
**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 June 30, 2008

OR

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

For the transition period from _____ to _____

Commission File Number: 001-13665

Jarden Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

555 Theodore Fremd Avenue, Rye, New York
(Address of principal executive offices)

35-1828377
(IRS Identification Number)

10580
(Zip code)

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

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, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer Accelerated filer Non-accelerated filer Small reporting company

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 July 28, 2008
Common Stock, par value \$0.01 per share	76,504,617 shares

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JARDEN CORPORATION
Quarterly Report on Form 10-Q
For the three and six months ended June 30, 2008

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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 months ended		Six months ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Net sales	\$1,360.0	\$1,050.1	\$2,577.4	\$1,871.0
Cost of sales	979.2	787.0	1,868.8	1,406.6
Gross profit	380.8	263.1	708.6	464.4
Selling, general and administrative	256.5	190.6	516.3	341.8
Reorganization and acquisition-related integration costs, net	11.1	9.4	21.8	18.5
Operating earnings	113.2	63.1	170.5	104.1
Interest expense, net	42.6	32.7	88.8	57.7
Loss on early extinguishment of debt	—	0.9	—	15.7
Income before taxes	70.6	29.5	81.7	30.7
Income tax provision	27.6	12.8	34.0	12.6
Net income	<u>\$ 43.0</u>	<u>\$ 16.7</u>	<u>\$ 47.7</u>	<u>\$ 18.1</u>
Earnings per share:				
Basic	\$ 0.57	\$ 0.24	\$ 0.63	\$ 0.26
Diluted	\$ 0.56	\$ 0.23	\$ 0.62	\$ 0.25
Weighted average shares outstanding:				
Basic	75.3	69.5	75.2	69.3
Diluted	76.4	71.9	76.3	71.2

See accompanying notes to condensed consolidated financial statements.

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

	June 30, 2008	December 31, 2007
Assets:		
Cash and cash equivalents	\$ 255.0	\$ 220.5
Accounts receivable, net of allowances of \$57.7 and \$72.3 at June 30, 2008 and December 31, 2007, respectively	894.2	978.5
Inventories	1,258.1	1,126.2
Deferred taxes on income	155.1	140.5
Prepaid expenses and other current assets	110.5	84.5
Total current assets	<u>2,672.9</u>	<u>2,550.2</u>
Property, plant and equipment, net	527.3	510.9
Goodwill	1,678.5	1,610.8
Intangibles, net	1,056.4	1,126.6
Other assets	80.9	69.6
Total assets	<u>\$6,016.0</u>	<u>\$ 5,868.1</u>
Liabilities:		
Short-term debt and current portion of long-term debt	\$ 341.9	\$ 297.8
Accounts payable	466.8	439.3
Accrued salaries, wages and employee benefits	135.5	134.6
Taxes on income	18.8	20.9
Other current liabilities	389.2	387.8
Total current liabilities	<u>1,352.2</u>	<u>1,280.4</u>
Long-term debt	2,464.2	2,449.5
Deferred taxes on income	326.9	335.2
Other non-current liabilities	251.0	264.4
Total liabilities	<u>4,394.3</u>	<u>4,329.5</u>
Contingencies (see Note 8)	—	—
Stockholders' equity:		
Preferred stock (\$0.01 par value, 5.0 shares authorized, no shares issued and outstanding at June 30, 2008 and December 31, 2007)	—	—
Common stock (\$0.01 par value, 150.0 shares authorized, 78.4 shares issued at June 30, 2008 and December 31, 2007)	0.8	0.8
Additional paid-in capital	1,253.8	1,246.5
Retained earnings	336.5	288.8
Accumulated other comprehensive income	79.1	47.5
Less: Treasury stock (1.9 and 1.6 shares, at cost, at June 30, 2008 and December 31, 2007, respectively)	<u>(48.5)</u>	<u>(45.0)</u>
Total stockholders' equity	<u>1,621.7</u>	<u>1,538.6</u>
Total liabilities and stockholders' equity	<u>\$6,016.0</u>	<u>\$ 5,868.1</u>

See accompanying notes to condensed consolidated financial statements.

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

	Six months ended June 30,	
	2008	2007
Cash flows from operating activities:		
Net income	\$ 47.7	\$ 18.1
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization	58.9	38.9
Other non-cash items	25.7	10.7
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable	98.2	42.6
Inventory	(123.0)	(66.9)
Accounts payable	21.5	19.7
Other assets and liabilities	(62.2)	(45.2)
Net cash provided by operating activities	<u>66.8</u>	<u>17.9</u>
Cash flows from financing activities:		
Net change in short-term debt	48.7	58.7
Proceeds from issuance of long-term debt	25.0	650.0
Payments on long-term debt	(16.2)	(393.7)
Proceeds from issuance of stock, net of transaction fees	1.9	10.2
Repurchase of common stock and shares tendered for taxes	(10.9)	(24.9)
Debt issuance and settlements costs	(2.2)	(31.9)
Other	(2.5)	(1.1)
Net cash provided by financing activities	<u>43.8</u>	<u>267.3</u>
Cash flows from investing activities:		
Additions to property, plant and equipment	(45.3)	(37.3)
Acquisition of businesses and consideration, net of cash acquired	(29.1)	(331.9)
Other	(7.4)	(31.2)
Net cash used in investing activities	<u>(81.8)</u>	<u>(400.4)</u>
Effect of exchange rate changes on cash	5.7	0.3
Net increase (decrease) in cash and cash equivalents	34.5	(114.9)
Cash and cash equivalents at beginning of period	220.5	202.6
Cash and cash equivalents at end of period	<u>\$ 255.0</u>	<u>\$ 87.7</u>
Supplemental cash disclosures:		
Taxes paid	\$ 37.6	\$ 31.4
Interest paid	86.1	52.6

See accompanying notes to condensed consolidated financial statements.

JARDEN CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in millions, except per share data and unless otherwise indicated)
(Unaudited)

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 adjustments that are, in the opinion of management, normal and recurring and necessary for a fair presentation of the results for the interim period. The Condensed Consolidated Balance Sheet at December 31, 2007 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 for the year ended December 31, 2007. All significant intercompany transactions have been eliminated in consolidation. Revenues, expenses, assets and liabilities can vary during each quarter of the year. Therefore, the results and trends in these interim financial statements may not be representative of those for the full year.

On August 8, 2007, the Company acquired all of the outstanding shares of K2 Inc. (the “Acquisition”), a leading provider of branded consumer products in the global sports equipment market (see Note 4). The Company’s results of operations include the results of K2 Inc. (“K2”) from August 8, 2007.

On April 6, 2007, the Company acquired Pure Fishing, Inc. (“Pure Fishing”), a leading global provider of fishing equipment. The Company’s results of operations include the results of Pure Fishing from April 6, 2007.

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.

Stock-based Compensation

Stock-based compensation costs, which are included in selling, general and administrative expenses, were \$4.7 and \$10.3 for the three months ended June 30, 2008 and 2007, respectively, and \$10.7 and \$17.1 for the six months ended June 30, 2008 and 2007, respectively.

New Accounting Standards

In May 2008, the Financial Accounting Standards Board (the “FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 163, “Accounting for Financial Guarantee Insurance Contracts, an interpretation of FASB Statement No. 60” (“SFAS 163”). SFAS 163 clarifies how FASB Statement No. 60 applies to financial guarantee insurance contracts, including the recognition and measurement of premium revenue and claim liabilities. SFAS 163 also requires expanded disclosures about financial guarantee insurance contracts. SFAS 163 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The Company does not expect that the provisions of SFAS 163 will have a material impact on the consolidated financial position, results of operations or cash flows of the Company.

In May 2008, the FASB issued SFAS No. 162, “The Hierarchy of Generally Accepted Accounting Principles” (“SFAS 162”). SFAS 162 provides a framework for selecting accounting principles for financial statements that are presented in conformity with GAAP. The Company does not expect that the provisions of SFAS 162 will result in a change in accounting practice for the Company.

In May 2008, the FASB issued FASB Staff Position (“FSP”) No. 14-1, “Accounting for Convertible Debt that May be Settled in Cash Upon Conversion (Including Partial Settlement)”, (“FSP 14-1”). FSP 14-1 applies to convertible debt instruments that, by their stated terms, may be settled in cash (or other assets) upon conversion, including partial cash settlement, unless the embedded conversion option is required to be separately accounted for as a derivative under SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities”. FSP 14-1 specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity’s nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. This FSP 14-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The Company is currently evaluating the impact the provisions of FSP 14-1 will have on the consolidated financial position, results of operations or cash flows of the Company.

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In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133" ("SFAS 161"). SFAS 161 requires that a Company with derivative instruments disclose information to enable users of the financial statements to understand: how and why an entity uses derivative instruments; how derivative instruments and related hedged items are accounted for; and how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. As such, SFAS 161 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements. SFAS 161 shall be effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. Early application of SFAS 161 is encouraged. Since SFAS 161 requires only additional disclosures concerning derivatives and hedging activities, the adoption of SFAS 161 will not affect the consolidated financial position, results of operations or cash flows of the Company.

Adoption of New Accounting Standards

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. Effective January 1, 2008, the Company adopted the provisions of SFAS 157 related to financial assets and liabilities, as well as other assets and liabilities carried at fair value on a recurring basis. These provisions, which have been applied prospectively, did not have a material impact on the Company's consolidated financial statements (see Note 10 for disclosures related to the adoption of SFAS 157). Certain other provisions of SFAS 157 related to other nonfinancial assets and liabilities will be effective for the Company on January 1, 2009, and will be applied prospectively. The Company is currently evaluating the impact the provisions of SFAS 157 related to other nonfinancial assets and liabilities will not affect the consolidated financial position, results of operations or cash flows of the Company.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of FASB Statement No. 155" ("SFAS 159"). SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. SFAS 159 also established presentation and disclosure requirements designed to facilitate comparisons that choose different measurement attributes for similar types of assets and liabilities. The Company adopted SFAS 159 effective January 1, 2008 and did not elect the fair value option established by SFAS 159. As such, the adoption had no impact on the consolidated financial position, results of operations or cash flows of the Company.

2. Inventories

Inventories are comprised of the following at June 30, 2008 and December 31, 2007:

<u>(in millions)</u>	<u>June 30, 2008</u>	<u>December 31, 2007</u>
Raw materials and supplies	\$ 224.8	\$ 203.5
Work in process	85.5	61.5
Finished goods	947.8	861.2
Total inventories	<u>\$1,258.1</u>	<u>\$ 1,126.2</u>

3. Property, Plant and Equipment

Property, plant and equipment, net, consist of the following at June 30, 2008 and December 31, 2007:

<u>(in millions)</u>	<u>June 30, 2008</u>	<u>December 31, 2007</u>
Land	\$ 39.0	\$ 32.0
Buildings	207.9	168.2
Machinery and equipment	668.8	642.7
	915.7	842.9
Less: Accumulated depreciation	(388.4)	(332.0)
Total property, plant and equipment, net	<u>\$ 527.3</u>	<u>\$ 510.9</u>

Depreciation of property, plant and equipment was \$25.8 and \$18.1 for the three months ended June 30, 2008 and 2007, respectively, and \$50.9 and \$34.6 for the six months ended June 30, 2008 and 2007, respectively.

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4. Acquisitions

On August 8, 2007, the Company acquired all the outstanding shares of K2, a leading provider of branded consumer products in the global sports equipment market, in exchange for consideration of \$10.85 in cash per share of K2 common stock and 0.1118 of a share of Jarden common stock for each share of K2 common stock issued and outstanding. The total value of the transaction, including debt assumed, was approximately \$1.2 billion. The Acquisition was recorded by allocating the cost of the assets acquired, including intangible assets and liabilities assumed based on their estimated fair values at the date of the Acquisition. The excess of the cost of the Acquisition over the net of amounts assigned to the fair value of the assets acquired and the liabilities assumed is recorded as goodwill. The valuation of assets and liabilities has been determined and the purchase price has been allocated as follows:

(in millions):	
Accounts receivable	\$ 316.8
Inventories	507.1
Current deferred tax asset	17.4
Other current assets	31.4
Property, plant and equipment	156.8
Intangible assets	171.9
Goodwill	279.9
Other assets	11.8
Other current liabilities	(276.6)
Long-term debt	(401.8)
Other liabilities	(30.6)
Non-current deferred tax liability	(5.4)
Total purchase price, net of cash acquired	<u>\$ 778.7</u>

Pro forma results

The following unaudited pro forma financial information presents the combined results of operations of the Company and K2 as if the Acquisition had occurred at January 1, 2007. The pro forma results presented below for the three and six months ended June 30, 2007 combine the historical results of the Company and K2 for the three and six months ended June 30, 2007. The unaudited pro forma financial information 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 the Acquisition been completed as of the beginning of the period 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 statutory tax rate of 39.5%.

