AA Group (U.S.) - A LLC
Form 424B3
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PROSPECTUS

Spectrum Brands, Inc.

6.375% Senior Notes due 2020 and Related Guarantees

6.625% Senior Notes due 2022 and Related Guarantees

6.125% Senior Notes due 2024 and Related Guarantees

5.750% Senior Notes due 2025 and Related Guarantees

This prospectus may be used by our affiliate, Jefferies LLC or any of its affiliates (which we collectively refer to as Jefferies) in connection with offers and sales by Jefferies of our notes (as defined below) in market-making transactions effected from time to time. Market-making transactions in the notes may occur in the open market or may be privately negotiated at prevailing market prices at a time of resale or at related or negotiated prices. In these transactions, Jefferies may act as principal or agent, including as agent for the counterparty in a transaction in which Jefferies acts as principal, or as agent for both counterparties in a transaction in which Jefferies does not act as a principal. Jefferies may receive compensation in the form of discounts and commissions, including from both counterparties in some cases. We will not receive any proceeds from these market-making transactions. Neither Jefferies, nor any of our affiliates, has any obligation to make a market in the notes, and Jefferies or any such other affiliate may discontinue market-making activities at any time without notice.

The Notes and the Guarantees

The 6.375% Senior Notes due 2020 and certain related guarantees (the 2020 notes) and the 6.625% Senior Notes due 2022 and certain related guarantees (the 2022 notes) are governed by the indenture dated as of November 16, 2012, as supplemented, which we refer to as the 2020/2022 indenture. As of September 30, 2015, we had $520.0 million and $570.0 million aggregate principal amount of the 2020 notes and 2022 notes outstanding, respectively.

The 6.125% Senior Notes due 2024 and certain related guarantees (the 2024 notes) are governed by the indenture dated as of December 4, 2014, as supplemented, which we refer to as the 2024 notes indenture. As of September 30, 2015, we had $250.0 million aggregate principal amount of the 2024 notes outstanding.

The 5.750% Senior Notes due 2025 and certain related guarantees (the 2025 notes) are governed by the indenture dated as of May 20, 2015, as supplemented, which we refer to as the 2025 notes indenture and, collectively with the 2020/2022 indenture and the 2024 notes indenture, the indentures. As of September 30, 2015, we had $1,000.0 million aggregate principal amount of the 2025 notes outstanding.

We refer to the 2020 notes, the 2022 notes, the 2024 notes and the 2025 notes, collectively or individually, as the context requires, as the notes.

The 2020 notes will mature on November 15, 2020. We will pay interest on the 2020 notes semi-annually on May 15 and November 15 of each year at a rate of 6.375% per annum, to holders of record on the May 1 or November 1 immediately preceding the interest payment date.

The 2022 notes will mature on November 15, 2022. We will pay interest on the 2022 notes semi-annually on May 15 and November 15 of each year at a rate of 6.625% per annum, to holders of record on the May 1 or November 1 immediately preceding the interest payment date.

The 2024 notes will mature on December 15, 2024. We will pay interest on the 2024 notes semi-annually on June 15 and December 15 of each year at a rate of 6.125% per annum, to holders of record on the June 1 or December 1 immediately preceding the interest payment date.

The 2025 notes will mature on July 15, 2025. We will pay interest on the 2025 notes semi-annually on July 15 and January 15 of each year at a rate of 5.750% per annum, to holders of record on the July 1 or January 1 immediately preceding the interest payment date.

The notes are guaranteed on a senior unsecured basis by our direct parent, SB/RH Holdings, LLC, and each of our existing and future domestic subsidiaries, which we refer to collectively as the guarantors.

The notes and the related guarantees are the general unsecured obligations of us and the guarantors and will rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness (but effectively subordinated to our secured debt, including the Secured Credit Facilities (as defined herein) to the extent of the value of the assets securing such secured debt), and senior in right of payment to all of our and the guarantors future indebtedness that expressly provides for its subordination to the notes and the related guarantees. See Description of 2020/2022 Notes, Description of 2024 Notes and Description of 2025 Notes, as applicable.

There is no established market for trading the notes. We have not applied, and do not intend to apply, for listing or quotation of the notes on any national securities exchange or automated quotation system.

An investment in the notes involves risks. Please refer to the section in this prospectus entitled Risk Factors commencing on page 15.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is February 2, 2016.

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We have not authorized anyone to give you any information or to make any representations about us or the transactions we discuss in this prospectus other than those contained in this prospectus. We take no responsibility for, and can provide no assurances as to the reliability of, any information that others may give you. This prospectus is not an offer to sell or a solicitation of an offer to buy securities anywhere or to anyone where or to whom we are not permitted to offer or sell securities under applicable law. The delivery of this prospectus does not, under any circumstances, mean that there has not been a change in our affairs since the date of this prospectus. Subject to our obligation to amend or supplement this prospectus as required by law and the rules and regulations of the SEC, the information contained in this prospectus is correct only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of these securities.

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TRADEMARKS

We have proprietary rights to or are exclusively licensed to use a number of registered and unregistered trademarks that we believe are important to our business, including, without limitation, Rayovac, Remington, VARTA, Tetra, 8-in-1, Dingo, Nature s Miracle, IAMS, Eukanuba, Digest-eeze, Liquid Fence, Black Flag, Wild Harvest, Marineland, FURminator, Spectracide, Cutter, Hot Shot, Garden Safe, Repel, George Foreman, Russell Hobbs, Farberware, Toastmaster, Black & Decker, Kwikset, Weiser, Baldwin, National Hardware, Pfister, Armor All, STP, A/C PRO, Arctic Freeze, Sub Zero and Super Seal Stop Leak. We attempt to obtain registration of our key trademarks whenever possible or practicable and pursue any infringement of those trademarks. Solely for convenience, the trademarks, service marks and tradenames referred to in this prospectus are without the ® and TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and tradenames.

