchases resin from regular commercial sources of supply and, in most cases, multiple sources. The supply and demand for plastic resins is subject to cyclical and other market factors. With many of our external customers, we have the ability to pass through price increases with an increase in our selling price and certain of our external customers purchase the resin used in products we manufacture for them. The Company's Process solutions business has sales arrangements with a majority of its customers such that sales are priced either based upon supply contracts that provide for fluctuations in the price of zinc to be passed on to the customer or are conducted on a tolling basis whereby customers supply zinc to the Company for processing. Such arrangements as well as utilizing forward buy contracts reduce the exposure of this business to changes in the price of zinc.

The Company invests in short-term financial instruments with original maturities usually less than fifty days. The Company is exposed to short-term interest rate variations with respect to Eurodollar or Base Rate on certain of its term and revolving debt obligations and six-month LIBOR in arrears on certain of its interest rate swaps. The spreads on the interest rate swaps range from 523 to 528 basis points. Settlements on the interest rate swaps are made on May 1 and November 1. The Company is exposed to credit loss in the event of non-performance by the other party to its current existing swaps, a large financial institution. However, the Company does not anticipate non-performance by the other party.

Changes in variable interest rates (primarily LIBOR, commercial paper, Prime and equivalent international rates) would affect the earnings of the Company either positively or negatively depending on the direction of the change. Assuming that our variable interest rates each increased 100 basis points over period end rates on the variable rate indebtedness and swaps, the Company's interest expense would have increased by approximately $2.1 million and $1.9 million for the three month periods ended September 30, 2006 and September 30, 2005, respectively, and $8.0 million and $4.6 million for the nine month periods ended September 30, 2006 and September 30, 2005, respectively. The amount was determined by considering the impact of the hypothetical interest rates on the Company's borrowing cost, short-term investment rates, interest rate swaps and estimated cash flow. Actual changes in rates may differ from the assumptions used in computing this exposure.

The Company does not invest or trade in any significant derivative financial or commodity instruments, nor does it invest in any foreign financial instruments other than for hedging of foreign denominated currency transactions.

Item 4. Controls and Procedures

As required by Rule 13a-15(b) of the Exchange Act, the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of its disclosure controls and procedures as of the end of the period covered by this quarterly report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective as of the end of the period covered by this quarterly report.

As required by Rule 13a-15(d) under the Exchange Act, the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the Company's internal control over financial reporting to determine whether any changes occurred during the quarter covered by this quarterly report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on that evaluation, there have been no such changes during the quarter covered by this quarterly report.

On July 18, 2005, the Company completed the acquisition of Holmes, a privately held company. The Company considers the acquisition of Holmes material to the results of its operations, financial position and cash flows from the date of acquisition through September 30, 2006 and considers the controls and procedures of Holmes to be reasonably likely to materially affect the Company's internal controls over financial reporting. The Company has excluded from its assessment of and conclusion on the effectiveness of internal control over financial reporting Holmes' internal controls over financial reporting for fiscal year 2005.

Part II. Other Information

Item 1. Legal Proceedings

The Company is involved in various legal disputes and other legal proceedings that arise from time to time in the ordinary course of business. In addition, the Company or various of its subsidiaries have been identified by the United States Environmental Protection Agency or a state environmental agency as a Potentially Responsible Party pursuant to the federal Superfund Act and/or state Superfund laws comparable to the federal law at various sites. Based on currently available information, the Company does not believe that the disposition of any of the legal or environmental disputes the Company is currently involved in will have a material adverse effect upon the financial condition, results of operations, cash flows or competitive position of the Company. It is possible, that as additional information becomes available, the impact on the Company of an adverse determination could have a different effect.

Securities and Related Litigation

In January and February 2006, purported class action lawsuits were filed in the Federal District Court for the Southern District of New York against the Company and certain Company officers alleging violations of the federal securities laws. The actions purport to be filed on behalf of purchasers of the Company’s common stock during the period from June 29, 2005 (the date the Company announced the signing of the agreement to acquire Holmes) through January 12, 2006.

Joint lead plaintiffs were appointed on June 9, 2006. No class has been certified in the actions. The lead plaintiffs filed an amended consolidated complaint on August 25, 2006, against the Company, Jarden Consumer Solutions and certain officers of the Company, alleging, among other things, that the plaintiffs were injured by reason of certain allegedly false and misleading statements made by the Company relating to the expected benefits of the THG Acquisition. The Company, Jarden Consumer Solutions and the individual defendants filed a motion to dismiss the complaint on October 20, 2006.

In February 2006, a derivative complaint was filed against certain Company officers and the Board of Directors of the Company in the United States District Court for the Southern District of New York. The Company is named as a nominal defendant. The complaint alleges, among other things, that the individual defendants violated their fiduciary duties by failing to disclose material information and/or by misleading the investing public about the Company’s business and financial condition relating to the THG Acquisition. The complaint seeks damages and other monetary relief against the individual defendants. The Company and the individual defendants filed a motion to dismiss the complaint on June 15, 2006.

These actions are in the early stages of litigation and an outcome cannot be predicted. Management does not believe that the outcome of this litigation will have a material adverse effect on the financial position, results of operations or cash flows of the Company. The Company intends to defend itself vigorously in these actions.

Item 1A. Risk Factors

There has not been any material change in the risk factors disclosure from that contained in the Company’s 2005 10-K for the fiscal year ended December 31, 2005.

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Item 6. Exhibits

The following exhibits are filed as part of this quarterly report on Form 10-Q:

Exhibit	Description
3.1	Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Annual Report on Form 10-K, filed with the Commission on March 27, 2002, and incorporated herein by reference).
3.2	Certificate of Amendment of Restated Certificate of Incorporation of the Company (filed as Exhibit 3.2 to the Company's Current Report on Form 8-K, filed with the Commission on June 4, 2002, and incorporated herein by reference).
3.3	Certificate of Amendment to the Restated Certificate of Incorporation of Jarden Corporation (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the Commission on June 15, 2005, and incorporated herein by reference).
3.4	Bylaws of the Company (filed as Exhibit C to the Company's Definitive Proxy Statement, filed with the Commission on November 26, 2001, and incorporated herein by reference).
*4.1	Eighth Supplemental Indenture to the April 2002 Indenture, dated as of August 16, 2006, among the Company, the Guarantors named therein and The Bank of New York, as Trustee.
*4.2	Ninth Supplemental Indenture to the April 2002 Indenture, dated as of September 22, 2006, among the Company, the Guarantors named therein and The Bank of New York, as Trustee.
*10.1	Amendment No. 5 to the Credit Agreement and Amendment No. 2 to Pledge and Security Agreement, dated August 23, 2006, by and among the Company and CIBC, as Administrative Agent.
*10.2	Consent, Agreement and Affirmation of Guaranty.
10.3	Receivables Contribution and Sale Agreement, dated as of August 24, 2006, by and among The Coleman Company Inc. and Sunbeam Products, Inc., as originators, and Jarden Receivables LLC, as buyer (filed as Exhibit10.1 to the Company's Current Report on Form 8-K, filed with Commission on August 30, 2006, and incorporated herein by reference).
10.4	Loan Agreement, dated as of August 24, 2006, by and among Jarden Receivables LLC, as borrower, Jarden Corporation, as initial servicer, Three Pillars Funding LLC, as lender, and SunTrust Capital Markets, Inc., as administrator (filed as Exhibit10.2 to the Company's Current Report on Form 8-K, filed with Commission on August 30, 2006, and incorporated herein by reference).
10.5	Lender Note, dated as of August 24, 2006, executed by Jarden Receivables LLC, as borrower, in favor of Three Pillars Funding LLC, as lender (filed as Exhibit10.3 to the Company's Current Report on Form 8-K, filed with Commission on August 30, 2006, and incorporated herein by reference).
10.6	Performance Undertaking, dated as of August 24, 2006, executed by Jarden Corporation, as performance guarantor, in favor of Jarden Receivables LLC, as beneficiary (filed as Exhibit10.4 to the Company's Current Report on Form 8-K, filed with Commission on August 30, 2006, and incorporated herein by reference).
*31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*32.1	Certifications Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: October 27, 2006