(in millions, except per share data)	Three months ended June 30, 2007	Six months ended June 30, 2007
Net sales	\$ 1,365.5	\$ 2,559.1
Net income (loss)	4.4	(55.8)
Net income (loss) per share:		
Basic:	\$ 0.06	\$ (0.75)
Diluted:	\$ 0.06	\$ (0.75)

The unaudited pro forma financial information for the three and six months ended June 30, 2007 includes \$1.4 and \$2.8, respectively, for the amortization of purchased intangibles from the Acquisition. The unaudited pro forma financial information for the six months ended June 30, 2007, also includes \$99.3 of non-recurring charges related to the Acquisition for the purchase accounting adjustment for the elimination of manufacturer's profit in inventory and other transaction costs.

5. Goodwill and Intangibles

Goodwill activity for the six months ended June 30, 2008 is as follows:

(in millions)	Net Book Value at December 31, 2007	Additions	Purchase Accounting Adjustments(1)	Foreign Exchange and Other Adjustments	Net Book Value at June 30, 2008
Branded Consumables	\$ 496.3	\$ —	\$ —	\$ 9.5	\$ 505.8
Consumer Solutions	484.2	—	—	1.7	485.9
Outdoor Solutions	630.3	—	49.0	(2.8)	676.5
Process Solutions	—	0.6	9.7	—	10.3
	<u>\$ 1,610.8</u>	<u>\$ 0.6</u>	<u>\$ 58.7</u>	<u>\$ 8.4</u>	<u>\$ 1,678.5</u>

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Intangible asset activity for the six months ended June 30, 2008 is as follows:

<u>(in millions)</u>	<u>Gross Carrying Amount at December 31, 2007</u>	<u>Additions</u>	<u>Purchase Accounting Adjustments(1)</u>	<u>Accumulated Amortization and Foreign Exchange</u>	<u>Net Book Value at June 30, 2008</u>	<u>Amortization Periods (years)</u>
Patents	\$ 0.1	\$ 5.5	\$ —	\$ (0.2)	\$ 5.4	12-30
Non-compete agreements	1.7	—	—	(1.4)	0.3	3-5
Manufacturing process and expertise	32.0	—	(1.2)	(12.2)	18.6	3-7
Brand names	4.3	—	(2.4)	(0.3)	1.6	4-10
Customer relationships and distributor channels	146.2	—	(2.3)	(12.1)	131.8	10-25
Trademarks and tradenames	960.4	—	(62.3)	0.6	898.7	indefinite
	<u>\$ 1,144.7</u>	<u>\$ 5.5</u>	<u>\$ (68.2)</u>	<u>\$ (25.6)</u>	<u>\$ 1,056.4</u>	

(1) Comprised primarily of purchase accounting adjustments based upon the final determination of the K2 purchase price allocation (see Note 4).

Amortization of intangibles was \$4.0 and \$2.6 for the three months ended June 30, 2008 and 2007, respectively, and \$8.0 and \$4.3 for the six months ended June 30, 2008 and 2007, respectively.

6. Warranty Reserve

The warranty reserve activity for the six months ended June 30, 2008 is as follows:

<u>(in millions)</u>	<u>2008</u>
Warranty reserve at January 1,	\$ 88.8
Acquisitions and other adjustments	0.1
Provisions for warranties issued, net	54.8
Warranty claims paid	(64.0)
Warranty reserve at June 30,	<u>\$ 79.7</u>

7. Debt and Derivative Financial Instruments

Debt is comprised of the following at June 30, 2008 and December 31, 2007:

<u>(in millions)</u>	<u>June 30, 2008</u>	<u>December 31, 2007</u>
Senior Credit Facility Term Loans	\$1,680.5	\$ 1,664.0
Revolving Credit Facility	—	—
7 1/2% Senior Subordinated Notes due 2017	650.0	650.0
Securitization Facility due 2008	250.0	250.0
2% Subordinated Note due 2012	95.5	94.9
5% Convertible Debentures due 2010	3.1	12.4
Non-U.S. borrowings	119.1	68.0
Other (primarily capital leases)	7.9	8.0
Total debt	<u>2,806.1</u>	<u>2,747.3</u>
Less: current portion	(341.9)	(297.8)
Total long-term debt	<u>\$2,464.2</u>	<u>\$ 2,449.5</u>

During January 2008, the Company entered into an additional \$200 notional amount swap agreement that exchanges variable interest rates (LIBOR) for a 3.7% fixed rate of interest over the term of the agreement, which matures on December 31, 2010. The Company has designated this swap as a cash flow hedge of the interest rate risk attributable to forecasted variable interest (LIBOR) payments.

During May 2008, the Company borrowed an additional \$25 from an existing term loan under its senior credit facility. This term loan matures in 2012 and bears interest at LIBOR plus 250 basis points.

Also in May 2008, in order to mitigate the effect that the rising cost of crude oil has on the cost of certain of the Company's raw materials, the Company entered into a combination of derivative financial instruments on approximately 113,000 barrels of crude oil that mature on September 30, 2008. These derivatives provide the Company with maximum cost certainty, while also allowing the Company to benefit should the cost of crude oil fall below certain dollar per barrel levels. These derivatives are not designated as effective hedges for accounting purposes.

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Fair market value gains or losses are included in the results of operations and as of June 30, 2008 their aggregate fair market value was an asset of \$1.7.

In July 2008, the Company entered into an amendment of its securitization facility, which is subject to annual renewal, that extended it for another year until July 13, 2009. Following the renewal, the borrowing rate margin is 150 basis points and the unused line fee is 0.50% per annum.

8. 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 certain 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. Based on currently available information, the Company does not believe that the disposition of any of the legal or environmental disputes the Company or its subsidiaries is currently involved in will have a material adverse effect upon the Company’s financial condition, results of operations or cash flows. It is possible, that as additional information becomes available, the impact on the Company of an adverse determination could have a different effect.

Environmental

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. Various of the Company’s subsidiaries have been identified by the EPA or a state environmental agency as a 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 accrues 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 various of the Company’s subsidiaries could be a PRP, information relating to the exact nature and extent of the contamination at each Environmental 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 June 30, 2008.

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 on the consolidated financial position, results of operations or cash flows of the Company.

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

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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 reserved to the extent determinable. Based on current information, the Company believes that the ultimate conclusion of the various pending litigation of the Company, in the aggregate, will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

Product Liability

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 therefore 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 includes a self-insurance retention per occurrence.

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, 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 were 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 11, 2006.

The complaints, which are substantially similar to one another, allege, 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. Joint lead plaintiffs were appointed on June 9, 2006.

The lead plaintiffs filed an amended consolidated complaint on August 25, 2006 naming the Company, Consumer Solutions and certain officers of the Company as defendants (collectively "Defendants") and containing substantially the same allegations as in the initial complaints. On October 20, 2006, Defendants filed a motion to dismiss the consolidated amended complaint. On May 31, 2007, the Court issued an opinion denying Defendants' motion to dismiss. On July 3, 2007, Defendants filed a Motion for Reconsideration of the order denying Defendants' motion to dismiss. On September 5, 2007, the court granted Defendants' motion for reconsideration, but reaffirmed its May 31, 2007 denial of Defendants' motion to dismiss. Defendants answered the amended consolidated complaint on July 10, 2007. On September 10, 2007, Plaintiffs moved for class certification. On March 6, 2008, the Court issued an opinion certifying a class comprised of purchasers of the Company's common stock during the period from June 29, 2005 through January 11, 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. That motion has been fully briefed, but the Court has not yet issued a decision.

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.

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Other

In connection with the sale of its Anthony Pools Division, K2 received certain distributions in 1997 and 1998 from a corporation in which it held a minority interest. On March 30, 2007, K2 received a notice of liability from the Internal Revenue Service asserting transferee liability for federal income taxes of this corporation totaling \$16.5. K2 has contested the notice of liability by filing a petition in United States Tax Court. On May 20, 2008, K2 filed a Motion for Partial Summary Judgment on the grounds that the statute of limitations applicable for assessing tax attributable to certain partnership and affected items of the alleged transferor, which items made up most of the asserted liabilities, had expired. On June 24, 2008, the Internal Revenue Service filed a Notice of No Objection to K2's Motion for Partial Summary Judgment agreeing that the applicable statute of limitations had expired. On July 15, 2008, the Court granted K2's motion. K2 believes that the ultimate conclusion of any remaining issues in this case will not be material to the Company. However, K2 intends to continue to defend itself with respect to any remaining issues in this case, by among other things, seeking contribution from other shareholders of this corporation. K2 is continuing to gather information related to this matter.

9. Taxes on Income

The following table sets forth the details and the activity related to unrecognized tax benefits as of and for the six months ended June 30, 2008:

(in millions)	2008
Unrecognized tax benefits, January 1,	\$96.7
Increases (decreases from):	
Tax positions taken during the current period	3.8
Tax positions taken during a prior period	—
Settlements with taxing authorities	(9.7)
Other	0.7
Unrecognized tax benefits, June 30,	<u>\$91.5</u>

During 2008, the change in the unrecognized tax benefits primarily relates to the settlement of the Company's 2003 and 2004 domestic audits and audit settlements of certain foreign subsidiaries for pre-acquisition periods of K2. At June 30, 2008, the amount of gross unrecognized tax benefits that, if recognized, would affect the reported tax rate is approximately \$32.9, and the amount of gross unrecognized tax benefits as a result of purchase accounting is approximately \$58.6. At June 30, 2008, the Company believes it has no tax positions for which it is reasonably possible that the total amount of unrecognized tax benefits may significantly change within twelve months.

10. Fair Value Measurements

SFAS 157 defines three levels of inputs that may be used to measure fair value and requires that the assets or liabilities carried at fair value be disclosed by the input level under which they were valued. The input levels defined under SFAS 157 are as follows:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Observable inputs other than defined in Level 1, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3: Unobservable inputs that are not corroborated by observable market data.

The following table summarizes assets and liabilities that are measured at fair value on a recurring basis at June 30, 2008:

(in millions)	June 30, 2008		
	Fair Value Asset (Liability)		
	Level 1	Level 2	Total
Derivatives:			
Assets	\$ —	\$ 2.1	\$ 2.1
Liabilities	—	(25.5)	(25.5)
Available for sale securities	10.8	—	10.8

Derivative assets and liabilities relate to interest rate swaps, foreign currency contracts and commodity contracts. Fair values are based on market prices obtained from independent brokers or determined using valuation models that use as their basis readily observable market data that is actively quoted and can be validated through external sources, including independent pricing services, brokers and market transactions. Available for sale securities are valued based on quoted market prices in actively traded markets.

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11. Earnings Per Share

(in millions, except per share data)	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Net income, as reported	\$ 43.0	\$ 16.7	\$ 47.7	\$ 18.1
Weighted average shares outstanding:				
Basic	75.3	69.5	75.2	69.3
Dilutive share-based awards	1.1	2.4	1.1	1.9
Diluted	<u>76.4</u>	<u>71.9</u>	<u>76.3</u>	<u>71.2</u>
Earnings per share:				
Basic	\$ 0.57	\$ 0.24	\$ 0.63	\$ 0.26
Diluted	\$ 0.56	\$ 0.23	\$ 0.62	\$ 0.25

Stock options and warrants to purchase 3.4 million and 2.2 million shares of the Company's common stock at June 30, 2008 and 2007, respectively, had exercise prices that exceeded the average market price of the Company's common stock for the three months ended June 30, 2008 and 2007. As such, these share-based awards did not affect the computation of diluted earnings per share.