MARKET AND INDUSTRY DATA

We obtained the industry, market and competitive position data and information used throughout this prospectus from our own internal company surveys and management estimates as well as from industry and general publications and research, surveys or studies conducted by third parties. Industry and general publications and research, studies and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such data and information. While we believe that these publications and research, studies and surveys are reliable, neither we nor the initial purchasers have independently verified such data and information and neither we nor the initial purchasers make any representation or warranty as to the accuracy of such data and information.

There is only a limited amount of independent data available about our industry, market and competitive position, particularly outside of the United States. As a result, certain data and information are based on our good faith estimates, which are derived from our review of internal data and information, information that we obtain from customers, and other third-party sources. We believe these internal surveys and management estimates are reliable; however, no independent sources have verified such surveys and estimates.

The industry data that we present in this prospectus include estimates that involve risks and uncertainties and are subject to change based on various factors, including those discussed under Risk Factors and those discussed under Cautionary Statement Regarding Forward-Looking Statements.

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PROSPECTUS SUMMARY

The following summary highlights basic information about us and the notes. It may not contain all of the information that is important to you. For a more comprehensive understanding of our business and the offering, you should read this entire prospectus, including the section entitled Risk Factors. Certain statements in this summary are forward-looking statements. See Cautionary Statement Regarding Forward-Looking Statements.

Unless otherwise indicated in this prospectus or the context requires otherwise, Spectrum Brands refers only to Spectrum Brands, Inc. and not to any of its subsidiaries; Spectrum refers to Spectrum Brands, Inc. and, where applicable, its consolidated subsidiaries; SB/RH Holdings, the Company, we, or our refers to the Spectrum Brands parent SB/RH Holdings, LLC and, where applicable, its consolidated subsidiaries, including Spectrum Brands. SB Holdings refers to SB/RH Holdings parent, Spectrum Brands Holdings, Inc. and, where applicable, its consolidated subsidiaries, including SB/RH Holdings.

Our Company

We are a diversified global branded consumer products company. Spectrum Brands is a wholly owned direct subsidiary of SB/RH Holdings, which is a direct subsidiary of SB Holdings. SB Holdings common stock trades on the New York Stock Exchange (the NYSE) under the symbol SPB.

We manufacture and market alkaline, zinc carbon and hearing aid batteries, herbicides, insecticides and repellants and specialty pet supplies. We design and market rechargeable batteries, battery-powered lighting products, electric shavers and accessories, grooming products and hair care appliances. Our operations also include the manufacturing and marketing of specialty pet supplies, and of herbicides, insecticides and insect repellents in North America. We also design, market and distribute a broad range of branded small appliances and personal care products. We also design, manufacture, market, distribute and sell certain hardware, home improvement and plumbing products, and are a leading United States (U.S.) provider of residential locksets and builders hardware and a leading provider of faucets. Our manufacturing and product development facilities are located in the U.S., Europe, Latin America and Asia. Substantially all of our rechargeable batteries, chargers and portable lighting products, shaving and grooming products, small household appliances and personal care products are manufactured by third-party suppliers, primarily located in Asia.

On May 21, 2015, we acquired Armored AutoGroup Parent Inc. (together, as the context requires, with its successor by merger, Armored AutoGroup Inc., AAG). AAG is a consumer products company consisting primarily of Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products. For information pertaining to the AAG Acquisition, see Note 3, Acquisitions to our Consolidated Financial Statements, included elsewhere in this prospectus.

The Company sells its products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and original equipment manufacturers (OEMs) and enjoy strong name recognition in our markets under the Rayovac, VARTA and Remington brands, each of which has been in existence for more than 80 years, and under the Tetra, 8-in-1, Dingo, Nature s Miracle, IAMS, Eukanuba, Healthy-Hide, Digest-eeze, Spectracide, Cutter, Hot Shot, Black & Decker, George Foreman, Russell Hobbs, Farberware, Black Flag, FURminator, Kwikset, Weiser, Baldwin, National Hardware, Stanley, Pfister and the previously mentioned AAG brands. We also have patented technologies such as Smartkey, a rekeyable lockset technology, and Smart Code Home Connect.

Our diversified global branded consumer products have positions in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, auto care and home and garden controls.

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Our chief operating decision-maker manages the businesses in five vertically integrated, product-focused reporting segments: (i) Global Batteries & Appliances, which consists of the Company s worldwide battery, personal care and small appliances primarily in the kitchen and home product categories (Global Batteries & Appliances); (ii) Hardware & Home Improvement, which consists of the Company s worldwide hardware, home improvement and plumbing business (Hardware & Home Improvement); (iii) Global Pet Supplies, which consists of the Company s worldwide pet supplies business (Global Pet Supplies); (iv) Home and Garden, which consists of the Company s home and garden and insect control business (Home and Garden); and (v) Global Auto Care, which consists of the Company s automotive aftermarket appearance products, performance chemicals/additives and do-it-yourself automotive air conditioner recharge (Global Auto Care). Management reviews our performance based on these segments. For information pertaining to our business segments, see Note 18, Segment Information, to our audited Consolidated Financial Statements in this prospectus.