JARDEN CORPORATION
(Registrant)

By: /s/ Ian G.H. Ashken

Name: Ian G.H. Ashken
Title: Vice Chairman, Chief Financial Officer and Secretary
(Principal Financial Officer)

EXHIBIT INDEX

*4.1	Eighth Supplemental Indenture to the April 2002 Indenture, dated as of August 16, 2006, among the Company, the Guarantors named therein and The Bank of New York, as Trustee.
*4.2	Ninth Supplemental Indenture to the April 2002 Indenture, dated as of September 22, 2006, among the Company, the Guarantors named therein and The Bank of New York, as Trustee.
*10.1	Amendment No. 5 to the Credit Agreement and Amendment No. 2 to Pledge and Security Agreement, dated August 23, 2006, by and among the Company and CIBC, as Administrative Agent.
*10.2	Consent, Agreement and Affirmation of Guaranty.
*31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*32.1	Certifications Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith

Exhibit 4.1

EIGHTH SUPPLEMENTAL INDENTURE

EIGHTH SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*"), dated as of August 16, 2006, among Jarden Corporation, formerly known as Alltrista Corporation, a Delaware corporation (the "*Company*"), the Guarantors (as defined in the Indenture referred to herein) and The Bank of New York, as trustee under the Indenture referred to below (the "*Trustee*").

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee the Indenture dated as of April 24, 2002, among the Company, the Guarantors named therein, and the Trustee, as supplemented by the First Supplemental Indenture dated as of May 7, 2003, among the Company, the Guarantors named therein and the Trustee, as further supplemented by the Second Supplemental Indenture dated as of May 28, 2003, among the Company, the Guarantors named therein, and the Trustee, as further supplemented by the Third Supplemental Indenture dated as of August 28, 2003, among the Company, the Guarantors named therein and the Trustee, as further supplemented by the Fourth Supplemental Indenture dated as of April 16, 2004, among the Company, the Guarantors named therein and the Trustee, and as further supplemented by the Fifth Supplemental Indenture dated as of July 23, 2004, among the Company, the Guarantors named therein and the Trustee, as further supplemented by the Sixth Indenture Supplement, dated as of February 24, 2005, among the Company, the Guarantors named therein and the Trustee, and as further supplemented by the Seventh Indenture Supplement, dated as of August 4, 2005, among the Company, the Guarantors named therein and the Trustee, (collectively, the "*Indenture*"), providing for the issuance of 9 $^{3}/_{4}$% Senior Subordinated Notes due 2012 (the "*Notes*");

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to amend the Indenture without the consent of the Holders of Notes to cure any ambiguity, defect or inconsistency in the Indenture; and

WHEREAS, an ambiguity, defect and inconsistency in the Indenture exists, which will be cured by this Eighth Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, the Guarantors and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. ADDITION OF PERMITTED LIEN IN SECTION 1.01, *Definitions*: Section 1.01 is hereby amended as follows:

In the definition of "*Permitted Liens*", strike the word "and" at the end of clause (8) thereof; substitute ";" for "." and add the word "and" at the end of clause (9) thereof; and add a new clause (10) at the end of the definition of "Permitted Liens", to read as follows:

"(10) Liens created by the Company, Restricted Subsidiaries and Receivables Subsidiaries in respect of accounts receivable and related assets transferred in connection with a Qualified Receivables Transaction."

3. NEW YORK LAW TO GOVERN. THE INTERNAL LAWS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

4. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

5. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

6. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals and statements contained herein, all of which recitals and statements are made solely by the Guarantors and the Company, and Company and the Guarantors shall indemnify the Trustee Indenture, in accordance with the provisions of Section 7.07(b) of the Indenture, against any and all losses, liabilities, claims, damages expenses incurred by the Trustee in connection with its acceptance and execution of this Eighth Supplemental Indenture.

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

THE COMPANY:

JARDEN CORPORATION

By: /s/ Desiree DeStefano
Name: Desiree DeStefano
Title: Executive Vice President of Finance

THE TRUSTEE:

THE BANK OF NEW YORK, as Trustee

By: /s/ Julie Salovitch-Miller
Name: Julie Salovitch-Miller
Title: Vice President

THE GUARANTORS :

ALLTRISTA NEWCO CORPORATION
ALLTRISTA PLASTICS CORPORATION
AMERICAN HOUSEHOLD, INC.
AUSTRALIAN COLEMAN, INC.
BEACON EXPORTS, INC.
BICYCLE HOLDING, INC.
BRK BRANDS, INC.
CC OUTLET, INC.
COLEMAN ARGENTINA, INC.
COLEMAN COUNTRY, LTD.
COLEMAN INTERNATIONAL HOLDINGS, LLC
COLEMAN LATIN AMERICA, LLC
COLEMAN VENTURE CAPITAL, INC.
COLEMAN WORLDWIDE CORPORATION
FIRST ALERT, INC
FIRST ALERT HOLDINGS, INC. (formerly known as First Alert/Powermate, Inc.)
HEARTHMARK, LLC
HOLMES MOTOR CORPORATION
JARDEN ACQUISITION I, INC.
JARDEN DIRECT, INC. (formerly known as Tilia Direct, Inc.)
JARDEN ZINC PRODUCTS, INC. (formerly known as Alltrista Zinc Products, L.P.)
KANSAS ACQUISITION CORP.
LASER ACQUISITION CORP.
L.A. SERVICES, INC.
LEHIGH CONSUMER PRODUCTS CORPORATION
LOEW-CORNELL, INC.
NIPPON COLEMAN, INC.
O.W.D., INCORPORATED
PACKS & TRAVEL CORPORATION
QUOIN, LLC
RIVAL CONSUMER SALES CORPORATION
SI II, INC.
SUNBEAM AMERICAS HOLDINGS, LLC (formerly known as Sunbeam Americas Holdings Limited)
SUNBEAM LATIN AMERICA, LLC
SUNBEAM PRODUCTS, INC.
THE COLEMAN COMPANY, INC.
THE UNITED STATES PLAYING CARD COMPANY
THL-FA IP CORP.
TUPPER LAKE PLASTICS, INCORPORATED
USPC HOLDING, INC.