12. Comprehensive Income

The components of comprehensive income are as follows:

(in millions)	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Net income	\$ 43.0	\$ 16.7	\$ 47.7	\$ 18.1
Unrealized gain on investment	—	0.6	0.2	0.6
Derivative financial instruments	14.8	(1.9)	(0.3)	(3.5)
Foreign currency translation	0.7	8.1	32.5	11.2
Accrued benefit costs	(0.5)	(0.1)	(0.8)	(0.1)
Comprehensive income	<u>\$ 58.0</u>	<u>\$ 23.4</u>	<u>\$ 79.3</u>	<u>\$ 26.3</u>

13. Employee Benefit Plans

Components of Net Periodic Costs

Pension Benefits

(in millions)	Three months ended June 30,					
	2008			2007		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Service cost	\$ —	\$ 0.3	\$ 0.3	\$ 0.1	\$ 0.2	\$ 0.3
Interest cost	4.6	0.5	5.1	3.6	0.1	3.7
Expected return on plan assets	(4.6)	(0.3)	(4.9)	(3.2)	(0.1)	(3.3)
Amortization, net	—	—	—	0.1	—	0.1
Net periodic cost	<u>\$ —</u>	<u>\$ 0.5</u>	<u>\$ 0.5</u>	<u>\$ 0.6</u>	<u>\$ 0.2</u>	<u>\$ 0.8</u>

(in millions)	Six months ended June 30,					
	2008			2007		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Service cost	\$ 0.1	\$ 0.5	\$ 0.6	\$ 0.2	\$ 0.3	\$ 0.5
Interest cost	9.1	1.0	10.1	7.1	0.3	7.4
Expected return on plan assets	(9.2)	(0.6)	(9.8)	(6.4)	(0.2)	(6.6)
Amortization, net	—	—	—	0.2	—	0.2
Net periodic cost	<u>\$ —</u>	<u>\$ 0.9</u>	<u>\$ 0.9</u>	<u>\$ 1.1</u>	<u>\$ 0.4</u>	<u>\$ 1.5</u>

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Postretirement Benefits

(in millions)	Three months ended		Six months ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Service cost	\$ —	\$ 0.1	\$ 0.1	\$ 0.2
Interest cost	0.3	0.3	0.5	0.6
Amortization, net	(0.3)	(0.2)	(0.6)	(0.4)
Net periodic cost	<u>\$ —</u>	<u>\$ 0.2</u>	<u>\$ —</u>	<u>\$ 0.4</u>

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, the measurement date provisions of SFAS 158 require the measurement of defined benefit plan assets and obligations as of the date of the Company's fiscal year-end statement of financial position. These provisions are effective for fiscal years ending after December 15, 2008 with earlier application permitted.

The Company is required to adopt the measurement date provisions of SFAS 158 for the year ending December 31, 2008 and will use the second transition approach as defined by SFAS 158. This transition approach allows the Company to estimate the effects of the change by use of the measurements determined at September 30, 2007, as well as those used for the year ended December 31, 2007. The Company does not expect the adoption of the measurement date provisions of SFAS 158 to have a material affect on the consolidated financial position, results of operations or cash flows of the Company.

14. Reorganization and Acquisition-Related Integration Costs

For the three and six months ended June 30, 2008 and 2007, the Company recorded the following reorganization and acquisition-related integration costs:

(in millions)	Three months ended June 30, 2008			
	Employee Terminations	Other Charges	Impairment	Total
Charged to Results of Operations:				
Branded Consumables	\$ 2.1	\$ 0.2	\$ —	\$ 2.3
Outdoor Solutions	4.2	2.6	0.2	7.0
Process Solutions	0.3	0.3	—	0.6
Corporate	0.2	1.0	—	1.2
Subtotal	6.8	4.1	0.2	11.1
Capitalized as a Cost of Acquisition:				
Outdoor Solutions	2.1	3.6	—	5.7
Corporate	0.5	—	—	0.5
	<u>\$ 9.4</u>	<u>\$ 7.7</u>	<u>\$ 0.2</u>	<u>\$17.3</u>

(in millions)	Three months ended June 30, 2007			
	Employee Terminations	Other Charges	Impairment	Total
Charged to Results of Operations:				
Branded Consumables	\$ 0.1	\$ 1.7	\$ 0.2	\$2.0
Consumer Solutions	2.3	2.6	—	4.9
Outdoor Solutions	1.3	0.9	—	2.2
Corporate	0.2	0.1	—	0.3
	<u>\$ 3.9</u>	<u>\$ 5.3</u>	<u>\$ 0.2</u>	<u>\$9.4</u>

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<u>(in millions)</u>	<u>Six months ended June 30, 2008</u>			
	<u>Employee Terminations</u>	<u>Other Charges</u>	<u>Impairment</u>	<u>Total</u>
Charged to Results of Operations:				
Branded Consumables	\$ 2.6	\$ 0.9	\$ —	\$ 3.5
Outdoor Solutions	7.5	6.3	0.2	14.0
Process Solutions	1.6	0.5	—	2.1
Corporate	0.2	2.0	—	2.2
Subtotal	11.9	9.7	0.2	21.8
Capitalized as a Cost of Acquisition:				
Outdoor Solutions	2.4	3.6	—	6.0
Corporate	0.5	—	—	0.5
	<u>\$ 14.8</u>	<u>\$ 13.3</u>	<u>\$ 0.2</u>	<u>\$28.3</u>

<u>(in millions)</u>	<u>Six months ended June 30, 2007</u>			
	<u>Employee Terminations</u>	<u>Other Charges</u>	<u>Impairment</u>	<u>Total</u>
Charged to Results of Operations:				
Branded Consumables	\$ 0.4	\$ 3.2	\$ 0.4	\$ 4.0
Consumer Solutions	7.0	4.2	—	11.2
Outdoor Solutions	1.4	1.6	—	3.0
Corporate	0.2	0.1	—	0.3
	<u>\$ 9.0</u>	<u>\$ 9.1</u>	<u>\$ 0.4</u>	<u>\$18.5</u>

Capitalized Reorganization and Acquisition-Related Integration Costs

In connection with the Acquisition, management approved and initiated plans to restructure the operations of K2. These plans were contemplated at the time of acquisition and include, in part, the elimination of certain duplicative functions and vacating redundant facilities in order to reduce the combined cost structure of the Company. The capitalized costs incurred during 2008 primarily relate to workforce reductions associated with the elimination of duplicative functions and other exit costs resulting from the Acquisition. These costs are recognized as a liability assumed in the Acquisition and are included in the allocation of the cost to acquire K2 and are accrued within the Outdoor Solutions segment.

Branded Consumables Segment

In 2007, the Company initiated a plan to consolidate certain non-manufacturing processes across this segment's platform. This plan includes headcount reduction and facility consolidation. Prior to 2007, 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. Employee termination charges for the three and six months ended June 30, 2008 and 2007 primarily relate to these initiatives and substantially all employees under these initiatives have been terminated as of June 30, 2008.

For the three and six months ended June 30, 2008, other charges primarily consist of professional fees. For the three and six months ended June 30, 2007, other charges primarily consist of facility closing costs (\$0.6 and \$1.5, respectively) and other costs, primarily related to professional fees (\$1.1 and \$1.7, respectively).

Consumer Solutions Segment

As part of the acquisition of American Household, Inc. (the "AHI Acquisition") and The Holmes Group, Inc. (the "THG Acquisition"), each in 2005, 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 these 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 prior to 2007. This initiative was largely completed during 2007. Employee termination charges for the three and six months ended June 30, 2007 primarily relate to this plan. For the three and six months ended June 30, 2007, other charges primarily consist of professional fees (\$1.0 and \$2.5, respectively) and facility closing costs (\$1.6 and \$1.7, respectively). At June 30, 2008, approximately \$11 of costs (primarily lease obligations) remain accrued for this initiative.

Outdoor Solutions Segment

During 2007, the Company initiated plans to integrate certain businesses acquired from K2 and Pure Fishing. This plan includes, in part, facility closings and headcount reductions. Employee termination charges for the three and six months ended June 30, 2008 relate to the implementation of these initiatives.

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For the three and six months ended June 30, 2008, other charges, which result from the integration of K2 and Pure Fishing, include professional fees (\$1.6 and \$2.6, respectively), lease exits costs (\$0.6 and \$0.7, respectively) and other costs (\$0.4 and \$3.0, respectively), which are comprised primarily of contract termination fees and moving costs.

At June 30, 2008, \$8.7 of severance and other employee benefit-related costs and \$6.8 of other costs remain accrued for these initiatives.

Process Solutions Segment

During 2007, the Company initiated a plan to consolidate manufacturing facilities related to the plastics business. The plan is expected to result in facility closures and headcount reductions. Employee termination charges for the three months ended June 30, 2008 primarily relate to this plan.

Corporate Reorganization and Acquisition-Related Integration Costs

For the three and six months ended June 30, 2008, other charges are primarily due to the integration of certain corporate functions related to the Acquisition.

The following table sets forth the details and the activity related to reorganization and acquisition-related integration costs as of and for the six months ended June 30, 2008:

(in millions)	Accrual Balance at December 31, 2007	Reorganization and Acquisition-related Integration Costs, net				Accrual Balance at June 30, 2008
		Charged to Results of Operations	Capitalized as a Cost of Acquisition	Payments	Foreign Currency and Other	
Severance and other employee-related	\$ 11.6	\$ 11.9	\$ 2.9	\$ (10.2)	\$ (1.0)	\$ 15.2
Other costs	14.9	9.7	3.6	(12.6)	1.4	17.0
	<u>\$ 26.5</u>	<u>\$ 21.6</u>	<u>\$ 6.5</u>	<u>\$ (22.8)</u>	<u>\$ 0.4</u>	<u>\$ 32.2</u>
Impairment		0.2				
		<u>\$ 21.8</u>				

15. Segment Information

The Company and its chief operating decision makers use “segment earnings” to measure segment operating performance. During the first quarter of 2008, the Company modified the composition of segment earnings to include stock-based compensation. All prior periods have been reclassified to conform to the current presentation.

The Company reports four business segments: Outdoor Solutions, Consumer Solutions, Branded Consumables and Process Solutions. The Company’s sales are principally within the United States. The Company’s international operations are mainly based in Asia, Canada, Europe and Latin America.

In the Outdoor Solutions segment, the Company manufactures or sources, markets and distributes consumer active lifestyle products worldwide for use outside the home or away from the home under well-known brand names. The Company sells products for camping, backpacking, tailgating, outdoor cooking and other outdoor active lifestyle activities under the Campingaz® and Coleman® brand names. The Company sells personal flotation devices, water sports products and all-terrain vehicle equipment under brand names such as Stearns®, Sevylor®, Suspenders®, Hodgman®, and Mad Dog Gear®. The Company sells fishing equipment, under brand names such as Abu Garcia®, All Star®, Berkley®, Fenwick®, Gulp!®, JRC™, Mitchell®, Penn®, Pflueger®, Sevenstrand®, Shakespeare®, Spiderwire®, Stren®, Trilene®, Ugly Stik® and Xtools®. Baseball, softball, football, basketball and lacrosse products are sold under brand names such as deBeer®, Gait by deBeer®, Miken®, Rawlings® and Worth®. Alpine and nordic skiing, snowboarding, snowshoeing and in-line skating products are sold under brand names such as Atlas™, K2®, Line®, Little Bear®, Madshus®, Marker®, Morrow®, Ride®, Tubbs®, Völkl® and 5150 Snowboards®. The Company also sells high performance technical outdoor apparel and equipment under brand names such as Adio®, Ex Officio®, Marmot® and Planet Earth®.

In the Consumer Solutions segment, the Company manufactures or sources, markets and distributes and licenses rights to an array of innovative consumer products that are designed to improve consumers’ lives by enhancing sleep, health, personal care, cooking and other daily necessities with leading products such as coffeemakers, bedding, home vacuum packaging machines, heating pads, slow

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cookers, air cleaning products, fans and heaters and personal and animal grooming products, as well as related consumable products. The Company sells kitchen products under the well-known Crock-Pot®, FoodSaver®, Mr. Coffee®, Oster®, Rival®, Seal-a-Meal®, Sunbeam® and VillaWare® brand names. Personal care and grooming products are sold under the Health o meter®, Oster® and Sunbeam® brand names. The Company's portable air cleaning products are sold under the Bonaire® brand name, and its fans and heaters are sold under the Holmes® and Patton® brand names.