Global and geographic strategic initiatives and financial objectives are determined at the corporate level. Each business segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives and has a general manager responsible for sales and marketing initiatives and the financial results for all product lines within that business segment.

Our operating performance is influenced by a number of factors including: general economic conditions; foreign exchange fluctuations; trends in consumer markets; consumer confidence and preferences; our overall product line mix, including pricing and gross margin, which vary by product line and geographic market; pricing of certain raw materials and commodities; energy and fuel prices; and our general competitive position, especially as impacted by our competitors advertising and promotional activities and pricing strategies.

Recent Developments

AAG Acquisition

On May 21, 2015, we completed our acquisition (the AAG Acquisition) of AAG pursuant to the Agreement and Plan of Merger by and among AAG, SB Holdings, Ignite Merger Sub, Inc. and, solely in its capacity as representative, Avista Capital Partners II GP, LLC, dated as of April 28, 2015, for a purchase price of $1.4 billion in cash and an assumption of debt of $540 million.

We funded the AAG Acquisition with the proceeds of our offering of the 2025 notes and gross proceeds from SB Holdings registered offering of its common stock. SB Holdings also contributed to us the additional proceeds received by it in connection with the underwriters exercise of their option to purchase additional shares in the registered offering of its common stock. We expect to use such additional proceeds for general corporate purposes.

Refinancing Transactions

On June 23, 2015, we entered into a Credit Agreement (the Credit Agreement), by and among Spectrum Brands, SB/RH Holdings, Deutsche Bank AG New York Branch, as administrative agent, and the lenders party thereto from time to time. See Description of Other Indebtedness Credit Agreement.

Pursuant to the Credit Agreement, on June 23, 2015, we closed senior secured credit facilities consisting of (a) a $1,450 million U.S. Dollar-denominated term loan facility (the USD Term Loan Facility), (b) a 300 million Euro-denominated term loan facility (the Euro Term Loan Facility), (c) a CAD$75 million Canadian Dollar-denominated term loan facility (the CAD Term Loan Facility and, collectively with the USD Term Loan Facility and the Euro Term Loan Facility, the Term Credit Facilities) and (d) a $500 million cash flow revolving credit facility (the Revolving Credit Facility and, together with the Term Credit Facilities, the Secured Credit Facilities).

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The net proceeds of the Term Credit Facilities were used, among other things, to (i) refinance our Credit Agreement dated as of December 17, 2012 (as amended, modified, supplemented or restated from time to time, the Prior Term Loan Credit Agreement) and repay in full all obligations in respect of the Prior Term Loan Credit Agreement and related loan documents, (ii) repay in full all obligations in respect of our Loan and Security Agreement, dated as of June 16, 2010 (as amended, modified, supplemented or restated from time to time, the Prior ABL Facility Agreement) and (iii) to pay fees and expenses in connection with the transactions referenced in clause (i) and for general corporate purposes. A portion of the net proceeds, together with borrowings under the Revolving Credit Facility, was also used to fund the satisfaction and discharge of the indenture governing Spectrum Brands 6.750% Senior Notes due 2020 (the 6.75% Notes).

The Revolving Credit Facility includes a letter of credit subfacility. Letters of credit issued thereunder were used by Spectrum to replace then-existing letters of credit under the Prior ABL Facility Agreement on the closing date of the Credit Agreement. Letters of credit and proceeds of the loans under the Revolving Credit Facility may be used by Spectrum, the other borrowers and their respective subsidiaries for, among other things, working capital and other general corporate purposes, including the financing of permitted acquisitions and other permitted investments and dividends and other distributions on account of the capital stock of the borrowers, restricted payments and any other use not prohibited by the terms of the loan documents.

Corporate Structure

The chart below is a summary of the organizational structure of the Issuer and its parents and subsidiaries.

[1] SB/RH Holdings (i) is a guarantor of our obligations under the Secured Credit Facilities and pledged only the capital stock issued to it by Spectrum as collateral and (ii) is a guarantor of the notes.

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[2] None of our foreign subsidiaries are, or will be, guarantors of the notes offered hereby. None of our foreign subsidiaries are guarantors under the Secured Credit Facilities as of the closing date of the Secured Credit Facilities.

[3] Our domestic subsidiaries, subject to certain exceptions, are guarantors of the notes offered hereby. Certain of our domestic subsidiaries are guarantors under the Secured Credit Facilities.

Additional Information

Spectrum Brands is a Delaware corporation and the address of our principal executive office is 3001 Deming Way, Middleton, Wisconsin 53562. Our telephone number is (608) 275-3340. Our website address is www.spectrumbrands.com. Information contained on or accessible through our website is not part of, and is not incorporated by reference into, this prospectus.

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Summary of Terms of the 2020 Notes

The following is a summary of the terms of the 2020 notes. For a more complete description of the 2020 notes as well as the definitions of certain capitalized terms used below, see Description of 2020/2022 Notes in this prospectus.