By: /s/ Desiree DeStefano
Name: Desiree DeStefano
Title: Vice President

X PROPERTIES, LLC

By: Quoin, LLC, as its Sole Member

By: /s/ Desiree DeStefano
Name: Desiree DeStefano
Title: Vice President

Exhibit 4.2

NINTH SUPPLEMENTAL INDENTURE

NINTH SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*"), dated as of September 22, 2006, among Pine Mountain Corporation, a Delaware corporation, American Firelog Corporation, an Alabama corporation, American Firelog Corporation of California, a California corporation, American Firelog Corporation of Ohio, an Ohio corporation, American Texas Firelog Corporation, a Texas corporation and Carolina Firelog Corporation, a North Carolina corporation (collectively, the "*Guaranteeing Subsidiaries*"), which are direct or indirect subsidiaries of Jarden Corporation (formerly known as Alltrista Corporation), a Delaware corporation (the "*Company*"), the Company, the other Guarantors (as defined in the Indenture referred to below) party hereto and The Bank of New York, as trustee under the Indenture referred to below (the "*Trustee*").

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee the Indenture, dated as of April 24, 2002, among the Company, the Guarantors named therein and the Trustee, as supplemented by the First Supplemental Indenture, dated as of May 7, 2003, among the Company, the Guarantors named therein and the Trustee, as further supplemented by the Second Supplemental Indenture, dated as of May 28, 2003, among the Company, the Guarantors named therein and the Trustee, as further supplemented by the Third Supplemental Indenture, dated as of August 28, 2003, among the Company, the Guarantors named therein and the Trustee, as further supplemented by the Fourth Supplemental Indenture, dated as of April 16, 2004, among the Company, the Guarantors named therein and the Trustee, as further supplemented by the Fifth Indenture Supplement, dated as of July 23, 2004, among the Company, the Guarantors named therein and the Trustee, as further supplemented by the Sixth Indenture Supplement, dated as of February 24, 2005, among the Company, the Guarantors named therein and the Trustee, as further supplemented by the Seventh Supplemental Indenture, dated August 4, 2005, among the Company, the Guarantors named therein and the Trustee and as further supplemented by the Eighth Supplemental Indenture, dated August 16, 2006, among the Company, the Guarantors named therein and the Trustee (collectively, as further amended, supplemented or otherwise modified from time to time, the "*Indenture*"), providing for the issuance of the Company's 9 $^{3}/_{4}$% Senior Subordinated Notes due 2012 (the "*Notes*");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall agree to unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth in a subsidiary guarantee to be executed by the Guaranteeing Subsidiaries on the date hereof (the "*Subsidiary Guarantee*"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, the Guarantors, the

Guaranteeing Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiaries hereby agree to provide an unconditional guarantee on the terms and subject to the conditions set forth in the Subsidiary Guarantee and in the Indenture (including without limitation Article 11 thereof).

3. EXECUTION AND DELIVERY. The Guaranteeing Subsidiaries agree that the Subsidiary Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Subsidiary Guarantee.

4. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, employee, incorporator, member, stockholder or agent of the Guaranteeing Subsidiaries, as such, shall have any liability for any obligations of the Company, the Guarantors or any Guaranteeing Subsidiaries under the Notes, any Subsidiary Guarantee, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes, by accepting a Note or a Subsidiary Guarantee, waives and releases all such liability. The foregoing waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

5. NEW YORK LAW TO GOVERN. THE INTERNAL LAWS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

6. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals and statements contained herein, all of which recitals and statements are made solely by the Guaranteeing Subsidiaries and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

THE COMPANY:

JARDEN CORPORATION

By: /s/ Desiree DeStefano
Name: Desiree DeStefano
Title: Executive Vice President of Finance

THE TRUSTEE:

THE BANK OF NEW YORK, as Trustee

By: /s/ Julie Salovitch-Miller
Name: Julie Salovitch-Miller
Title: Vice President

THE GUARANTEEING SUBSIDIARIES:

PINE MOUNTAIN CORPORATION
AMERICAN FIRELOG CORPORATION
AMERICAN FIRELOG CORPORATION OF CALIFORNIA
AMERICAN FIRELOG CORPORATION OF OHIO
AMERICAN TEXAS FIRELOG CORPORATION
CAROLINA FIRELOG CORPORATION

By: /s/ Desiree DeStefano
Name: Desiree DeStefano
Title: Vice President

<u>THE GUARANTORS</u> :

ALLTRISTA NEWCO CORPORATION
ALLTRISTA PLASTICS CORPORATION
AMERICAN HOUSEHOLD, INC.
AUSTRALIAN COLEMAN, INC.
BEACON EXPORTS, INC.
BICYCLE HOLDING, INC.
BRK BRANDS, INC.
CC OUTLET, INC.
COLEMAN ARGENTINA, INC.
COLEMAN COUNTRY, LTD.
COLEMAN INTERNATIONAL HOLDINGS, LLC
COLEMAN LATIN AMERICA, LLC
COLEMAN VENTURE CAPITAL, INC.
COLEMAN WORLDWIDE CORPORATION
FIRST ALERT, INC
FIRST ALERT HOLDINGS, INC. (formerly known as First Alert/Powermate, Inc.)
HEARTHMARK, LLC
HOLMES MOTOR CORPORATION
JARDEN ACQUISITION I, INC.
JARDEN DIRECT, INC. (formerly known as Tilia Direct, Inc.)
JARDEN ZINC PRODUCTS, INC. (formerly known as Alltrista Zinc Products, L.P.)
KANSAS ACQUISITION CORP.
LASER ACQUISITION CORP.
L.A. SERVICES, INC.
LEHIGH CONSUMER PRODUCTS CORPORATION
LOEW-CORNELL, INC.
NIPPON COLEMAN, INC.
O.W.D., INCORPORATED
PACKS & TRAVEL CORPORATION
QUOIN, LLC
RIVAL CONSUMER SALES CORPORATION
SI II, INC.
SUNBEAM AMERICAS HOLDINGS, LLC (formerly known as Sunbeam Americas Holdings Limited)
SUNBEAM LATIN AMERICA, LLC
SUNBEAM PRODUCTS, INC.
THE COLEMAN COMPANY, INC.
THE UNITED STATES PLAYING CARD COMPANY
THL-FA IP CORP.
TUPPER LAKE PLASTICS, INCORPORATED
USPC HOLDING, INC.