In the Branded Consumables segment, the Company manufactures or sources, markets and distributes a broad line of branded consumer products, many of which are affordable, consumable and fundamental household staples including arts and crafts paint brushes, children's card games, clothespins, collectible tins, firelogs and firestarters, home safety equipment, home canning jars, jar closures, kitchen matches, other craft items, plastic cutlery, playing cards and accessories, rope, cord and twine, storage and workshop accessories, toothpicks and other accessories. This segment markets our products under the Aviator®, Ball®, Bee®, Bernardin®, Bicycle®, BRK®, Crawford®, Diamond®, Dicon®, First Alert®, Forster®, Hoyle®, KEM®, Kerr®, Lehigh®, Leslie-Locke®, Loew Cornell® and Pine Mountain® brand names, among others.

The Process Solutions segment consists primarily of the Company's plastics business, which manufactures, markets and distributes a wide variety of plastic products, including jar closures, contact lens packaging, monofilament, plastic cutlery, refrigerator door liners, medical disposables and rigid packaging, and our zinc strip business, which is the largest producer of zinc strip and fabricated zinc products in North America, manufacturing a broad array of original equipment manufacturer such as coinage blanks for the U.S. Mint, Royal Canadian Mint, and international markets. The monofilament business, which produces nylon and polyester monofilament line used in various products, including woven mats used by paper producers and weed trimmer cutting line, as well as fiberglass radio antennas for marine, citizen band and military applications, is also reported within this Process Solutions segment.

Segment information as of and for the three and six months ended June 30, 2008 and 2007 is as follows:

(in millions)	Branded Consumables	Consumer Solutions	Outdoor Solutions	Process Solutions	Intercompany Eliminations	Total Operating Segments	Corporate/ Unallocated	Consolidated
Three months ended June 30, 2008								
Net sales	\$ 196.7	\$ 380.3	\$ 708.6	\$ 91.9	\$ (17.5)	\$1,360.0	\$ —	\$ 1,360.0
Segment earnings (loss)	\$ 26.4	\$ 41.1	\$ 97.5	\$ 11.4	\$ —	\$ 176.4	\$ (22.3)	\$ 154.1
<i>Adjustments to reconcile to reported operating earnings (loss):</i>								
Reorganization and acquisition-related integration costs, net	(2.3)	—	(7.0)	(0.6)	—	(9.9)	(1.2)	(11.1)
Depreciation and amortization	(4.2)	(6.4)	(15.7)	(3.1)	—	(29.4)	(0.4)	(29.8)
Operating earnings (loss)	\$ 19.9	\$ 34.7	\$ 74.8	\$ 7.7	\$ —	\$ 137.1	\$ (23.9)	\$ 113.2
<i>Other segment data:</i>								
Total assets	\$ 1,104.8	\$1,773.2	\$2,802.7	\$ 206.3	\$ —	\$5,887.0	\$ 129.0	\$ 6,016.0

(in millions)	Branded Consumables	Consumer Solutions	Outdoor Solutions	Process Solutions	Intercompany Eliminations	Total Operating Segments	Corporate/ Unallocated	Consolidated
Three months ended June 30, 2007								
<i>(reclassified)</i>								
Net sales	\$ 194.1	\$ 366.5	\$ 417.1	\$ 88.3	\$ (15.9)	\$1,050.1	\$ —	\$ 1,050.1
Segment earnings (loss)	\$ 29.8	\$ 36.7	\$ 68.9	\$ 9.1	\$ —	\$ 144.5	\$ (24.2)	\$ 120.3
<i>Adjustments to reconcile to reported operating earnings (loss):</i>								
Reorganization and acquisition-related integration costs, net	(2.0)	(4.9)	(2.2)	—	—	(9.1)	(0.3)	(9.4)
Fair value inventory adjustment	—	—	(27.1)	—	—	(27.1)	—	(27.1)
Depreciation and amortization	(4.1)	(6.6)	(7.4)	(2.1)	—	(20.2)	(0.5)	(20.7)
Operating earnings (loss)	\$ 23.7	\$ 25.2	\$ 32.2	\$ 7.0	\$ —	\$ 88.1	\$ (25.0)	\$ 63.1

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<u>(in millions)</u>	<u>Branded Consumables</u>	<u>Consumer Solutions</u>	<u>Outdoor Solutions</u>	<u>Process Solutions</u>	<u>Intercompany Eliminations</u>	<u>Total Operating Segments</u>	<u>Corporate/ Unallocated</u>	<u>Consolidated</u>
Six months ended June 30, 2008								
Net sales	\$ 365.8	\$ 699.6	\$ 1,366.9	\$ 180.8	\$ (35.7)	\$ 2,577.4	\$ —	\$ 2,577.4
Segment earnings (loss)	\$ 40.2	\$ 78.2	\$ 156.7	\$ 20.5	\$ —	\$ 295.6	\$ (44.4)	\$ 251.2
<i>Adjustments to reconcile to reported operating earnings (loss):</i>								
Reorganization and acquisition-related integration costs, net	(3.5)	—	(14.0)	(2.1)	—	(19.6)	(2.2)	(21.8)
Depreciation and amortization	(8.4)	(12.9)	(30.9)	(6.1)	—	(58.3)	(0.6)	(58.9)
Operating earnings (loss)	<u>\$ 28.3</u>	<u>\$ 65.3</u>	<u>\$ 111.8</u>	<u>\$ 12.3</u>	<u>\$ —</u>	<u>\$ 217.7</u>	<u>\$ (47.2)</u>	<u>\$ 170.5</u>

<u>(in millions)</u>	<u>Branded Consumables</u>	<u>Consumer Solutions</u>	<u>Outdoor Solutions</u>	<u>Process Solutions</u>	<u>Intercompany Eliminations</u>	<u>Total Operating Segments</u>	<u>Corporate/ Unallocated</u>	<u>Consolidated</u>
Six months ended June 30, 2007 (reclassified)								
Net sales	\$ 375.3	\$ 724.4	\$ 630.0	\$ 174.0	\$ (32.7)	\$ 1,871.0	\$ —	\$ 1,871.0
Segment earnings (loss)	\$ 46.3	\$ 76.3	\$ 90.9	\$ 16.5	\$ —	\$ 230.0	\$ (41.4)	\$ 188.6
<i>Adjustments to reconcile to reported operating earnings (loss):</i>								
Reorganization and acquisition-related integration costs, net	(4.0)	(11.2)	(3.0)	—	—	(18.2)	(0.3)	(18.5)
Fair value inventory adjustment	—	—	(27.1)	—	—	(27.1)	—	(27.1)
Depreciation and amortization	(8.3)	(13.7)	(11.7)	(4.4)	—	(38.1)	(0.8)	(38.9)
Operating earnings (loss)	<u>\$ 34.0</u>	<u>\$ 51.4</u>	<u>\$ 49.1</u>	<u>\$ 12.1</u>	<u>\$ —</u>	<u>\$ 146.6</u>	<u>\$ (42.5)</u>	<u>\$ 104.1</u>

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16. Condensed Consolidating Financial Statements

The Company's 7 1/2% Senior Subordinated Notes are fully guaranteed, jointly and severally, by certain 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. Presented below is the condensed consolidating financial statements of the Company ("Parent"), the Guarantor Subsidiaries and the Non-Guarantor Subsidiaries on a consolidated basis as of June 30, 2008 and December 31, 2007 and for the three and six months ended June 30, 2008 and 2007.

Condensed Consolidating Statements of Income

(in millions)	Three months ended June 30, 2008				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	\$ —	\$ 912.1	\$ 500.5	\$ (52.6)	\$ 1,360.0
Costs and expenses	17.8	827.7	453.9	(52.6)	1,246.8
Operating (loss) earnings	(17.8)	84.4	46.6	—	113.2
Other expense, net	40.2	15.7	14.3	—	70.2
Equity in the income of subsidiaries	101.0	31.4	—	(132.4)	—
Net income (loss)	<u>\$ 43.0</u>	<u>\$ 100.1</u>	<u>\$ 32.3</u>	<u>\$ (132.4)</u>	<u>\$ 43.0</u>

(in millions)	Three months ended June 30, 2007				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	\$ —	\$ 795.6	\$ 297.5	\$ (43.0)	\$ 1,050.1
Costs and expenses	21.0	744.9	264.1	(43.0)	987.0
Operating (loss) earnings	(21.0)	50.7	33.4	—	63.1
Other expense, net	30.4	11.1	4.9	—	46.4
Equity in the income of subsidiaries	68.1	23.8	—	(91.9)	—
Net income (loss)	<u>\$ 16.7</u>	<u>\$ 63.4</u>	<u>\$ 28.5</u>	<u>\$ (91.9)</u>	<u>\$ 16.7</u>

(in millions)	Six months ended June 30, 2008				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	\$ —	\$ 1,685.8	\$ 987.3	\$ (95.7)	\$ 2,577.4
Costs and expenses	39.1	1,550.6	912.9	(95.7)	2,406.9
Operating (loss) earnings	(39.1)	135.2	74.4	—	170.5
Other expense, net	82.7	10.0	30.1	—	122.8
Equity in the income of subsidiaries	169.5	43.5	—	(213.0)	—
Net income (loss)	<u>\$ 47.7</u>	<u>\$ 168.7</u>	<u>\$ 44.3</u>	<u>\$ (213.0)</u>	<u>\$ 47.7</u>

(in millions)	Six months ended June 30, 2007				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	\$ —	\$ 1,392.8	\$ 559.4	\$ (81.2)	\$ 1,871.0
Costs and expenses	39.0	1,316.0	493.1	(81.2)	1,766.9
Operating (loss) earnings	(39.0)	76.8	66.3	—	104.1
Other expense, net	68.8	(0.6)	17.8	—	86.0
Equity in the income of subsidiaries	125.9	47.0	—	(172.9)	—
Net income (loss)	<u>\$ 18.1</u>	<u>\$ 124.4</u>	<u>\$ 48.5</u>	<u>\$ (172.9)</u>	<u>\$ 18.1</u>

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Condensed Consolidating Balance Sheets

(in millions)	As of June 30, 2008				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Current assets	\$ 107.7	\$ 1,144.5	\$ 1,423.6	\$ (2.9)	\$ 2,672.9
Investment in subsidiaries	4,439.8	696.8	—	(5,136.6)	—
Non-current assets	146.7	3,709.2	309.0	(821.8)	3,343.1
Total assets	<u>\$4,694.2</u>	<u>\$ 5,550.5</u>	<u>\$ 1,732.6</u>	<u>\$ (5,961.3)</u>	<u>\$ 6,016.0</u>
Liabilities and stockholders' equity					
Current liabilities	\$ 66.4	\$ 623.5	\$ 663.7	\$ (1.4)	\$ 1,352.2
Non-current liabilities	3,006.1	555.1	304.2	(823.3)	3,042.1
Stockholders' equity	1,621.7	4,371.9	764.7	(5,136.6)	1,621.7
Total liabilities and stockholders' equity	<u>\$4,694.2</u>	<u>\$ 5,550.5</u>	<u>\$ 1,732.6</u>	<u>\$ (5,961.3)</u>	<u>\$ 6,016.0</u>

(in millions)	As of December 31, 2007				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Current assets	\$ 67.3	\$ 1,012.7	\$ 1,470.9	\$ (0.7)	\$ 2,550.2
Investment in subsidiaries	4,268.9	819.4	—	(5,088.3)	—
Non-current assets	97.5	3,530.0	255.2	(564.8)	3,317.9
Total assets	<u>\$4,433.7</u>	<u>\$ 5,362.1</u>	<u>\$ 1,726.1</u>	<u>\$ (5,653.8)</u>	<u>\$ 5,868.1</u>
Liabilities and stockholders' equity					
Current liabilities	\$ 89.6	\$ 606.7	\$ 584.1	\$ —	\$ 1,280.4
Non-current liabilities	2,805.5	513.4	295.7	(565.5)	3,049.1
Stockholders' equity	1,538.6	4,242.0	846.3	(5,088.3)	1,538.6
Total liabilities and stockholders' equity	<u>\$4,433.7</u>	<u>\$ 5,362.1</u>	<u>\$ 1,726.1</u>	<u>\$ (5,653.8)</u>	<u>\$ 5,868.1</u>