Issuer	Spectrum Brands, Inc.
2020 Notes	6.375% Senior Notes due 2020.
Maturity Date	November 15, 2020.
Interest	The 2020 notes will bear interest at a rate of 6.375% per annum. Interest on the 2020 notes will be payable in cash on May 15 and November 15 of each year.
Optional Redemption	On or after November 15, 2016, we may redeem some or all of the 2020 notes at any time at the redemption prices set forth in Description of 2020/2022 Notes Optional Redemption. In addition, prior to November 15, 2016, we may redeem the 2020 notes at a redemption price equal to 100% of the principal amount plus a make-whole premium.
Change of Control	Upon a Change of Control (as defined under Description of 2020/2022 Notes), we will be required to make an offer to purchase the 2020 notes. The purchase price will equal 101% of the principal amount of the 2020 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any Change of Control to make any required debt repayment (including repurchases of the 2020 notes). See Risk Factors Risks Related to the Notes We may not be able to make the change of control offer required by the indentures.
Guarantees	The 2020 notes will be unconditionally, jointly and severally guaranteed, on a senior unsecured basis, by SB/RH Holdings and all of our domestic subsidiaries.
Ranking	The 2020 notes and the related guarantees will be the senior unsecured obligations of us and the guarantors and will:

rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness, including the other notes; and

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- rank senior in right of payment to all of our and the guarantors future indebtedness that expressly provide for its subordination to the 2020 notes and the related guarantees.

However, the 2020 notes will be effectively subordinated to any of our secured indebtedness, including under our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. In addition, the 2020 notes will be structurally subordinated to all indebtedness and other liabilities of Spectrum Brands subsidiaries that do not guarantee the 2020 notes.

Certain Covenants	The terms of the 2020/2022 indenture restrict our ability and the ability of certain of our subsidiaries (as described in Description of 2020/2022 Notes) to:

- incur additional indebtedness;
- create liens;
- engage in sale-leaseback transactions;
- pay dividends or make distributions in respect of capital stock;
- purchase or redeem capital stock;
- make investments or certain other restricted payments;
- sell assets;
- issue or sell stock of restricted subsidiaries;
- enter into transactions with affiliates; or
- effect a consolidation or merger.

	However, these limitations will be subject to a number of important qualifications and exceptions. In addition, if the 2020 notes are rated investment grade at any time by both Moody s Investors Service and Standard & Poor s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the 2020/2022 indenture will be suspended.
Absence of a Public Market	The 2020 notes are freely transferable, but there may not be an active trading market for the 2020 notes. We cannot assure you as to the future liquidity of any market.
Trustee	U.S. Bank National Association is serving as trustee under the 2020/2022 indenture.
Use of Proceeds	This prospectus is delivered in connection with the sale of the 2020 notes by Jefferies in market-marking transactions effected from time to time. We will not receive any proceeds from such transactions.
Risk Factors	You should consider all of the information contained in this prospectus before making an investment in the 2020 notes. In particular, you should consider the risks described under Risk Factors.

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Summary of Terms of the 2022 Notes

The following is a summary of the terms of the 2022 notes. For a more complete description of the 2022 notes as well as the definitions of certain capitalized terms used below, see Description of 2020/2022 Notes in this prospectus.

Issuer	Spectrum Brands, Inc.
2022 Notes	6.625% Senior Notes due 2022.
Maturity Date	November 15, 2022.
Interest	The 2022 notes will bear interest at a rate of 6.625% per annum. Interest on the 2022 notes will be payable in cash on May 15 and November 15 of each year.
Optional Redemption	On or after November 15, 2017, we may redeem some or all of the 2022 notes at any time at the redemption prices set forth in Description of 2020/2022 Notes Optional Redemption. In addition, prior to November 15, 2017, we may redeem the 2022 notes at a redemption price equal to 100% of the principal amount plus a make-whole premium.
Change of Control	Upon a Change of Control (as defined under Description of 2020/2022 Notes), we will be required to make an offer to purchase the 2022 notes. The purchase price will equal 101% of the principal amount of the 2022 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any Change of Control to make any required debt repayment (including repurchases of the 2022 notes). See Risk Factors Risks Related to the Notes We may not be able to make the change of control offer required by the indentures.
Guarantees	The 2022 notes will be unconditionally, jointly and severally guaranteed, on a senior unsecured basis, by SB/RH Holdings and all of our domestic subsidiaries.
Ranking	The 2022 notes and the related guarantees will be the senior unsecured obligations of us and the guarantors and will:

rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness, including the other notes; and

- rank senior in right of payment to all of our and the guarantors future indebtedness that expressly provide for its subordination to the 2022 notes and the related guarantees.

However, the 2022 notes will be effectively subordinated to any of our secured indebtedness, including under our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. In addition, the 2022 notes will be structurally subordinated to all indebtedness and other liabilities of Spectrum Brands subsidiaries that do not guarantee the 2022 notes.

Certain Covenants

The terms of the 2020/2022 indenture restrict our ability and the ability of certain of our subsidiaries (as described in Description of 2020/2022 Notes) to:

- incur additional indebtedness;
- create liens;
- engage in sale-leaseback transactions;
- pay dividends or make distributions in respect of capital stock;
- purchase or redeem capital stock;
- make investments or certain other restricted payments;
- sell assets;
- issue or sell stock of restricted subsidiaries;
- enter into transactions with affiliates; or
- effect a consolidation or merger.

	However, these limitations will be subject to a number of important qualifications and exceptions. In addition, if the 2022 notes are rated investment grade at any time by both Moody s Investors Service and Standard & Poor s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the 2020/2022 indenture will be suspended.
Absence of a Public Market	The 2022 notes are freely transferable, but there may not be an active trading market for the 2022 notes. We cannot assure you as to the future liquidity of any market.
Trustee	U.S. Bank National Association is serving as trustee under the 2020/2022 indenture.
Use of Proceeds	This prospectus is delivered in connection with the sale of the 2022 notes by Jefferies in market-marking transactions effected from time to time. We will not receive any proceeds from such transactions.
Risk Factors	You should consider all of the information contained in this prospectus before making an investment in the 2022 notes. In particular, you should consider the risks described under Risk Factors.