By: /s/ Desiree DeStefano
Name: Desiree DeStefano
Title: Vice President

X PROPERTIES, LLC

By: Quoin, LLC, as its Sole Member

By: /s/ Desiree DeStefano
Name: Desiree DeStefano
Title: Vice President

EXECUTION COPY

AMENDMENT NO. 5 TO CREDIT AGREEMENT
AND
AMENDMENT NO. 2 TO PLEDGE AND SECURITY AGREEMENT

This AMENDMENT NO. 5 TO CREDIT AGREEMENT AND AMENDMENT NO. 2 TO PLEDGE AND SECURITY AGREEMENT, dated as of August 23, 2006 (this "***Amendment***"), among JARDEN CORPORATION, a Delaware corporation (the "***Borrower***") and Canadian Imperial Bank of Commerce ("***CIBC***"), as Administrative Agent (as defined below), on behalf of each Lender executing a Lender Consent (as defined below), amends certain provisions of (i) the CREDIT AGREEMENT, dated as of January 24, 2005 (as amended, supplemented, restated or otherwise modified from time to time, the "***Credit Agreement***"), among the Borrower, the Lenders and the L/C Issuers (each as defined therein) party thereto from time to time, CIBC, as administrative agent for the Lenders and the L/C Issuers (in such capacity, and as agent for the Secured Parties under the Collateral Documents, together with its successors in such capacity, the "***Administrative Agent***"), CITICORP USA, INC., as syndication agent for the Lenders and the L/C Issuers, and BANK OF AMERICA, N.A., NATIONAL CITY BANK OF INDIANA and SUNTRUST BANK, as co-documentation agents for the Lenders and L/C Issuers and (ii) the PLEDGE AND SECURITY AGREEMENT, dated as of January 24, 2005 (as amended, supplemented, restated or otherwise modified from time to time, the "***Pledge and Security Agreement***"), among the Borrower, as a Grantor, each other Grantor from time to time party thereto, and the Administrative Agent. Unless otherwise specified herein, all capitalized terms used in this Amendment shall have the meanings ascribed to such terms in the Credit Agreement or the Pledge and Security Agreement, as the context requires.

WITNESSETH:

WHEREAS, the Borrower and its Subsidiaries desire to enter into certain receivables securitization transactions, including but not limited to (i) transactions pursuant to that certain Receivables Contribution and Sale Agreement, dated on or about August 24, 2006, among The Coleman Company, Inc. and Sunbeam Products, Inc., as originators, and Jarden Receivables, LLC, as Buyer and (ii) transactions pursuant to that certain Loan Agreement, dated on or about August 24, 2006, among Jarden Receivables, LLC, as borrower, the Borrower, as initial servicer, Three Pillars Funding LLC, as lender, and SunTrust Capital Markets, Inc., as administrator, for the purpose of effecting a securitization of certain of the Borrower's and its Subsidiaries' accounts receivable (the "***Securitization Transactions***"); and

WHEREAS, the Borrower desires to consummate certain additional transactions as set forth on Annex 1 hereto (collectively, the "***PM Acquisition***"); and

WHEREAS, the Borrower desires to (i) extend and increase its ability to incur Permitted Restructuring Charges pursuant to the Credit Agreement, (ii) increase its ability to retain Net Proceeds from certain Equity Issuances pursuant to the Credit Agreement and (iii) increase the amount of Indebtedness permitted to be incurred under Factoring Agreements; and

WHEREAS, the Borrower has requested that the Administrative Agent and the Lenders amend the Credit Agreement to permit the Securitization Transactions, waive the requirement of 30 days prior written notice of the PM Acquisition, consent to the PM Acquisition, release their liens on certain of the Collateral to be sold pursuant to the Securitization Transactions, and further amend the Credit Agreement and the Pledge and Security Agreement as set forth herein; and

WHEREAS, pursuant to *Section 10.01(a) (Amendments, Etc.)* of the Credit Agreement, the consent of the Required Lenders is required to effect the consents, waivers and amendments set forth herein; and

WHEREAS, each Lender party to a Lender Consent (collectively constituting the Required Lenders) (the "***Consenting Lenders***") and the Administrative Agent agree, subject to the limitations and conditions set forth herein, to waive the requirement of 30 days prior written notice of the PM Acquisition, to consent to the PM Acquisition, to release their liens on certain of the Collateral to be sold pursuant to the Securitization Transactions and to further amend or otherwise modify the Credit Agreement to permit the Securitization Transactions as set forth herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Consents and Waivers

(a) *Waiver*. Effective as of the Effective Date (as defined below) and subject to the satisfaction of the conditions set forth in *Section 4 (Conditions to Effectiveness)* hereof, the Consenting Lenders and the Administrative Agent hereby waive the requirement that the Agents shall have received at least 30 days' prior written notice of the PM Acquisition.

(b) *Consent to PM Acquisition*. Effective as of the Effective Date and subject to the satisfaction of the conditions set forth in *Section 4 (Conditions to Effectiveness)* hereof, the Consenting Lenders and the Administrative Agent hereby consent to the PM Acquisition; provided, that at the time of the PM Acquisition and after giving effect thereto:

(i) no Default or Event of Default shall have occurred and be continuing and all representations and warranties contained in *Article V (Representations and Warranties)* and in the other Loan Documents shall be true and correct in all material respects;

(ii) the Borrower shall have furnished to the Agents (A) pro forma historical financial statements as of the end of the most recently completed fiscal year of the Borrower and most recent interim fiscal quarter, if applicable giving effect to the PM Acquisition and (B) a Compliance Certificate prepared on a historical pro forma basis as of the date of the most recent date for which financial statements have been furnished pursuant to *Section 6.01(a) or (b) (Financial Statements)* giving effect to the PM Acquisition, which certificate shall demonstrate that no Default or Event of Default would exist immediately after giving effect thereto;

(iii) promptly following the consummation of the PM Acquisition, PM and each of its Subsidiaries shall be a direct or indirect, wholly-owned Subsidiary of the Borrower;

(iv) promptly following the consummation of the PM Acquisition, the Borrower shall have provided to the Administrative Agent a copy of each PM Acquisition Document certified as being complete and correct by a Responsible Officer of the Borrower; and

(v) the Borrower shall have complied with the provisions of *Section 6.14 (New Subsidiaries and Pledgors)* and *Section 6.15 (Collateral Access Agreements and Bailee's Letters)*, including with respect to any new assets acquired, no later than 40 days after the closing of the PM Acquisition.

Section 2. Certain Amendments to the Credit Agreement. As of the Effective Date:

(a) *Section 1.01 (Defined Terms)* of the Credit Agreement is hereby amended by inserting the following definitions in such *Section 1.01* in the appropriate place to preserve the alphabetical order of the definitions in such *Section 1.01* (and the following definitions shall replace in their entirety existing definitions for the corresponding terms in such *Section 1.01*):

"***Aggregate Outstanding Securitization Amount***" means, on any date of determination, the sum of all Outstanding Securitization Amounts with respect to all Permitted Receivables Financings.

"***Closing Related Documents***" means, collectively, (i) the Sponsor Equity Documents, (ii) the AHI Acquisition Documents, (iii) from and after the First Amendment Effective Date, each Local Credit Facility Guaranty, (iv) from and after the Second Amendment Effective Date, the THG Acquisition Documents, and (v) from and after the Fifth Amendment Effective Date, the PM Acquisition Documents.

"***Collection Account***" shall have the meaning given to such term in the Securitization Facility Documents.

"***Fifth Amendment***" means that certain Amendment No. 5 to this Agreement, dated as of August 23, 2006, among the Borrower and the Administrative Agent.

"***Fifth Amendment Effective Date***" means the date on which the Fifth Amendment shall become effective in accordance with its terms.