Condensed Consolidating Statements of Cash Flows

(in millions)	Six months ended June 30, 2008				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash provided by (used in) operating activities	<u>\$ (634.6)</u>	<u>\$ 619.4</u>	<u>\$ 82.0</u>	<u>\$ —</u>	<u>\$ 66.8</u>
Financing activities:					
Net change in short-term debt	30.5	—	18.2	—	48.7
Proceeds (payments) from (to) intercompany transactions	675.7	(582.2)	(93.5)	—	—
Proceeds from issuance of long-term debt	25.0	—	—	—	25.0
Payments on long-term debt	(16.1)	—	(0.1)	—	(16.2)
Issuance (repurchase) of common stock, net	(9.0)	—	—	—	(9.0)
Other	(2.2)	—	(2.5)	—	(4.7)
Net cash provided by (used in) financing activities	<u>703.9</u>	<u>(582.2)</u>	<u>(77.9)</u>	<u>—</u>	<u>43.8</u>
Investing Activities:					
Additions to property, plant and equipment	(0.9)	(35.3)	(9.1)	—	(45.3)
Acquisition of business and consideration, net of cash acquired	(28.1)	—	(1.0)	—	(29.1)
Other	—	(0.6)	(6.8)	—	(7.4)
Net cash used in investing activities	<u>(29.0)</u>	<u>(35.9)</u>	<u>(16.9)</u>	<u>—</u>	<u>(81.8)</u>
Effect of exchange rate changes on cash	—	—	5.7	—	5.7
Net increase (decrease) in cash and cash equivalents	40.3	1.3	(7.1)	—	34.5
Cash and cash equivalents at beginning of period	59.3	10.7	150.5	—	220.5
Cash and cash equivalents at end of period	<u>\$ 99.6</u>	<u>\$ 12.0</u>	<u>\$ 143.4</u>	<u>\$ —</u>	<u>\$ 255.0</u>

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Six months ended June 30, 2007

(in millions)	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Net cash provided by (used in) operating activities	\$ (67.4)	\$ 56.3	\$ 29.0	\$ —	\$ 17.9
Financing activities:					
Net change in short-term debt	—	—	57.6	—	57.6
Proceeds (payments) from (to) intercompany transactions	100.4	(18.0)	(82.4)	—	—
Proceeds from issuance of long-term debt	650.0	—	—	—	650.0
Payments on long-term debt	(384.4)	(0.2)	(9.1)	—	(393.7)
Issuance (repurchase) of common stock, net	(14.7)	—	—	—	(14.7)
Other	(31.5)	—	(0.4)	—	(31.9)
Net cash provided by (used in) financing activities	<u>319.8</u>	<u>(18.2)</u>	<u>(34.3)</u>	<u>—</u>	<u>267.3</u>
Investing Activities:					
Additions to property, plant and equipment	(4.3)	(24.4)	(8.6)	—	(37.3)
Acquisition of business and consideration, net of cash acquired	(331.9)	—	—	—	(331.9)
Other	(31.0)	(0.2)	—	—	(31.2)
Net cash used in investing activities	<u>(367.2)</u>	<u>(24.6)</u>	<u>(8.6)</u>	<u>—</u>	<u>(400.4)</u>
Effect of exchange rate changes on cash	—	—	0.3	—	0.3
Net increase (decrease) in cash and cash equivalents	(114.8)	13.5	(13.6)	—	(114.9)
Cash and cash equivalents at beginning of period	125.8	0.4	76.4	—	202.6
Cash and cash equivalents at end of period	<u>\$ 11.0</u>	<u>\$ 13.9</u>	<u>\$ 62.8</u>	<u>\$ —</u>	<u>\$ 87.7</u>

The amounts reflected as proceeds (payments) from (to) 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, the Company 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, the Company's actual results could differ materially. In order to comply with the terms of the safe harbor, the Company notes 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.

The Company undertakes 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 the Company's Forms 10-Q, 8-K and 10-K reports to the SEC. Please see the Company's Annual Report on Form 10-K for the year ended December 31, 2007 for a list of factors which could cause the Company's actual results to differ materially from those projected in the Company's forward-looking statements and certain risks and uncertainties that may affect the operations, performance and results of the Company's businesses. 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

The Company and its chief operating decision makers use "segment earnings" to measure segment operating performance. During the first quarter of 2008, the Company modified the composition of segment earnings to include stock-based compensation. All prior periods have been reclassified to conform to the current presentation.

The Company reports four business segments: Outdoor Solutions, Consumer Solutions, Branded Consumables and Process Solutions. The Company's sales are principally within the United States. The Company's international operations are mainly based in Asia, Canada, Europe and Latin America.

In the Outdoor Solutions segment, the Company manufactures or sources, markets and distributes consumer active lifestyle products worldwide for use outside the home or away from the home under well-known brand names. The Company sells products for camping, backpacking, tailgating, outdoor cooking and other outdoor active lifestyle activities under the Campingaz[®] and Coleman[®] brand names. The Company sells personal flotation devices, water sports products and all-terrain vehicle equipment under brand names such as Stearns[®], Sevylor[®], Sospenders[®], Hodgman[®], and Mad Dog Gear[®]. The Company sells fishing equipment, under brand names such as Abu Garcia[®], All Star[®], Berkley[®], Fenwick[®], Gulp![®], JRC[™], Mitchell[®], Penn[®], Pflueger[®], Sevenstrand[®], Shakespeare[®], Spiderwire[®], Stren[®], Trilene[®], Ugly Stik[®] and Xtools[®]. Baseball, softball, football, basketball and lacrosse products are sold under brand names such as deBeer[®], Gait by deBeer[®], Miken[®], Rawlings[®] and Worth[®]. Alpine and nordic skiing, snowboarding, snowshoeing and in-line skating products are sold under brand names such as Atlas[™], K2[®], Line[®], Little Bear[®], Madshus[®], Marker[®], Morrow[®], Ride[®], Tubbs[®], Völkl[®] and 5150 Snowboards[®]. The Company also sells high performance technical outdoor apparel and equipment under brand names such as Adio[®], Ex Officio[®], Marmot[®] and Planet Earth[®].

In the Consumer Solutions segment, the Company manufactures or sources, markets and distributes and licenses rights to an array of innovative consumer products that are designed to improve consumers' lives by enhancing sleep, health, personal care, cooking and other daily necessities with leading products such as coffeemakers, bedding, home vacuum packaging machines, heating pads, slow cookers, air cleaning products, fans and heaters and personal and animal grooming products, as well as related consumable products. The Company sells kitchen products under the well-known Crock-Pot[®], FoodSaver[®], Mr. Coffee[®], Oster[®], Rival[®], Seal-a-Meal[®], Sunbeam[®] and VillaWare[®] brand names. Personal care and grooming products are sold under the Health o meter[®], Oster[®] and Sunbeam[®] brand names. The Company's portable air cleaning products are sold under the Bionaire[®] brand name, and its fans and heaters are sold under the Holmes[®] and Patton[®] brand names.

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In the Branded Consumables segment, the Company manufactures or sources, markets and distributes a broad line of branded consumer products, many of which are affordable, consumable and fundamental household staples including arts and crafts paint brushes, children's card games, clothespins, collectible tins, firelogs and firestarters, home safety equipment, home canning jars, jar closures, kitchen matches, other craft items, plastic cutlery, playing cards and accessories, rope, cord and twine, storage and workshop accessories, toothpicks and other accessories. This segment markets its products under the Aviator®, Ball®, Bee®, Bernardin®, Bicycle®, BRK®, Crawford®, Diamond®, Dicon®, First Alert®, Forster®, Hoyle®, KEM®, Kerr®, Lehigh®, Leslie-Locke®, Loew Cornell® and Pine Mountain® brand names, among others.

The Process Solutions segment consists primarily of the Company's plastics business, which manufactures, markets and distributes a wide variety of plastic products, including jar closures, contact lens packaging, monofilament, plastic cutlery, refrigerator door liners, medical disposables and rigid packaging, and the zinc strip business, which is the largest producer of zinc strip and fabricated zinc products in North America, manufacturing a broad array of original equipment manufacturer such as coinage blanks for the U.S. Mint, Royal Canadian Mint, and international markets. The monofilament business, which produces nylon and polyester monofilament line used in various products, including woven mats used by paper producers and weed trimmer cutting line, as well as fiberglass radio antennas for marine, citizen band and military applications, is also reported within this Process Solutions segment.

Acquisitions

2007 Activity

On April 6, 2007, the Company acquired Pure Fishing, Inc. ("Pure Fishing"), a leading global provider of fishing tackle marketed under well-known fishing brands including Abu-Garcia®, Berkley®, Gulp!®, Mitchell®, Stren® and Trilene®. The consideration consisted of \$300 million in cash, a \$100 million five year subordinated note with a 2% coupon and a warrant exercisable into approximately 2.2 million shares of Jarden common stock with an initial exercise price of \$45.32 per share (subject to adjustment as provided therein). In addition to the upfront purchase price, a contingent purchase price payment of up to \$50 million based on the future financial performance of the acquired business may be paid and in April 2008, approximately \$25 million of this amount was paid. The Company's results of operations include the results of Pure Fishing from April 6, 2007.

On August 8, 2007, the Company acquired all the outstanding shares of K2 Inc. ("K2"), a leading provider of branded consumer products in the global sports equipment market in exchange for consideration of \$10.85 in cash per share of K2 common stock and 0.1118 of a share of Jarden common stock for each share of K2 common stock issued and outstanding. The total value of the transaction, including debt assumed, was approximately \$1.2 billion. The aggregate consideration to the K2 shareholders was approximately \$701 million and was comprised of a cash payment of approximately \$517 million and the issuance of approximately 5.3 million common shares of the Company with a fair value of approximately \$184 million. The Company's results of operations include the results of K2 from August 8, 2007.

The differences in the results from operations for 2008 versus 2007 are primarily due to the K2 and Pure Fishing acquisitions.

Results of Operations—Comparing 2008 to 2007

	Net Sales			
	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
	(in millions)			
Branded Consumables	\$ 196.7	\$ 194.1	\$ 365.8	\$ 375.3
Consumer Solutions	380.3	366.5	699.6	724.4
Outdoor Solutions	708.6	417.1	1,366.9	630.0
Process Solutions	91.9	88.3	180.8	174.0
Intercompany eliminations ⁽¹⁾	(17.5)	(15.9)	(35.7)	(32.7)
	<u>\$1,360.0</u>	<u>\$1,050.1</u>	<u>\$2,577.4</u>	<u>\$1,871.0</u>

Three Months Ended June 30 2008 versus the Three Months Ended June 30, 2007

Net sales for the three months ended June 30, 2008 increased \$310 million, or 29.5%, to \$1.4 billion versus the same period in the prior year. The overall increase in net sales was primarily due to the acquisition of K2, which is in the process of being integrated primarily into the Outdoor Solutions segment. Net sales in the Outdoor Solutions segment increased \$292 million, driven by the inclusion of the acquired K2 business and organic sales growth of approximately 1% in the legacy Coleman business. Net sales in the Consumer Solutions segment grew organically \$13.7 million or 3.8%, which was primarily due to increased demand and improved pricing internationally, partially offset by weakness in domestic sales in most categories, primarily as result of overall economic weakness at retail and a reduction in sales of certain product lines ahead of new product introductions. Net sales in the Branded Consumables segment grew organically \$2.6 million or 1.3%, which is mainly attributed to improved home canning and serviceware

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sales, partially offset by overall weakness at retail, primarily at domestic home improvement retailers. The Process Solutions segment grew 4.1% on a year over year basis, primarily due to the inclusion of the K2 monofilament business, partially offset by a reduction in the zinc business, primarily due to a 42% decline in the average price of zinc during the second quarter of 2008 as compared to the same prior year period.