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Summary of Terms of the 2024 Notes

The following is a summary of the terms of the 2024 notes. For a more complete description of the 2024 notes as well as the definitions of certain capitalized terms used below, see Description of 2024 Notes in this prospectus.

Issuer	Spectrum Brands, Inc.
2024 Notes	6.125% Senior Notes due 2024.
Maturity Date	December 15, 2024.
Interest	The 2024 notes will bear interest at a rate of 6.125% per annum. Interest on the 2024 notes will be payable in cash on June 15 and December 15 of each year.
Optional Redemption	On or after December 15, 2019, we may redeem some or all of the 2024 notes at any time at the redemption prices set forth in Description of 2024 Notes Optional Redemption. In addition, prior to December 15, 2019, we may redeem the 2024 notes at a redemption price equal to 100% of the principal amount plus a make-whole premium.
	Before December 15, 2017, we may redeem up to 35% of the 2024 notes, including additional notes, with an amount of cash equal to the net proceeds of equity offerings at a price of 106.125% of principal plus accrued and unpaid interest, provided that at least 65% of the aggregate principal amount of the 2024 notes remains outstanding after the redemption, as further described in Description of 2024 Notes Optional Redemption.
Change of Control	Upon a Change of Control (as defined under Description of 2024 Notes) we will be required to make an offer to purchase the 2024 notes. The purchase price will equal 101% of the principal amount of the 2024 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any Change of Control to make any required debt repayment (including repurchases of the 2024 notes). See Risk Factors Risks Related to the Notes We may not be able to make the change of control offer required by the indentures.
Guarantees	

The 2024 notes will be unconditionally, jointly and severally guaranteed, on a senior unsecured basis, by SB/RH Holdings and all of our domestic subsidiaries.

Ranking	The 2024 notes and the related guarantees will be the senior unsecured obligations of us and the guarantors and will:

- rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness, including the other notes; and

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rank senior in right of payment to all of our and the guarantors future indebtedness that expressly provide for its subordination to the 2024 notes and the related guarantees.

However, the 2024 notes will be effectively subordinated to any of our secured indebtedness, including under our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. In addition, the 2024 notes will be structurally subordinated to all indebtedness and other liabilities of Spectrum Brands subsidiaries that do not guarantee the 2024 notes.

Certain Covenants	The terms of the 2024 notes indenture restrict our ability and the ability of certain of our subsidiaries (as described in Description of 2024 Notes) to:

- incur additional indebtedness;
- create liens;
- engage in sale-leaseback transactions;
- pay dividends or make distributions in respect of capital stock;
- purchase or redeem capital stock;
- make investments or certain other restricted payments;
- sell assets;
- issue or sell stock of restricted subsidiaries;
- enter into transactions with affiliates; or
- effect a consolidation or merger.

	However, these limitations will be subject to a number of important qualifications and exceptions. In addition, if the 2024 notes are rated investment grade at any time by both Moody s Investors Service and Standard & Poor s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the 2024 notes indenture will be suspended.
Absence of a Public Market	The 2024 notes are freely transferable, but there may not be an active trading market for the 2024 notes. We cannot assure you as to the future liquidity of any market.
Trustee	U.S. Bank National Association is serving as trustee under the 2024 notes indenture.
Use of Proceeds	This prospectus is delivered in connection with the sale of the 2024 notes by Jefferies in market-marking transactions effected from time to time. We will not receive any proceeds from such transactions.
Risk Factors	You should consider all of the information contained in this prospectus before making an investment in the 2024 notes, including the 2024 notes. In particular, you should consider the risks described under Risk Factors.

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Summary of Terms of the 2025 Notes

The following is a summary of the terms of the 2025 notes. For a more complete description of the 2025 notes as well as the definitions of certain capitalized terms used below, see Description of 2025 Notes in this prospectus.

Issuer	Spectrum Brands, Inc.
2025 Notes	5.750% Senior Notes due 2025.
Maturity Date	July 15, 2025.
Interest	The 2025 notes will bear interest at a rate of 5.750% per annum. Interest on the 2025 notes will be payable in cash on July 15 and January 15 of each year.
Optional Redemption	On or after July 15, 2020, we may redeem some or all of the 2025 notes at any time at the redemption prices set forth in Description of 2025 Notes Optional Redemption. In addition, prior to July 15, 2020, we may redeem the 2025 notes at a redemption price equal to 100% of the principal amount plus a make-whole premium.
	Before July 15, 2018, we may redeem up to 35% of the 2025 notes, including additional notes, with an amount of cash equal to the net proceeds of equity offerings at a price of 105.750% of principal plus accrued and unpaid interest, provided that at least 65% of the aggregate principal amount of the 2025 notes remains outstanding after the redemption, as further described in Description of 2025 Notes Optional Redemption.
Change of Control	Upon a Change of Control (as defined under Description of 2025 Notes) we will be required to make an offer to purchase the 2025 notes. The purchase price will equal 101% of the principal amount of the 2025 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any Change of Control to make any required debt repayment (including repurchases of the 2025 notes). See Risk Factors Risks Related to the Notes We may not be able to make the change of control offer required by the indentures.
Guarantees	

The 2025 notes will be unconditionally, jointly and severally guaranteed, on a senior unsecured basis, by SB/RH Holdings and all of our domestic subsidiaries.