"***Guarantors***" means, collectively or individually as the context may indicate, each Domestic Subsidiary of the Borrower (after giving effect to the AHI Acquisition, the THG Acquisition, and the PM Acquisition) and each other Person, in each case, that is or becomes a party to the Guaranty; *provided*, that no Securitization Entity shall be considered a Guarantor hereunder.

"***Outstanding Securitization Amount***" means, with respect to any Permitted Receivables Financing on any date of determination, the sum, without duplication, of (i) the aggregate unrecovered purchase price for Receivables and Related Assets sold by all Securitization Entities pursuant to such Permitted Receivables Financing and (ii) the aggregate principal amount of Indebtedness incurred by all Securitization Entities pursuant to such Permitted Receivables Financing (except for any Indebtedness payable to the Borrower or any Subsidiary of the Borrower, other than a Securitization Entity, under a deferred purchase price note or similar instrument).

"***Permitted Receivables Financing***" means the Securitization Facility or any other transaction or series of transactions that may be entered into by the Borrower, any Subsidiary of the Borrower or a Securitization Entity pursuant to which the Borrower or such Subsidiary or such Securitization Entity may, pursuant to customary terms, sell, convey or otherwise transfer to, or grant a security interest in for the benefit of, (i) a Securitization Entity or the Borrower or any Subsidiary which subsequently transfers to a Securitization Entity (in the case of a transfer by the Borrower or such Subsidiary) and (ii) any other Person (in the case of transfer by a Securitization Entity), any Receivables and Related Assets (whether now existing or arising or acquired in the future) of the Borrower or any Subsidiary of the Borrower which arose in the ordinary course of business of the Borrower or such Subsidiary, and any assets related thereto, including books, records, and supporting obligations, contracts and other rights relating thereto, which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable; *provided*, *however*, that the Aggregate Outstanding Securitization Amount shall not at any time exceed $250,000,000.

"***Permitted Restructuring Charges***" means restructuring charges, determined in accordance with GAAP, to achieve cost savings and synergies, including such restructuring charges in conjunction with Permitted Acquisitions (including the AHI Acquisition, the THG Acquisition and the PM Acquisition) and the Jarden Corporate Restructurings (as defined in the Third Amendment).

"***PM Acquisition***" has the meaning set forth on *Schedule VI* hereto.

"***PM Acquisition Agreements***" has the meaning set forth on *Schedule VI* hereto.

"***PM Acquisition Documents***" has the meaning set forth on *Schedule VI* hereto.

"***Receivables and Related Assets***" means obligations arising from a sale of merchandise, goods or insurance, or the rendering of services, together with (a) all interest in any goods, merchandise or insurance (including returned goods or merchandise) relating to any sale giving rise to such obligations; (b) all other Liens and property subject thereto from time to time purporting to secure payment of such obligations, whether pursuant to the contract related to such obligations or otherwise, together with all financing statements describing any collateral securing such obligations; (c) all rights to payment of any interest, finance charges, freight charges and other obligations related thereto; (d) all supporting obligations, including but not limited to, all guaranties, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such obligations whether pursuant to the contract related to such obligations or otherwise; (e) all contracts, chattel paper, instruments and other documents, books, records and other information (including, without limitation, computer programs, tapes, disks, punch cards, data processing software and related property and rights) relating to such obligations; (f) any other property and assets that in accordance with market requirements at the time thereof are sold, transferred or pledged pursuant to receivables conduit securitization transactions and (g) collections and proceeds with respect to the foregoing.

"***Securitization Entity***" means any Subsidiary of the Borrower or any other corporation, trust or entity that is exclusively engaged in Permitted Receivables Financings and activities relating directly thereto, and conducts no other operating business.

"***Securitization Facility***" means that certain Loan Agreement, dated on or about August 24, 2006, among Jarden Receivables, LLC, as borrower, the Borrower, as initial servicer, Three Pillars Funding LLC, as lender and SunTrust Capital Markets, Inc., as administrator (the "*Securitization Administrator*"), and any renewals or extensions thereof.

"***Securitization Facility Documents***" means (i) that certain Receivables Contribution and Sale Agreement, dated on or about August 24, 2006, between the Originators (as defined therein) and Jarden Receivables, LLC, as buyer, (ii) the Securitization Facility, and (iii) the Securitization Intercreditor Agreement and each agreement, document and certificate related thereto, and any renewals or extensions thereof.

"***Securitization Intercreditor Agreement***" means that certain Intercreditor Agreement, dated on or about August 24, 2006 among the Administrative Agent, the Securitization Administrator and the other parties thereto.

(b) The defined term "*Consolidated Funded Indebtedness*" in *Section 1.01 (Defined Terms)* of the Credit Agreement is hereby amended by deleting the proviso in such definition and inserting the following in lieu thereof:

provided, that neither (i) Prior-Acquisition Earn-Outs and Permitted Acquisition Earn-Outs nor (ii) any Indebtedness permitted pursuant to *Section 7.03(n) (Indebtedness)* hereof shall be considered "*Consolidated Funded Indebtedness*" for purposes of the Credit Agreement and the other Loan Documents.

(c) *Clause (b)(viii)* of the defined term "*Consolidated EBITDA*" in *Section 1.01 (Defined Terms)* of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(viii) Permitted Restructuring Charges paid in cash in an aggregate amount not to exceed $70,000,000 and non-recurring, non-cash Permitted Restructuring Charges, in each case, to the extent incurred on or prior to June 30, 2008,

(d) *Clause (iii)* of the defined term "*Excess Cash Flow*" in *Section 1.01 (Defined Terms)* of the Credit Agreement is hereby amended by inserting "(A)" immediately after "(iii)", deleting the word "and" immediately preceding sub-clause (K) thereof, amending and restating sub-clauses (H) and (K) thereof in their entirety to read as follows, and adding new sub-clause (L) as follows:

(H) in the case of the 2005, 2006 and 2007 fiscal years of the Borrower, the amount of cash Permitted Restructuring Charges during such period that are paid or accrued in an aggregate amount not to exceed $70,000,000 in the aggregate for such periods;

(K) cash used during such period to consummate a Permitted Acquisition to the extent not financed with the proceeds of long-term Indebtedness, Indebtedness permitted pursuant to *Section 7.03(n) (Indebtedness)* hereof, Equity Issuances or other proceeds from a financing transaction that would not be included on Consolidated EBITDA; and

(L) solely with respect to the 2006 fiscal year of the Borrower, any amounts paid on or prior to February 6, 2007 (or such later date as the Agents may agree, in any case not later than March 15, 2007) in respect of working capital adjustments related to the PM Acquisition.

(e) The first paragraph of the defined term "*Permitted Acquisition*" in *Section 1.01 (Defined Terms)* of the Credit Agreement is hereby amended by deleting the words "and (iii)" and inserting ", (iii) the PM Acquisition (*provided*, that in the case of the PM Acquisition, the Borrower shall have complied with each of the conditions set forth in Section 1(b) of the Fifth Amendment) and (iv)" in lieu thereof.