Cost of sales increased \$192 million to \$979 million for the three months ended June 30, 2008 versus the same period in the prior year, primarily due to the acquisitions of K2 and Pure Fishing, partially offset by the inclusion of a \$27.1 million charge during the three months ended June 30, 2007 related to the purchase accounting adjustment for the elimination of manufacturer's profit in inventory related to the Pure Fishing acquisition. Cost of sales as a percentage of net sales for the three months ended June 30, 2008 and 2007 was 72.0% and 74.9%, respectively (72.3% for the three months ended June 30, 2007 excluding the charge for the elimination of manufacturer's profit in inventory). The change is primarily due to the elimination of the manufacturer's profit in inventory in 2007, higher margins from acquired businesses, price increases and benefits from prior reorganization and integration programs, offset by rising commodity and transportation costs.

Selling, general and administrative expenses increased \$66.0 million to \$257 million for the three months ended June 30, 2008 versus the same period in the prior year. The increase was primarily due to the acquisitions of K2 and Pure Fishing. Included in selling, general and administrative expenses during the quarter was income and expenses from the settlement of various litigation, the non-tax related expense of repatriating foreign cash and expenses relating to certain product liability exposures.

Reorganization and acquisition-related integration costs, net, increased \$1.7 million to \$11.1 million for the three months ended June 30, 2008 versus the same period in the prior year. The majority of these charges (\$7.0 million) relate to ongoing integration-related activities at Outdoor Solutions principally as a result of the K2 and Pure Fishing acquisitions. During the three months ended June 30, 2008, the Company also recorded reorganization and acquisition-related integration costs (\$2.9 million) within the Branded Consumables and Process Solutions segments that primarily relate to the consolidation of manufacturing facilities and headcount reductions. The 2007 reorganization and acquisition-related integration costs related primarily to Consumer Solutions; there were no such costs in the second quarter of 2008 as this reorganization has been completed.

Net interest expense increased by \$9.9 million to \$42.6 million for the three months ended June 30, 2008 versus the same prior year period. This increase was principally due to higher levels of outstanding debt versus the same prior year period. The weighted average interest rate for 2008 decreased to 6.1% from 6.8% in 2007, primarily due to reductions in LIBOR during this period.

The Company's reported tax rate for the three months ended June 30, 2008 and 2007 was 39.1% and 43.5%, respectively. The difference from the statutory tax rate to the reported rate for the three months ended June 30, 2008 results principally from U.S. tax expense of \$1.7 million recognized on undistributed foreign income. The reported tax rate for the three months ended June 30, 2007 differs from the statutory rate principally as a result of a \$2.3 million tax charge recorded on the repatriation of foreign dividends.

Net income for the three months ended June 30, 2008 increased \$26.3 million to \$43.0 million versus the same period in the prior year. For the three months ended June 30, 2008 and 2007 diluted earnings per share were \$0.56 and \$0.23, respectively. The 157% increase in net income was primarily due to incremental earnings resulting from volume increases and margin expansion due to acquisitions, an incremental decrease in stock-based compensation expense (\$5.6 million) and the charge recorded during the three months ended June 30, 2007 related to the purchase accounting adjustment for the elimination of manufacturer's profit in inventory related to the Pure Fishing acquisition (\$27.1 million).

Six Months Ended June 30 2008 versus the Six Months Ended June 30, 2007

Net sales for the six months ended June 30, 2008 increased \$706 million, or 37.8%, to \$2.6 billion versus the same period in the prior year. The overall increase in net sales was primarily due to the acquisitions of K2 and Pure Fishing, which are in the process of being integrated primarily into the Outdoor Solutions segment. Net sales in the Outdoor Solutions segment increased \$736 million, driven by the inclusion of the acquired K2 and Pure Fishing businesses and organic growth in the legacy Coleman business (approximately 4%). The organic growth was primarily due to new product sales, favorable foreign currency translation and overall pricing and volume increases. Net sales in the Consumer Solutions segment decreased \$24.8 million or 3.4%, which was primarily due to weakness in domestic sales in most categories, primarily as result of overall economic weakness at retail and a reduction in sales of certain product lines ahead of new product introductions, partially offset by increased demand and improved pricing internationally. Net sales in the Branded Consumables segment decreased \$9.5 million or 2.5%, which is mainly attributed to overall weakness at retail, primarily at domestic home improvement retailers. The Process Solutions segment grew 3.9% on a year over year basis, primarily due to the inclusion of the K2 monofilament business, partially offset by a decline in the zinc business, primarily due to lower coinage sales, which is typical in a recessionary environment, and a 42% decline in the average price of zinc during the second quarter of 2008 as compared to the same prior year period.

Cost of sales increased \$462 million to \$1.9 billion for the six months ended June 30, 2008 versus the same period in the prior year, primarily due to the acquisitions of K2 and Pure Fishing, partially offset by the inclusion of a \$27.1 million charge during the six

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months ended June 30, 2007 related to the purchase accounting adjustment for the elimination of manufacturer's profit in inventory related to the Pure Fishing acquisition. Cost of sales as a percentage of net sales for the six months ended June 30, 2008 and 2007 was 72.5% and 75.2%, respectively (73.7% for the six months ended June 30, 2007 excluding the charge for the elimination of manufacturer's profit in inventory). The improvement is primarily due to the elimination of the manufacturer's profit in inventory in 2007, higher margins from acquired businesses, price increases and benefits from prior reorganization and integration programs, partially offset by rising commodity and transportation costs.

Selling, general and administrative expenses increased \$175 million to \$516 million for the six months ended June 30, 2008 versus the same period in the prior year. The increase was primarily due to acquisitions of K2 and Pure Fishing.

Reorganization and acquisition-related integration costs, net, increased \$3.3 million to \$21.8 million for the six months ended June 30, 2008 versus the same period in the prior year. The majority of these charges (\$14.0 million) relate to ongoing integration-related activities at Outdoor Solutions principally as a result of the K2 and Pure Fishing acquisitions. During the six months ended June 30, 2008, the Company also recorded reorganization and acquisition-related integration costs (\$5.6 million) within the Branded Consumables and Process Solutions segments that primarily relate to the consolidation of manufacturing facilities and headcount reductions. The 2007 reorganization and acquisition-related integration costs related primarily to Consumer Solutions; there were no such costs in 2008 as this reorganization has been completed.

Net interest expense increased by \$31.1 million to \$88.8 million for the six months ended June 30, 2008 versus the same prior year period. This increase was principally due to higher levels of outstanding debt versus the same prior year period. The weighted average interest rate for 2008 decreased to 6.4% from 7.0% in 2007, primarily due to reductions in LIBOR during this period.

The Company's reported tax rate for the six months ended June 30, 2008 and 2007 was 41.6% and 41.0%, respectively. The difference from the statutory tax rate to the reported rate for the six months ended June 30, 2008 results principally from U.S. tax expense of \$3.8 million recognized on undistributed foreign income. The reported tax rate for the six months ended June 30, 2007 differs from the statutory rate principally as a result of a \$2.3 million tax charge recorded on the repatriation of foreign dividends.

Net income for the six months ended June 30, 2008 increased \$29.6 million to \$47.7 million versus the same period in the prior year. For the six months ended June 30, 2008 and 2007 diluted earnings per share were \$0.62 and \$0.25, respectively. The 164% increase in net income was primarily due to incremental earnings resulting from volume increases and margin expansion due to acquisitions, an incremental decrease in stock-based compensation expense (\$6.4 million) and the charge recorded during the six months ended June 30, 2007 related to the purchase accounting adjustment for the elimination of manufacturer's profit in inventory related to the Pure Fishing acquisition (\$27.1 million), partially offset by incremental acquisition-related interest expense recorded in 2008.

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

The Company believes that its cash and cash equivalents, cash generated from operations and the availability under its senior credit facility and the credit facilities of certain foreign subsidiaries as of June 30, 2008, 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 in operating activities for the six months ended June 30, 2008 and 2007 was \$66.8 million and \$17.9 million, respectively. The improvement is primarily due to the K2 and Pure Fishing acquisitions.

Net cash provided by financing activities for the six months ended June 30, 2008 and 2007 was \$43.8 million and \$267 million, respectively. The change is primarily due to the issuance of long-term debt during 2007 (\$650 million), partially offset by long-term debt payments (\$394 million) in 2007, an incremental decrease in debt issue costs in 2008 (\$29.7 million) and an incremental decrease in the repurchase common stock and shares tendered for taxes (\$14.0 million).

Net cash used in investing activities for the six months ended June 30, 2008 was \$81.8 million versus \$400 million for the same period in 2007. For the six months ended June 30, 2008, capital expenditures were \$45.3 million versus \$37.3 million for the same period in 2007. The Company has historically maintained capital expenditures at less than 2% of net sales and expects that capital expenditures for 2008 will be consistent with this threshold. Cash used for the acquisition of businesses and consideration paid for the six months ended June 30, 2008 was \$29.1 million versus \$332 million for the same period in 2007.

CAPITAL RESOURCES

At June 30, 2008, there was no amount outstanding under the revolving credit portion of the Company's senior credit facility (the "Facility"). At June 30, 2008, net availability under the Facility was approximately \$194 million, after deducting approximately \$31

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million of outstanding letters of credit. The Company is required to pay commitment fees on the unused balance of the revolving credit facility. At June 30, 2008, the annual commitment fee on unused balances was 0.375%. During May 2008, the Company borrowed an additional \$25 million from an existing term loan under the Facility. This term loan matures in 2012 and bears interest at LIBOR plus 250 basis points.

The Company maintains a \$250 million receivables purchase agreement (the "Securitization Facility"), which is subject to annual renewal, bears interest at a margin over the commercial paper rate and is accounted for as a borrowing. Under the Securitization Facility, substantially all of the Company's Outdoor Solutions, Consumer Solutions and Branded Consumables domestic 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 will be drawn upon and repaid as needed to fund general corporate purposes. At June 30, 2008, the Company's Securitization Facility was fully utilized with outstanding borrowings totaling \$250 million. The Securitization Facility is subject to annual renewal. In July 2008, the Company entered into an amendment to the Securitization Facility that extended it for another year until July 13, 2009. Following the renewal, the borrowing rate margin is 150 basis points and the unused line fee is 0.50% per annum. The Securitization Facility is reflected as a short-term borrowing on the Company's balance sheet because of its annual term.

Certain foreign subsidiaries of the Company maintain working capital lines of credit with their respective local financial institutions for use in operating activities. At June 30, 2008, the aggregate amount available under these lines of credit totaled approximately \$111 million.

During January 2008, the Company entered into an additional \$200 million notional amount swap agreement that exchanges variable interest rates (LIBOR) for a 3.7% fixed rate of interest over the term of the agreement, which matures on December 31, 2010. The Company has designated this swap as a cash flow hedge of the interest rate risk attributable to forecasted variable interest (LIBOR) payments.

The Company was not in default of any of its debt covenants at June 30, 2008.

The Company maintains international cash balances which at times may be significant. At June 30, 2008, approximately \$21 million of this may be subject to certain availability restrictions. The Company does not believe that such restrictions will materially affect the Company's liquidity, nor does the Company rely on these cash balances to fund operations outside of the country where the cash was generated.

Risk Management

From time to time the Company enters into derivative transactions primarily to hedge its exposures to interest rate and foreign currency fluctuations. The Company does not enter into derivative transactions for speculative purposes.

The Company manages its fixed and floating rate debt mix using interest rate swaps. The Company uses 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.

In May 2008, in order to mitigate the effect that the rising cost of crude oil has on the cost of certain of the Company's raw materials, the Company entered into a combination of derivative financial instruments on approximately 113,000 barrels of crude oil that mature on September 30, 2008. These derivatives provide the Company with maximum cost certainty, while also allowing the Company to benefit should the cost of crude oil fall below certain dollar per barrel levels. These derivatives are not designated as effective hedges for accounting purposes. Fair market value gains or losses are included in the results of operations and as of June 30, 2008 their aggregate fair market value was an asset of \$1.7 million.

Cash Flow Hedges

At June 30, 2008, the Company had approximately \$1.1 billion of notional amount outstanding in swap agreements that exchange variable interest rates (LIBOR) for fixed interest rates over the terms of the agreements and are designated as cash flow hedges of the interest rate risk attributable to forecasted variable interest payments. The effective portion of the after tax fair value gains or losses on these swaps is included as a component of accumulated other comprehensive income. The fair market value of these swaps was a liability of \$17.0 million at June 30, 2008.