Ranking	The 2025 notes and the related guarantees will be the senior unsecured obligations of us and the guarantors and will:

- rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness, including the other notes; and

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	rank senior in right of payment to all of our and the guarantors future indebtedness that expressly provide for its subordination to the 2025 notes and the related guarantees.
	However, the 2025 notes will be effectively subordinated to any of our secured indebtedness, including under our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. In addition, the 2025 notes will be structurally subordinated to all indebtedness and other liabilities of Spectrum Brands subsidiaries that do not guarantee the 2025 notes.
Certain Covenants	The terms of the 2025 notes indenture restrict our ability and the ability of certain of our subsidiaries (as described in Description of 2025 Notes) to:
	incur additional indebtedness;
	create liens;
	engage in sale-leaseback transactions;
	pay dividends or make distributions in respect of capital stock;
	purchase or redeem capital stock;
	make investments or certain other restricted payments;
	sell assets;
	issue or sell stock of restricted subsidiaries;
	enter into transactions with affiliates; or
	effect a consolidation or merger.

	However, these limitations will be subject to a number of important qualifications and exceptions. In addition, if the 2025 notes are rated investment grade at any time by both Moody s Investors Service and Standard & Poor s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the 2025 notes indenture will be suspended.
Absence of a Public Market	The 2025 notes are freely transferable, but there may not be an active trading market for the 2025 notes. We cannot assure you as to the future liquidity of any market.
Trustee	U.S. Bank National Association is serving as trustee under the 2025 notes indenture.
Use of Proceeds	This prospectus is delivered in connection with the sale of the 2025 notes by Jefferies in market-marking transactions effected from time to time. We will not receive any proceeds from such transactions.
Risk Factors	You should consider all of the information contained in this prospectus before making an investment in the 2025 notes, including the 2025 notes. In particular, you should consider the risks described under Risk Factors.

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Summary Historical Financial Data of SB/RH Holdings

The following summary historical financial data have been derived from SB/RH Holdings audited consolidated financial statements included elsewhere in this prospectus. SB/RH Holdings audited consolidated statements of financial position as of September 30, 2015 and 2014; and SB/RH Holdings audited consolidated statements of operations, audited consolidated statements of comprehensive income (loss), audited consolidated statements of shareholder s equity and audited consolidated statements of cash flows, each for the years ended September 30, 2015, 2014 and 2013; are included elsewhere in this prospectus. SB/RH Holdings audited consolidated statement of financial position as of September 30, 2013 is not included in this prospectus.

The financial information and other data indicated may not be indicative of future performance, and the financial information and other data presented for the interim periods may not be indicative of the results for the full year. This financial information and other data should be read in conjunction with the audited financial statements of SB/RH Holdings, including the notes thereto, and Management s Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere in this prospectus.

	Year Ended September 30,		
	2015(1)	2014(2)	2013(3)
	(in millions)		
Statement of Operations Data:			
Net sales	$ 4,690.4	$ 4,429.1	$ 4,085.6
Gross profit	1,670.3	1,568.9	1,390.3
Operating income	480.5	484.5	352.9
Interest expense(4)	271.9	202.1	369.5
Other non-operating expense, net	8.9	6.3	3.5
Income (loss) from operations before income taxes	199.7	276.1	(20.1)
Income tax expense(5)	43.9	59.0	27.4
Net income (loss)	155.8	217.1	(47.5)
Net (Loss) income attributable to non-controlling interest	0.4	0.3	(0.1)
Net income (loss) attributable to controlling interest	155.4	216.8	(47.4)
Restructuring and related charges cost of goods sold(6)	2.1	3.7	10.0
Restructuring and related charges operating expenses(6)	26.6	19.2	24.0
Cash Flow and Related Data:			
Net cash provided by operating activities	$ 441.8	$ 434.7	$ 258.2
Capital expenditures	89.1	73.3	82.0
Depreciation and amortization	170.0)	(84,043)	
Proceeds from sales of available-for-sale investments	16,537	39,085	
Proceeds from maturities of available-for-sale investments	22,322	36,935	
Additions to property and equipment	(10,735)	(3,297)	
Increase in other long-term assets	(424)	0	
Distribution from unconsolidated entity	0	42	
Net cash used in investing activities	(14,920)	(11,278)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash dividends	(21,360)	(20,387)	

Proceeds from stock option exercises	824	45
Excess tax benefit from stock option exercises	64	13
Purchase of common stock for stock bonus plans	(573)	(907)
Repurchase of common stock	0	(17,748)
Net cash used in financing activities	(21,045)	(38,984)
Effect of exchange rate changes on cash and cash equivalents	2,026	(1,227)
Net increase in cash and cash equivalents	26,611	3,381
Cash and cash equivalents at beginning of period	116,675	77,613
Cash and cash equivalents at end of period	$ 143,286	$ 80,994

See Notes to Condensed Consolidated Financial Statements.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TECHNE Corporation and Subsidiaries

(unaudited)

A. Basis of Presentation:

The interim unaudited condensed consolidated financial statements of Techne Corporation and Subsidiaries (the Company) have been prepared in accordance with accounting principles generally accepted in the United States of America and with instructions to Form 10-Q and Article 10 of Regulation S-X. The accompanying interim unaudited condensed consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. All such adjustments are of a normal recurring nature.