(f) *Clause (viii)* of the defined term "*Permitted Acquisition*" in *Section 1.01 (Defined Terms)* of the Credit Agreement is hereby amended by replacing the words "AHI Acquisition" with the words "AHI Acquisition, the THG Acquisition, the PM Acquisition".

(g) *Clause (ii)* of *Section 2.06(e) (Mandatory Prepayments)* of the Credit Agreement is hereby amended by replacing "$40,000,000" with "$100,000,000" in sub-clause *(A)* of the proviso found in such section.

(h) *Clause (iii)* of *Section 2.06(e) (Mandatory Prepayments)* of the Credit Agreement is hereby amended by amending and restating sub-clause *(x)* thereof in its entirety to read as follows:

(x) each Disposition (other than Dispositions permitted under *clauses (a)* through *(g)* and *clause (i)* of *Section 7.05 (Dispositions)* and

(i) *Clause (iv)* of *Section 2.06(e) (Mandatory Prepayments)* of the Credit Agreement is hereby amended by replacing the words "and *(k)*" in the third line of such clause with the words ", *(k)* and *(n)*".:

(j) *Section 6.04 (Payment of Obligations)* of the Credit Agreement is hereby amended by replacing the words "all its obligations and liabilities," in the first sentence thereof with the words "all its obligations and liabilities, other than obligations and liabilities of any Securitization Entity,".

(k) *Section 6.13 (Conduct of Business; Maintain Principal Line of Business)* of the Credit Agreement is hereby amended by replacing the word "Continue" at the beginning of such section with the words "Except with respect to a Securitization Entity, continue".

(l) *Section 6.14 (New Subsidiaries and Pledgors)* of the Credit Agreement is hereby amended by adding the following as *clause (c)* thereof:

> (c) Notwithstanding anything contained in *Section 6.14(a)* above, no Securitization Entity shall be required at any time (i) to be a Guarantor hereunder or (ii) to comply with any of the provisions of *Section 6.14(a)*; *provided*, that the Borrower or any Guarantor holding the Stock or Stock Equivalents of any Subsidiary that is a Securitization Entity shall be required to deliver to the Administrative Agent the certificates evidencing the Stock or Stock Equivalents of such Securitization Entity owned by such Person; and *provided, further*, that in the event any such Subsidiary ceases at any time to be a Securitization Entity, not later than 30 days after such Subsidiary ceases to be a Securitization Entity (or such later date as may be agreed by the Agents), such Subsidiary shall comply with the provisions of *Section 6.14(a)*, unless such Securitization Entity is an Immaterial Subsidiary.

(m) *Section 6.18(a) (Control Accounts; Approved Deposit Accounts)* of the Credit Agreement is hereby amended by replacing the words "Foreign Subsidiary or Immaterial Subsidiary" in the first sentence thereof with the words "Foreign Subsidiary, Immaterial Subsidiary or Securitization Entity" and by deleting the period at the end of such section and inserting the following in lieu thereof:

> ; *provided, further*, that notwithstanding the foregoing, the provisions of this *Section 6.18(a)* shall not apply to the Collection Account.

(n) *Section 6.18(b) (Control Accounts; Approved Deposit Accounts)* of the Credit Agreement is hereby amended by replacing the words "Foreign Subsidiary or Immaterial Subsidiary" in the first sentence thereof with the words "Foreign Subsidiary, Immaterial Subsidiary or Securitization Entity".

(o) *Section 7.01 (Liens)* of the Credit Agreement is hereby amended by deleting the word "and" at the end of *clause (q)* thereof, replacing the "." at the end of *clause (r)* thereof with "; and", and adding a new *clause (s)* as follows:

> (s) Liens on (i) the assets of a Securitization Entity securing Indebtedness owing by any Securitization Entity pursuant to any Permitted Receivables Financing and (ii) any right, title and interest of any Originator (as such term is defined in the Securitization Facility Documents) in any Receivables and Related Assets transferred or intended to be transferred by such Originator pursuant to the Securitization Facility Documents.

(p) *Section 7.02 (Investments)* of the Credit Agreement is hereby amended by deleting the word “and” at the end of *clause (n)* thereof, changing *clause (o)* thereof to *clause (p)* and adding the following new *clause (o)* immediately before such *clause (p)*:

(o) Investments made or arising under or in connection with a Permitted Receivables Financing; *provided*, that the cash component of such Investments shall not exceed an aggregate principal amount of $275,000 at any time outstanding; and

(q) *Clause (m)* of *Section 7.03 (Indebtedness)* is hereby amended and restated in its entirety to read as follows:

(m) Indebtedness arising under Factoring Arrangements in an aggregate outstanding principal amount not to exceed $40,000,000;

(r) *Section 7.03 (Indebtedness)* of the Credit Agreement is hereby further amended by changing *clause (n)* thereof to *clause (o)* and adding the following new *clause (n)* immediately before such *clause (o)*:

(n) Indebtedness incurred by any Securitization Entity and arising under or in connection with a Permitted Receivables Financing; and

(s) *Section 7.05 (Dispositions)* of the Credit Agreement is hereby amended by changing *clause (i)* thereof to *clause (j)* and adding the following new *clause (i)* immediately before such *clause (j)*:

(i) the sale, transfer, contribution, other disposition or discounting of Receivables and Related Assets in connection with a Permitted Receivables Financing; and

(t) *Section 7.05(j) (Dispositions)* of the Credit Agreement is further amended by (i) replacing the words “*clauses (a)* through *(h)*” in the first sentence thereof with the words “*clauses (a)* through *(i)*” and (ii) replacing the words “*clause (i)*” in the first sentence thereof with the words “*clause (j)*”.

(u) *Section 7.06(a) (Lease Obligations; Sale/Leasebacks)* of the Credit Agreement is hereby amended by deleting the word “and” at the end of *clause (i)* thereof, replacing the period at the end of *clause (ii)* thereof with “; and”, and adding the following new *clause (iii)*:

(iii) Capital Leases, Synthetic Lease Obligations and purchase money obligations for fixed or capital assets; *provided*, that any Indebtedness incurred under any such lease or obligation must be permitted pursuant to *Section 7.03(d) (Indebtedness).*

(v) *Section 7.10 (Transactions with Affiliates)* of the Credit Agreement is hereby amended by replacing the words “and (c)” with the words “(c) pursuant to a Permitted Receivables Financing and (d)”.