At June 30, 2008, the Company had outstanding a \$40 million notional amount swap agreement that exchanges a variable interest rate (LIBOR) for fixed rate of interest over the term of the agreement that is not designated as an effective hedge for accounting purposes and the fair market value gains or losses are included in the results of operations. This swap matures June 30, 2010 and has a fixed rate of interest of 4.79%. The fair market value of this swap was a liability of \$1.0 million at June 30, 2008.

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Fair Value Hedges

At June 30, 2008, the Company had a \$27.8 million notional amount cross-currency swap outstanding that exchanges Canadian dollars for U.S. dollars. This swap 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). This swap is designated as fair value hedge on a U.S. dollar based term loan of a Canadian subsidiary. The fair market value of this cross-currency swap at June 30, 2008, was a liability of \$4.7 million, with a corresponding offset to long-term debt.

Forward Foreign Currency Contracts

The Company uses forward foreign currency contracts (“foreign currency contracts”) to mitigate the foreign currency exchange rate exposure on the cash flows related to forecasted inventory purchases and sales. The derivatives used to hedge these forecasted transactions that meet the criteria for hedge accounting are accounted for as cash flow hedges. The effective portion of the gains or losses on these derivatives is deferred as a component of accumulated other comprehensive income and is recognized in earnings at the same time that the hedged item affects earnings and is included in the same caption in the statement of operations as the underlying hedged item. At June 30, 2008, the Company had approximately \$306 million notional amount of foreign currency contracts outstanding that are designated as cash flow hedges of forecasted inventory purchases and sales and mature through 2009. At June 30, 2008, the fair market value of these contracts was a net liability of \$3.7 million.

At June 30, 2008, the Company had outstanding approximately \$65 million notional amount of foreign currency contracts that are not designated as effective hedges for accounting purposes and have maturity dates through 2008. Fair market value gains or losses are included in the results of operations. The fair market value of these foreign currency contracts was a net asset of \$1.3 million at June 30, 2008.

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 moderate. The Company’s plastic consumables 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 zinc 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 the zinc business utilizing forward buy contracts reduce the exposure of this business to changes in the price of zinc.

The Company manages its interest rate and foreign currency exposures through the use of derivative financial instruments. For a further discussion see Item 2 of Part I under “Liquidity and Capital Resources”.

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 August 8, 2007 the Company acquired all the outstanding shares of K2, a publicly traded company. The Company considers the acquisition of K2 material to the results of its operations, financial position and cash flows from the date of acquisition through June 30, 2008 and considers the controls and procedures of K2 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 K2’s internal controls over financial reporting for fiscal year 2007.

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On April 6, 2007, the Company completed the acquisition of Pure Fishing, a privately held company. The Company considers the controls and procedures of Pure Fishing 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 Pure Fishing's internal controls over financial reporting for fiscal year 2007.

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 certain 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. Based on currently available information, the Company does not believe that the disposition of any of the legal or environmental disputes the Company or its subsidiaries is currently involved in will have a material adverse effect upon the Company's financial condition, results of operations or cash flows. It is possible, that as additional information becomes available, the impact on the Company of an adverse determination could have a different effect.

Environmental

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. Various of the Company's subsidiaries have been identified by the EPA or a state environmental agency as a 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 accrues 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 various of the Company's subsidiaries could be a PRP, information relating to the exact nature and extent of the contamination at each Environmental 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 June 30, 2008.

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 on the consolidated financial position, results of operations or cash flows of the Company.

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

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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 reserved to the extent determinable. Based on current information, the Company believes that the ultimate conclusion of the various pending litigation of the Company, in the aggregate, will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

Product Liability

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 therefore 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 includes a self-insurance retention per occurrence.

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, 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 were 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 11, 2006.

The complaints, which are substantially similar to one another, allege, 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. Joint lead plaintiffs were appointed on June 9, 2006.

The lead plaintiffs filed an amended consolidated complaint on August 25, 2006 naming the Company, Consumer Solutions and certain officers of the Company as defendants (collectively "Defendants") and containing substantially the same allegations as in the initial complaints. On October 20, 2006, Defendants filed a motion to dismiss the consolidated amended complaint. On May 31, 2007, the Court issued an opinion denying Defendants' motion to dismiss. On July 3, 2007, Defendants filed a Motion for Reconsideration of the order denying Defendants' motion to dismiss. On September 5, 2007, the court granted Defendants' motion for reconsideration, but reaffirmed its May 31, 2007 denial of Defendants' motion to dismiss. Defendants answered the amended consolidated complaint on July 10, 2007. On September 10, 2007, Plaintiffs moved for class certification. On March 6, 2008, the Court issued an opinion certifying a class comprised of purchasers of the Company's common stock during the period from June 29, 2005 through January 11, 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. That motion has been fully briefed, but the Court has not yet issued a decision.

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.

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Other

In connection with the sale of its Anthony Pools Division, K2 received certain distributions in 1997 and 1998 from a corporation in which it held a minority interest. On March 30, 2007, K2 received a notice of liability from the Internal Revenue Service asserting transferee liability for federal income taxes of this corporation totaling \$16.5 million. K2 has contested the notice of liability by filing a petition in United States Tax Court. On May 20, 2008, K2 filed a Motion for Partial Summary Judgment on the grounds that the statute of limitations applicable for assessing tax attributable to certain partnership and affected items of the alleged transferor, which items made up most of the asserted liabilities, had expired. On June 24, 2008, the Internal Revenue Service filed a Notice of No Objection to K2's Motion for Partial Summary Judgment agreeing that the applicable statute of limitations had expired. On July 15, 2008, the Court granted K2's motion. K2 believes that the ultimate conclusion of any remaining issues in this case will not be material to the Company. However, K2 intends to continue to defend itself with respect to any remaining issues in this case, by among other things, seeking contribution from other shareholders of this corporation. K2 is continuing to gather information related to this matter.

Item 1A. Risk Factors

There has not been any material change in the risk factors disclosure from that contained in the Company's latest Annual Report on Form 10-K for the year ended December 31, 2007.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The Company did not purchase any shares of its common stock during the period covered by this report.

Item 4. Submission of Matters to a Vote of Security Holders

We held our annual meeting of stockholders on June 10, 2008. Of the 76,948,489 shares of common stock entitled to vote at the annual meeting of stockholders, 69,886,600 shares were present in person or by proxy and entitled to vote. Such number of shares represented approximately 90.82% of our outstanding shares of common stock. Listed below are the matters voted upon at our annual meeting of stockholders and the respective voting results:

	<u>Voted FOR</u>	<u>Withheld</u>	<u>Abstained/ Broker Non-Votes</u>
Election of three Class III Directors for three-year terms expiring in 2011			
Richard J. Heckmann	57,830,420	12,056,176	—
Douglas W. Huemme	60,595,837	9,290,759	—
Irwin D. Simon	36,657,738	33,228,858	—
	<u>Voted FOR</u>	<u>Voted AGAINST</u>	<u>Abstained/ Broker Non-Votes</u>
Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2008	65,198,275	4,609,948	78,377

Our board of directors is currently comprised of each of the Class III Directors listed in the table above, including Richard J. Heckmann, Douglas W. Huemme and Irwin D. Simon, the Class I Directors, including Martin E. Franklin, René-Pierre Azria and Michael S. Gross, and the Class II Directors, including Ian G.H. Ashken, Richard L. Molen and Robert L. Wood.

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Item 6. Exhibits

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

<u>Exhibit</u>	<u>Description</u>
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	Amended and Restated Bylaws of the Company (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the Commission on December 19, 2007, and incorporated herein by reference).
10.1	Letter Agreement, dated as of April 16, 2008, between Warburg Pincus Private Equity VIII, L.P., Warburg Pincus Netherlands Private Equity VIII C.V. I, WP-WPVIII Investors, L.P. and Jarden Corporation (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the Commission on April 17, 2008, and incorporated herein by reference).
*10.2	Amendment No. 9 to Credit Agreement, dated as of May 23, 2008, among Jarden Corporation, Lehman Commercial Paper, Inc., as administrative agent, Citicorp USA, Inc., as syndication agent, and each incremental lender identified on the signature pages thereto.
*10.3	Consent, Agreement and Affirmation of Guaranty.
*10.4	Amendment No. 2 to the Amended and Restated Loan Agreement, dated as of January 15, 2008, by and among Jarden Receivables LLC, as borrower, Jarden Corporation, as initial servicer, Three Pillars Funding LLC, as lender, and SunTrust Robinson Humphreys, Inc., as administrator.
10.5	Amendment No. 3 to the Amended and Restated Loan Agreement, dated as of July 14, 2008, by and among Jarden Receivables LLC, as borrower, Jarden Corporation, as initial servicer, Three Pillars Funding LLC, as lender, and SunTrust Robinson Humphreys, Inc., as administrator (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the Commission on July 18, 2008, 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: July 31, 2008

JARDEN CORPORATION
(Registrant)

By: /s/ Richard T. Sansone

Name: Richard T. Sansone

Title: Senior Vice President and Chief Accounting Officer
(Principal Accounting Officer)

EXHIBIT INDEX

- *10.2 Amendment No. 9 to Credit Agreement, dated as of May 23, 2008, among Jarden Corporation, Lehman Commercial Paper, Inc., as administrative agent, Citicorp USA, Inc., as syndication agent, and each incremental lender identified on the signature pages thereto.
- *10.3 Consent, Agreement and Affirmation of Guaranty.
- *10.4 Amendment No. 2 to the Amended and Restated Loan Agreement, dated as of January 15, 2008, by and among Jarden Receivables LLC, as borrower, Jarden Corporation, as initial servicer, Three Pillars Funding LLC, as lender, and SunTrust Robinson Humphreys, Inc., as administrator.
- *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.

AMENDMENT NO. 9 TO CREDIT AGREEMENT

This AMENDMENT NO. 9 TO CREDIT AGREEMENT, dated as of May 23, 2008 (this "**Amendment**"), among JARDEN CORPORATION, a Delaware corporation (the "**Borrower**"), LEHMAN COMMERCIAL PAPER INC. ("**LCPI**"), as Administrative Agent (as defined below), CITICORP USA, INC., as Syndication Agent (as defined below), and each Incremental Lender identified on the signature pages hereto, amends certain provisions of 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, LCPI, 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 (in such capacity, together with its successors in such capacity, the "**Syndication Agent**"), 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. Unless otherwise specified herein, all capitalized terms used in this Amendment shall have the meanings ascribed to such terms in the Credit Agreement.

WITNESSETH:

WHEREAS, pursuant to *Section 2.01(b) (Facilities Increase)* of the Credit Agreement, the Borrower has delivered a Facilities Increase Notice (the "**Fourth Facilities Increase Notice**") to the Agents, dated as of May 13, 2008 and requesting a Facilities Increase, consisting of Incremental Term Loans in an aggregate principal amount of \$25,000,000 (the "**Fourth Facilities Increase**"); and

WHEREAS, the Borrower desires to make certain amendments to the Credit Agreement as more fully described herein, solely for the purpose of implementing the terms and conditions of the Fourth Facilities Increase, and which amendments, except with respect to interest, fees, scheduled repayment dates and maturity, shall not be applied materially differently to the Fourth Facilities Increase and the existing Term Loan Facility; and

WHEREAS, the Borrower represents and warrants that the proceeds of Incremental Term Loans made pursuant to the Fourth Facilities Increase shall be used solely for working capital and other general corporate purposes; and

WHEREAS, pursuant to *clause (y) of Section 10.01(a) (Amendments, Etc.)* of the Credit Agreement, the consent of the Borrower, the Agents and the Incremental Lenders providing the Fourth Facilities Increase is required to effect the amendments set forth herein; and

WHEREAS, each Incremental Lender identified on the signature pages hereto and having a commitment as set forth on Schedule I hereto (collectively, the "**Incremental Lenders**") and the Agents agree, subject to the limitations and conditions set forth herein, to amend or otherwise modify the Credit Agreement 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. Certain Amendments to the Credit Agreement. As of the Effective Date, and subject to the satisfaction of the conditions set forth in *Section 2 (Conditions to Effectiveness)* hereof:

(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, if applicable, the following definitions shall replace in their entirety existing definitions for the corresponding terms in such *Section 1.01*):

"**Fourth Facilities Increase**" means that certain Facilities Increase effective on the Ninth Amendment Effective Date, providing for Incremental Term Loans in an aggregate principal amount of \$25,000,000.