A summary of significant accounting policies followed by the Company is detailed in the Company s Annual Report on Form 10-K for fiscal 2012. The Company follows these policies in preparation of the interim unaudited condensed consolidated financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These interim unaudited condensed consolidated financial statements should be read in conjunction with the Company s Consolidated Financial Statements and Notes thereto for the fiscal year ended June 30, 2012, included in the Company s Annual Report on Form 10-K for fiscal 2012.

B. Available-For-Sale Investments:

The Company s available-for-sale investments at December 31, 2012 and June 30, 2012 are carried at fair value and are valued using quoted market prices in active markets (Level 1 input) for identical assets and liabilities. The fair value of the Company s available-for-sale investments at December 31, 2012 and June 30, 2012 were $271 million and $296 million, respectively. The amortized cost basis of the Company s available-for-sale investments at December 31, 2012 and June 30, 2012 were $231 million and $230 million, respectively

C. Inventories:

Inventories consist of (in thousands):

	December 31, 2012	*June 30, 2012*
Raw materials	$ 5,846	$ 5,678
Finished goods	31,754	32,599
	$ 37,600	$ 38,277

D. Property and Equipment:

Property and equipment consist of (in thousands):

	December 31, 2012	*June 30, 2012*
Cost:		
Land	$ 7,511	$ 7,473
Buildings and improvements	133,042	123,257
Laboratory equipment	32,515	31,658
Office equipment	6,137	5,710

	179,205	168,098
Accumulated depreciation and amortization	(78,072)	(74,310)
	$ 101,133	$ 93,788

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E. Intangible Assets and Goodwill:

Intangible assets consist of (in thousands):

	December 31, 2012	June 30, 2012
Developed technology	$ 30,241	$ 29,410
Trade names	18,106	17,871
Customer relationships	8,820	8,712
Non-compete agreement	400	400
	57,567	56,393
Accumulated amortization	(12,629)	(9,917)
	$ 44,938	$ 46,476

The change in the carrying amount of net intangible assets for the six months ended December 31, 2012 resulted from amortization expense and currency translation. Amortization expense related to technologies included in cost of sales was $761,000 and $1.5 million, respectively, for the quarter and six months ended December 31, 2012, and $749,000 and $1.5 million, respectively, for the quarter and six months ended December 31, 2011. Amortization expense related to trade names, customer relationships, and the non-compete agreement included in selling, general and administrative expense was $521,000 and $1.0 million, respectively, for the quarter and six months ended December 31, 2012 and $519,000 and $1.0 million, respectively, for the quarter and six months ended December 31, 2011.

The change in the carrying amount of goodwill for the six months ended December 31, 2012 resulted from currency translation.

F. Earnings Per Share:

Shares used in the earnings per share computations are as follows (in thousands):

	Quarter Ended December 31,		Six Months Ended December 31,	
	2012	2011	2012	2011
Weighted average common shares outstanding-basic	36,834	36,966	36,831	37,030
Dilutive effect of stock options	66	62	66	69
Weighted average common shares outstanding-diluted	36,900	37,028	36,897	37,099

The dilutive effect of stock options in the above table excludes all options for which the aggregate exercise proceeds exceeded the average market price for the period. The number of potentially dilutive option shares excluded from the calculation was 214,000 for both the quarter and six months ended December 31, 2012. The number of potentially dilutive option shares excluded from the calculation was 238,000 and 192,000 for the quarter and six months ended December 31, 2011, respectively.

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G. Segment Information:

The Company has two reportable segments based on the nature of products (biotechnology and hematology). Following is financial information relating to the Company s reportable segments (in thousands):

	Quarter Ended December 31,		Six Months Ended December 31,	
	2012	2011	2012	2011
External sales				
Biotechnology	$ 69,628	$ 69,808	$ 139,131	$ 142,111
Hematology	5,455	4,854	10,977	10,147
Consolidated net sales	$ 75,083	$ 74,662	$ 150,108	$ 152,258
Earnings before income taxes				
Biotechnology	$ 36,883	$ 37,878	$ 73,877	$ 77,862
Hematology	2,148	1,681	4,251	3,599
Segment earnings before income taxes	39,031	39,559	78,128	81,461
Unallocated corporate expenses and equity method investee losses	(1,585)	(1,686)	(2,696)	(3,088)
Consolidated earnings before income taxes	$ 37,446	$ 37,873	$ 75,432	$ 78,373

H. Accumulated Other Comprehensive Income:

Accumulated other comprehensive income consists of (in thousands):

	December 31, 2012	June 30, 2012
Foreign currency translation adjustments	$ (15,711)	$ (20,743)
Net unrealized gain on available-for-sale investments, net of tax	25,961	42,518
	$ 10,250	$ 21,775

ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

TECHNE Corporation and subsidiaries (the Company) are engaged in the development, manufacture and sale of biotechnology products and hematology calibrators and controls. These activities are conducted domestically through TECHNE Corporation s wholly-owned subsidiaries, Research and Diagnostic Systems, Inc. (R&D Systems), Boston Biochem, Inc. (Boston Biochem), and BiosPacific, Inc. (BiosPacific). TECHNE Corporation s European biotechnology operations are conducted through its wholly-owned U.K. subsidiaries, R&D Systems Europe Ltd. (R&D Europe) and Tocris Holdings Limited (Tocris). R&D Europe has a sales subsidiary, R&D Systems GmbH, in Germany and a sales office in France. TECHNE Corporation distributes its biotechnology products in China through its wholly-owned subsidiary, R&D Systems China Co., Ltd. (R&D China). R&D China has a sales subsidiary, R&D Systems Hong Kong Ltd., in Hong Kong.