(w) *Section 7.11 (Burdensome Agreements)* of the Credit Agreement is hereby amended by deleting the words “and (iii)” and inserting the following in lieu thereof:

> , (iii) Contractual Obligations pursuant to any Permitted Receivables Financing, (including restrictions or conditions imposed on a Securitization Entity, other than on the pledge of the Stock of such Securitization Entity to secure the Secured Obligations pursuant to the Loan Documents); *provided*, that in each case such Contractual Obligations are reasonably acceptable to the Agents (it being agreed that the Contractual Obligations specified in the Securitization Facility Documents are acceptable to the Agents) and (iv)

(x) *Clause (i)* of *Section 8.01(e) (Cross-Default)* of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

> (i) The Borrower or any Subsidiary, other than a Securitization Entity, (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) in respect of any Indebtedness or Contingent Obligation (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Contingent Obligation having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) or more than the Threshold Amount, or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Contingent Obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, (x) with respect to Indebtedness incurred other than in connection with a Permitted Receivables Financing, such Indebtedness to be demanded or to become due or to be repurchased or redeemed (automatically or otherwise) prior to its stated maturity, or (y) in the case of any Permitted Receivables Financing, terminate, or permit the termination of, such Permitted Receivables Financing by any purchaser or lender thereunder prior to the scheduled termination date thereof), or such Contingent Obligation to become payable or cash collateral in respect thereof to be demanded; or

(y) *Section 8.01(g) (Inability to Pay Debts; Attachment)* of the Credit Agreement is hereby amended by replacing the words “The Borrower or any Subsidiary” in the first sentence thereof with the words “The Borrower or any Subsidiary, other than a Securitization Entity,”.

(z) *Section 8.01(h) (Judgments)* of the Credit Agreement is hereby amended by replacing the words “There is entered against the Borrower or any Subsidiary” in the first sentence thereof with the words “There is entered against the Borrower or any Subsidiary, other than a Securitization Entity,”.

(aa) *Schedule VI (PM Acquisition)* is hereby added to the Credit Agreement on the page immediately following *Schedule V (Coleman IRB Leases)*, in the form attached hereto as Annex 1.

Section 3. Amendments to Pledge and Security Agreement. As of the Effective Date:

(a) *Section 1.1(c) (Definitions)* of the Pledge and Security Agreement is hereby amended by inserting the following definitions in such *Section 1.01* in the appropriate place to preserve the alphabetical order of the definitions in such *Section 1.01* (and the following definitions shall replace in their entirety existing definitions for the corresponding terms in such *Section 1.01*):

“***Purchased Property***” means (i) the Receivables and Related Assets of any Grantor now owned or hereafter existing that are sold, contributed, pledged or otherwise transferred or purported to be sold, contributed, pledged or otherwise transferred, in each instance, by such Grantor in connection with a Permitted Receivables Financing and (ii) each of the collection accounts of such Grantor into which proceeds of Receivables and Related Assets are deposited in connection with such Permitted Receivables Financing; *provided*, *however*, that the inclusion of each of such collection accounts as “Purchased Property” is not intended to include cash collections and other cash proceeds deposited in such collection accounts that are not cash collections and proceeds related to such Receivables and Related Assets.

(b) The defined term “*Excluded Property*” in *Section 1.1(c) (Definitions)* of the Pledge and Security Agreement is hereby amended by deleting the words “and (vi)” and inserting “, (vi) all Purchased Property and (vii)” in lieu thereof.

Section 4. Conditions to Effectiveness. This Amendment shall become effective as of the date (the “***Effective Date***”) on which each of the following conditions precedent shall have been satisfied:

(a) *Certain Documents*. The Agents shall have received each of the following, dated as of the Effective Date (unless otherwise agreed to by the Agents), in form and substance satisfactory to Agents:

(i) this Amendment duly executed by the Borrower and the Administrative Agent;

(ii) the Consent and Agreement in the form attached hereto as *Exhibit A*, executed by each of the Guarantors;

(iii) the Acknowledgment and Consents, in the form attached hereto as *Exhibit B* (each, a “***Lender Consent***”), executed by the Consenting Lenders;

(iv) a copy of the notice, duly executed and delivered by a Responsible Officer of the Borrower (or by an authorized attorney at Kane Kessler, P.C., counsel to the Borrower), to each Local Agent in respect of each outstanding Local Credit Facility pursuant to the requirements of *Section 5.4(c) (Matters Relating to Loan Documents)* of the Local Credit Facility Intercreditor Agreement, pursuant to which the Borrower notifies each such Local Agent of the amendments contained herein, certified by a Responsible Officer of the Borrower as being a true, complete and correct copy of such notice and together with evidence reasonably satisfactory to the Agents that such notice shall have been delivered by the Borrower to such Local Agents at least three Business Days prior to the Effective Date; and

(v) such additional documentation as the Consenting Lenders may reasonably require prior to the execution and delivery of this Amendment to the Borrower by the Administrative Agent.

(b) *Corporate and Other Proceedings*. All corporate and other proceedings, and all documents, instruments and other legal matters in connection with the transactions contemplated by this Amendment shall be satisfactory in all respects to the Agents and the Required Lenders prior to the execution and delivery of this Amendment to the Borrower by the Administrative Agent.

(c) *Representations and Warranties; No Defaults*. The Agents, for the benefit of the Agents and the Lenders, shall have received a certificate of a Responsible Officer of the Borrower certifying that both before and after giving effect to this Amendment:

(i) each of the representations and warranties set forth in *Article V (Representations and Warranties*) of the Credit Agreement and in the other Loan Documents shall be true and correct in all material respects on and as of the Effective Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representation and warranties shall have been true and correct in all material respects as of such earlier date; *provided, however*, that references therein to the Credit Agreement shall be deemed to refer to the Credit Agreement as amended by this Amendment and after giving effect to the waivers and consents set forth herein; and

(ii) no Default or Event of Default shall have occurred and be continuing, either on the date hereof or on the Effective Date.

Section 5. Certain Covenants and Agreements.

(a) *Securitization Facility Documents*. The Borrower hereby covenants and agrees to deliver to the Administrative Agent, promptly upon consummation of the Securitization Facility, a copy of each Securitization Facility Document, certified as complete and correct by a Responsible Officer of the Borrower.

(b) *Consenting Lender Fees*. The Borrower hereby covenants and agrees to pay to the Administrative Agent for the account of each Consenting Lender for which the Administrative Agent shall have received (by facsimile or otherwise) an executed Lender Consent on or prior to 5:00 PM New York time on Thursday, August 17, 2006 (or such later date as the or time as the Administrative Agent and the Borrower may agree), an amendment fee in Dollars equal to 0.05% of the aggregate principal amount of the Commitments and Term Loans provided by each such Consenting Lender, due and payable to the Administrative Agent no later than one (1) Business Day following the Effective Date.

(c) *Certain Post-Closing Covenants*. The Borrower hereby covenants and agrees that it shall deliver or cause to be delivered to the Administrative Agent the documents described below, in form and substance reasonably satisfactory to the Administrative Agent, and/or take such other actions described below, in a manner reasonably acceptable to the Administrative Agent, on or prior to the dates set forth below:

(i) Promptly after the Effective Date, and in no event more than twenty (20) Business Days after the Effective Date (or such later date as the Administrative Agent may agree), the Borrower shall deliver to the Administrative Agent a certificate of a Responsible Officer certifying that the relevant Local Credit Facility Documents in respect of each outstanding Local Credit Facility shall have been amended or otherwise modified on the same terms as set forth in this Amendment (subject, if applicable, to only those modifications as are required by applicable law); and

(ii) Promptly after the Effective Date, and in no event more than forty (40) days after the consummation of the PM Acquisition (or such later date as the Administrative Agent may agree), the Borrower shall deliver to the Administrative Agent a favorable opinion of Kane Kessler, P.C., counsel to the Loan Parties, in form and substance reasonably satisfactory to the Agents, addressed to the Agents and the Lenders and addressing such matters as the Agents may request pursuant to *Section 6.14 (New Subsidiaries and Pledgors)* of the Credit Agreement.