“**Ninth Amendment**” means that certain Amendment No. 9 to this Agreement, dated as of May 23, 2008, among the Borrower, the Agents and each Incremental Lender providing the Fourth Facilities Increase.

“**Ninth Amendment Effective Date**” means the date on which the Ninth Amendment shall have become effective in accordance with its terms.

“**Term Loan B3**” means each Term Loan made pursuant to the Third Facilities Increase and, from and after the Ninth Amendment Effective Date, the Fourth Facilities Increase.

(b) *Section 2.08 (Repayment of Loans)* of the Credit Agreement is hereby amended by amending and restating *clause (f)* in its entirety as follows:

(f) the Term Loan B3 on the dates and in the amounts set forth below, subject to adjustments for prepayments made pursuant to *Section 2.06 (Prepayments)*:

<u>Date</u>	<u>Amount</u>
June 30, 2008	\$ 1,812,500.00
September 30, 2008	\$ 1,812,500.00
December 31, 2008	\$ 1,812,500.00
March 31, 2009	\$ 1,812,500.00
June 30, 2009	\$ 1,812,500.00
September 30, 2009	\$ 1,812,500.00
December 31, 2009	\$ 1,812,500.00
March 31, 2010	\$ 1,812,500.00
June 30, 2010	\$ 1,812,500.00
September 30, 2010	\$ 1,812,500.00
December 31, 2010	\$ 1,812,500.00
March 31, 2011	\$ 174,953,125.00
June 30, 2011	\$ 174,953,125.00
September 30, 2011	\$ 174,953,125.00
January 24, 2012	\$ 174,953,125.00

provided, however, that the Borrower shall repay the entire unpaid principal amount of such Term Loans on the applicable Term Loan

Maturity Date.

Section 2. 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 Administrative Agent 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, the Administrative Agent, the Syndication Agent and each Incremental Lender;

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

(iii) written commitments duly executed by the applicable Incremental Lenders in an aggregate amount equal to the amount of the Fourth Facilities Increase and, in the case of each Incremental Lender that is not an existing Lender prior to the date hereof, an assumption agreement in form and substance reasonably satisfactory to the Agents and the Borrower and duly executed by the Borrower, the Agents and such Incremental Lender;

(iv) certified copies of resolutions of the Board of Directors or Sole Member, as applicable, of each Loan Party approving the consummation of the Fourth Facilities Increase and the execution, delivery and performance of this Amendment and the other Loan Documents delivered in connection herewith to which such Loan Party is a party to;

(v) 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 relating to this Amendment and the Fourth Facilities Increase as any Lender through the Administrative Agent may reasonably request; and

(vi) such additional documentation as the Agents or the Incremental Lenders may reasonably require prior to the execution and delivery of this Amendment to the Borrower by the Agents.

(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 Incremental Lenders.

(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 representations 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

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

(d) *Fee and Expenses Paid*. As provided in *Section 4.04(b) (Fee and Expenses Paid)* of the Credit Agreement, the Borrower shall have paid to the Administrative Agent, for the account of the Agents and each Incremental Lender signatory hereto, as applicable, all fees and expenses (including Attorney Costs) due and payable on or before the Effective Date (including all such fees described in any Agent/Arranger Fee Letter or other similar fee arrangement among the Borrower and any Agent or Incremental Lender signatory hereto).

Section 3. Representations and Warranties. The Borrower, on behalf of itself and the other Loan Parties, hereby represents and warrants to the Agents 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); and

(c) the proceeds of Incremental Term Loans made pursuant to the Fourth Facilities Increase shall be used solely for working capital and other general corporate purposes.

Section 4. 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 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) 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 5. 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 6. 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 7. 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 8. 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 9. 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 10. 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/ John E. Capps

Name: John E. Capps

Title: Senior Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 9 TO JARDEN CREDIT AGREEMENT]

LEHMAN COMMERCIAL PAPER INC.,
*as Administrative Agent and a Lender under the Credit
Agreement*

By: /s/ Craig Malloy

Name: Craig Malloy

Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 9 TO JARDEN CREDIT AGREEMENT]

CITICORP USA, INC.,
as Syndication Agent

By: /s/ Mark R. Floyd

Name: Mark R. Floyd

Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 9 TO JARDEN CREDIT AGREEMENT]

EXHIBIT A

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 PLASTICS LLC
AMERICAN HOUSEHOLD, INC.
AUSTRALIAN COLEMAN, INC.
BICYCLE HOLDING, INC.
BRK BRANDS, INC.
CC OUTLET, INC.
COLEMAN INTERNATIONAL HOLDINGS, LLC
COLEMAN WORLDWIDE CORPORATION
EARTH PRODUCTS INC.
FIRST ALERT, INC.
FISHING SPIRIT, INC.
HEARTHMARK, LLC
HOLMES MOTOR CORPORATION
JARDEN ACQUISITION I, LLC
JARDEN ZINC PRODUCTS, LLC
JT SPORTS LLC
K2 INC.
K-2 CORPORATION
K2 LICENSED PRODUCTS, INC.
K2 MERCHANDISING, INC.
K2 PROPERTIES, INC.
KANSAS ACQUISITION CORP.
L.A. SERVICES, INC.
LASER ACQUISITION CORP.
LEHIGH CONSUMER PRODUCTS LLC
LOEW-CORNELL, LLC
MARKER VOLKL USA, INC.
MARMOT MOUNTAIN, LLC
MIKEN SPORTS, LLC
NIPPON COLEMAN, INC.
OUTDOOR TECHNOLOGIES CORPORATION
PENN FISHING TACKLE MFG. CO.
PINE MOUNTAIN LLC
PURE FISHING, INC.
QUOIN, LLC
RAWLINGS SPORTING GOODS COMPANY, INC.
SEA STRIKER, INC.

SHAKESPEARE COMPANY, LLC
SHAKESPEARE CONDUCTIVE FIBERS, LLC
SI II, INC.
SITCA CORPORATION
SUNBEAM AMERICAS HOLDINGS, LLC
SUNBEAM PRODUCTS, INC.
THE COLEMAN COMPANY, INC.
THE UNITED STATES PLAYING CARD COMPANY
USPC HOLDING, INC.

By: _____
Name: John E. Capps
Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 9 CONSENT]

SCHEDULE I
TO
AMENDMENT NO. 9 TO CREDIT AGREEMENT

COMMITMENTS PURSUANT TO FOURTH FACILITIES INCREASE

<u>Incremental Lender</u>	<u>Term Loan B3 Commitment</u>
Lehman Commercial Paper Inc.	<u>\$25,000,000</u>
TOTAL	<u>\$25,000,000</u>

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 PLASTICS LLC
AMERICAN HOUSEHOLD, INC.
AUSTRALIAN COLEMAN, INC.
BICYCLE HOLDING, INC.
BRK BRANDS, INC.
CC OUTLET, INC.
COLEMAN INTERNATIONAL HOLDINGS, LLC
COLEMAN WORLDWIDE CORPORATION
EARTH PRODUCTS INC.
FIRST ALERT, INC.
FISHING SPIRIT, INC.
HEARTHMARK, LLC
HOLMES MOTOR CORPORATION
JARDEN ACQUISITION I, LLC
JARDEN ZINC PRODUCTS, LLC
JT SPORTS LLC
K2 INC.
K-2 CORPORATION
K2 LICENSED PRODUCTS, INC.
K2 MERCHANDISING, INC.
K2 PROPERTIES, INC.
KANSAS ACQUISITION CORP.
L.A. SERVICES, INC.
LASER ACQUISITION CORP.
LEHIGH CONSUMER PRODUCTS LLC
LOEW-CORNELL, LLC
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RAWLINGS SPORTING GOODS COMPANY, INC.
SEA STRIKER, INC.
SHAKESPEARE COMPANY, LLC
SHAKESPEARE CONDUCTIVE FIBERS, LLC
SI II, INC.
SITCA CORPORATION
SUNBEAM AMERICAS HOLDINGS, LLC
SUNBEAM PRODUCTS, INC.

THE COLEMAN COMPANY, INC.
THE UNITED STATES PLAYING CARD COMPANY
USPC HOLDING, INC.

By: /s/ John E. Capps

Name: John E. Capps

Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 9 CONSENT]

AMENDMENT NO. 2 TO AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDMENT NO. 2 TO AMENDED AND RESTATED LOAN AGREEMENT (this "**Amendment**") is made and entered into as of January 15, 2008, with respect to that certain Amended and Restated Loan Agreement dated as of August 8, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), by and among JARDEN RECEIVABLES, LLC, a Delaware limited liability company, as "**Borrower**", JARDEN CORPORATION, a Delaware corporation, as "**Servicer**", THREE PILLARS FUNDING LLC, a Delaware limited liability company (together with its successors and permitted assigns, as "**Lender**"), and SUNTRUST ROBINSON HUMPHREY, INC., a Tennessee corporation, as "**Administrator**". Capitalized terms used and not otherwise defined herein are used with the meanings attributed thereto in the Loan Agreement.

BACKGROUND

The parties wish to amend the Loan Agreement on the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

1. Amendment. The definitions of the "Facility Limit" terms in Section 1.1 of the Loan Agreement is hereby amended and restated in their entirety to read as follows:

"**Facility Limit**" means (i) at all times during the period (A) commencing on and including April 1, 2007 until but excluding November 15, 2008 and (B) for each year thereafter, commencing on and including April 1 of each such year until but excluding November 15 of each such year, the Maximum Facility Limit, (ii) at all times during the period commencing on and including November 15 of each year until but excluding January 15 of each year (other than during the period commencing on and including November 15, 2007 until but excluding January 15, 2008), \$200,000,000, and (iii) at all times during the period commencing on and including January 15 of each year until but excluding April 1 of each year (other than the period commencing on and including January 15, 2008 until but excluding April 1, 2008), \$150,000,000.

2. Representations. In order to induce the Administrator and the Lender to enter into this Amendment, the Borrower hereby represents and warrants to the Administrator and the Lender that, after giving effect to the waiver in Section 1 above, no Significant Event or Unmatured Significant Event exists and is continuing as of the date hereof.

3. Effectiveness. This Amendment shall become effective and shall inure to the benefit of the Borrower, the Lender, the Administrator and their respective successors and assigns when the Administrator shall have received one or more counterparts of this Amendment, duly executed and delivered by each of the parties hereto.

4. Ratification. Except as expressly amended above, the Loan Agreement remains unaltered and in full force and effect and is hereby ratified and confirmed.

5. GOVERNING LAW. THIS WAIVER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF NEW YORK.

6. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile shall be effective as delivery of a manually executed counterpart of this Amendment.

[signature pages begin on next page]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

JARDEN RECEIVABLES, LLC, *AS BORROWER*

By: /s/ Jason Wong
Name: Jason Wong
Title: Assistant Secretary, Sunbeam Products, Inc., Sole
/Managing Member of Jarden Receivables, LLC

JARDEN CORPORATION, *AS INITIAL SERVICER*

By: /s/ Jason Wong
Name: Jason Wong
Title: VP, Treasury

THREE PILLARS FUNDING LLC, AS *LENDER*

By: /s/ Doris J. Hearn
Name: Doris J. Hearn
Title: Vice President

SUNTRUST ROBINSON HUMPHREY, INC., AS
ADMINISTRATOR

By: /s/ Michael G. Maza
Name: Michael G. Maza
Title: Managing Director

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: July 31, 2008

/s/ Martin E. Franklin

Martin E. Franklin
Chairman and 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: July 31, 2008

/s/ Ian G.H. Ashken

Ian G.H. Ashken

Vice Chairman and Chief Financial Officer

**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 period ended June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Martin E. Franklin, Chairman and 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

Martin E. Franklin
Chairman and Chief Executive Officer
July 31, 2008

In connection with the Quarterly Report of Jarden Corporation (the "Company") on Form 10-Q for the period ended June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ian G.H. Ashken, Vice Chairman and 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

Ian G.H. Ashken
Vice Chairman and Chief Financial Officer
July 31, 2008