Section 6. Representations and Warranties. The Borrower, on behalf of itself and the other Loan Parties, hereby represents and warrants to the Administrative Agent and each Lender as follows:

(a) The execution, delivery and performance by each Loan Party of this Amendment have been duly authorized by all requisite corporate or other action on the part of such Loan Party and will not violate any of the certificates of incorporation or by-laws (or equivalent Constituent Documents) of such Loan Party.

(b) This Amendment has been duly executed and delivered by each Loan Party, and each of this Amendment and the Credit Agreement as amended or otherwise modified hereby constitutes the legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with their terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization and other similar Laws relating to or affecting creditors' rights generally and by the application of general equitable principles (whether considered in proceedings at Law or in equity).

Section 7. Reference to and Effect on the Loan Documents.

(a) As of the Effective Date, each reference in the Credit Agreement and the other Loan Documents to "*this Agreement*," "*hereunder*," "*hereof*," "*herein*" or words of like import shall mean and be a reference to the Credit Agreement or such other Loan Document as amended by this Amendment.

(b) Except with respect to the consents and waivers set forth in *Section 1 (Consents and Waivers)* and to the extent amended hereby, the Credit Agreement and all of the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(c) Except with respect to the consents and waivers set forth in *Section 1 (Consents and Waivers)* and to the extent amended or otherwise modified hereby, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any Default or Event of Default or any right, power, privilege or remedy of any Agent, any Lender or any L/C Issuer under the Credit Agreement or any Loan Document, or constitute a waiver of any provision of the Credit Agreement or any Loan Document.

(d) The Borrower hereby confirms that the security interests and Liens granted pursuant to the Loan Documents continue to secure the Obligations and that such security interests and Liens remain in full force and effect.

Section 8. Costs and Expenses. As provided in *Section 10.04 (Attorney Costs, Expenses and Taxes)* of the Credit Agreement, the Borrower agrees to reimburse the Agents for all reasonable fees, costs and out-of-pocket expenses due and payable by the Borrower pursuant to the Loan Documents, including such costs and expenses (including Attorney Costs) for advice, assistance, or other representation in connection with the preparation, execution and delivery of this Amendment.

Section 9. Release of Certain Collateral. By executing and delivering a Lender Consent, each Consenting Lender authorizes and directs the Administrative Agent to (a) release any Lien held by the Administrative Agent for the benefit of the Lenders, the L/C Issuers and the other Secured Parties on all of the Receivables and Related Assets sold, contributed or otherwise transferred or to be sold, contributed or otherwise transferred by the Borrower or any Subsidiary of the Borrower pursuant to the Securitization Facility Documents and (b) execute and deliver or file such partial release statements and do such other things, in each case, as are necessary to effectuate the release of the Liens contemplated by this Amendment promptly upon the occurrence of the Effective Date.

Section 10. Governing Law. This Amendment and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

Section 11. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purposes.

Section 12. Severability. The fact that any term or provision of this Agreement is held invalid, illegal or unenforceable as to any person in any situation in any jurisdiction shall not affect the validity, enforceability or legality of the remaining terms or provisions hereof or the validity, enforceability or legality of such offending term or provision in any other situation or jurisdiction or as applied to any person.

Section 13. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Receipt by the Administrative Agent of a facsimile copy of an executed signature page hereof shall constitute receipt by the Administrative Agent of an executed counterpart of this Amendment.

Section 14. Waiver of Jury Trial. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS AMENDMENT OR ANY OTHER LOAN DOCUMENT

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Amendment has been duly executed on the date set forth above.

JARDEN CORPORATION,
as Borrower

By: /s/ Desiree DeStefano
Name: Desiree DeStefano
Title: Executive Vice President of Finance and Treasurer

CANADIAN IMPERIAL BANK OF COMMERCE,
as Administrative Agent

By: /s/ Cedric M. Henley
Name: Cedric M. Henley
Title: Managing Director

By: /s/ Leonardo Fernandez
Name: Leonardo Fernandez
Title: Executive Director

Exhibit 10.2

CONSENT, AGREEMENT AND AFFIRMATION OF GUARANTY.

Each of the undersigned Guarantors hereby consents to the terms of the foregoing Amendment and agrees that the terms of the Amendment shall not affect in any way its obligations and liabilities under any Loan Document (as such Loan Documents are amended or otherwise expressly modified by the Amendment), all of which obligations and liabilities shall remain in full force and effect and each of which is hereby reaffirmed (as amended or otherwise expressly modified by the Amendment). The Guarantors hereby confirm that the security interests and Liens granted pursuant to the Loan Documents continue to secure the Obligations including the Local Credit Facility Obligations and that such security interests and Liens remain in full force and effect.

ALLTRISTA NEWCO CORPORATION
ALLTRISTA PLASTICS CORPORATION
BICYCLE HOLDING, INC.
HEARTHMARK, LLC
JARDEN ACQUISITION I, INC.
JARDEN ZINC PRODUCTS, INC.
LEHIGH CONSUMER PRODUCTS CORPORATION
LOEW-CORNELL, INC.
QUOIN, LLC
THE UNITED STATES PLAYING CARD COMPANY
JARDEN DIRECT, INC.
USPC HOLDING, INC.
AMERICAN HOUSEHOLD, INC.
AUSTRALIAN COLEMAN, INC.
BRK BRANDS, INC.
CC OUTLET, INC.
COLEMAN INTERNATIONAL HOLDINGS, LLC
COLEMAN WORLDWIDE CORPORATION
FIRST ALERT, INC.
FIRST ALERT HOLDINGS, INC.
KANSAS ACQUISITION CORP.
LASER ACQUISITION CORP.
L.A. SERVICES, INC.
NIPPON COLEMAN, INC.
SI II, INC.
SUNBEAM AMERICAS HOLDINGS, LLC
SUNBEAM PRODUCTS, INC.
THE COLEMAN COMPANY, INC.
HOLMES MOTOR CORPORATION
RIVAL CONSUMER SALES CORPORATION

By: /s/ Desiree DeStefano
Name: Desiree DeStefano
Title: Vice President

EXHIBIT 31.1

CERTIFICATION

I, Martin E. Franklin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Jarden Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-16(f)) for the registrant and have:
   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2006

/s/ Martin E. Franklin

Name: Martin E. Franklin
Title: Chief Executive Officer

CERTIFICATION

I, Ian G.H. Ashken, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Jarden Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-16(f)) for the registrant and have:
   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2006

/s/ Ian G.H. Ashken

Name: Ian G.H. Ashken
Title: Chief Financial Officer

EXHIBIT 32.1

CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Jarden Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Martin E. Franklin, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Martin E. Franklin
Name: Martin E. Franklin
Title: Chief Executive Officer
October 27, 2006

In connection with the Quarterly Report of Jarden Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ian G.H. Ashken, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Ian G.H. Ashken
Name: Ian G.H. Ashken
Title: Chief Financial Officer
October 27, 2006