The Company has two reportable segments based on the nature of its products (biotechnology and hematology). R&D Systems Biotechnology Division, R&D Europe, Tocris, R&D China, BiosPacific and Boston Biochem operating segments are included in the biotechnology reporting segment. The Company s biotechnology reporting segment develops, manufactures and sells biotechnology research and diagnostic products world-wide. The Company s hematology reporting segment, which consists of R&D Systems Hematology Division, develops and manufactures hematology controls and calibrators for sale world-wide.

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RESULTS OF OPERATIONS

Consolidated net sales increased 0.6% and consolidated net earnings decreased 1.7% for the quarter ended December 31, 2012 compared to the quarter ended December 31, 2011. Consolidated net sales and consolidated net earnings decreased 1.4% and 4.3%, respectively for the six months ended December 31, 2012 compared to the six months ended December 31, 2011. Consolidated net sales for the quarter and six months ended December 31, 2012 were unfavorably affected by changes in foreign currency exchange rates from the same prior-year periods. A stronger U.S. dollar as compared to foreign currencies reduced sales by $577,000 and $2.5 million in the quarter and six-month periods ended December 31, 2012, from the comparable prior-year periods.

Net Sales

Consolidated net sales for the quarter and six months ended December 31, 2012 were $75.1 million and $150 million, respectively, an increase of $421,000 (0.6%) and a decrease of $2.1 million (1.4%) from the quarter and six months ended December 31, 2011, respectively. Excluding the effect of the change from the comparable prior-year period in exchange rates used to convert sales in foreign currencies (primarily British pound sterling, euros and Chinese yuan), consolidated net sales for the quarter and six months ended December 31, 2012 increased 1.3% and 0.2%, respectively, from comparable prior-year periods. Included in consolidated net sales for the quarter and six months ended December 31, 2012 was $418,000 and $706,000 of sales of new biotechnology products that had their first sale in fiscal 2013.

Net sales by reportable segment were as follows (in thousands):

	Quarter Ended December 31,		*Six Months Ended December 31,*	
	2012	*2011*	*2012*	*2011*
Biotechnology	$ 69,628	$ 69,808	$ 139,131	$ 142,111
Hematology	5,455	4,854	10,977	10,147
Consolidated net sales	$ 75,083	$ 74,662	$ 150,108	$ 152,258

Biotechnology segment net sales decreased $180,000 (0.3%) and $3.0 million (2.1%) for the quarter and six months ended December 31, 2012, respectively, compared to the same prior-year periods. This decrease resulted primarily from changes in exchange rates from the comparable prior-year periods which impacted sales by $577,000 and $2.5 million, as noted above.

Biotechnology segment sales growth (decline), excluding the effect of changes in exchange rates, from the same prior-year periods were as follows:

	Quarter Ended December 31,		*Six Months Ended December 31,*	
	2012	*2011*	*2012*	*2011*
U.S. industrial, pharmaceutical and biotechnology	(5.2%)	4.6%	(5.1%)	7.0%
U.S. academic	(3.9%)	(4.1%)	(3.9%)	(3.3%)
Europe	2.4%	(0.8%)	2.7%	(0.8%)
China	12.6%	32.8%	16.5%	23.8%
Pacific rim distributors, excluding China	3.3%	11.2%	1.7%	5.8%

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Biotechnology segment net sales consisted of the following:

	Six Months Ended December 31, 2012
United States:	
Industrial, pharmaceutical and biotechnology	30%
Academic	14%
Other	11%
	55%
Europe	29%
China	5%
Pacific rim distributors, excluding China	9%
Rest of world	2%
	100%

Hematology segment net sales increased $601,000 (12.4%) and $830,000 (8.2%) for the quarter and six months ended December 31, 2012 compared to the same prior-year periods as a result of increased sales volume.

Gross Margins

Fluctuations in gross margins, as a percentage of net sales, are typically the result of changes in foreign currency exchange rates, changes in product mix and seasonality. Such fluctuations are normal and expected to continue in future periods. Gross margins have also been affected by acquisitions completed in prior years.

Segment gross margins, as a percentage of net sales, were as follows:

	Quarter Ended December 31,		*Six Months Ended December 31,*	
	2012	*2011*	*2012*	*2011*
Biotechnology	75.5%	75.8%	75.8%	76.5%
Hematology	49.4%	46.3%	49.0%	47.3%
Consolidated	73.6%	73.9%	73.8%	74.6%

Biotechnology segment gross margin percentages for the quarter and six months ended December 31, 2012 decreased from the same prior-year periods primarily due to lower sales caused by unfavorable exchange rates. This negative gross margin impact was partially offset by a decline in the costs recognized upon the sale of inventory acquired in fiscal 2011 which was written-up to fair value. Hematology segment gross margin percentage for the quarter and six months ended December 31, 2012 increased slightly from the comparable prior-year periods as a result of changes in product mix.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $305,000 (2.9%) for the quarter and decreased $140,000 (0.7%) for the six months ended December 31, 2012 from the same prior-year periods. The increase in expense for the quarter ended December 31, 2012 included $170,000 consulting fees related to executive recruitment. Selling, general and administrative expenses for the quarter and six months were impacted by decreases from the comparable prior-year periods in profit sharing expense of $62,000 and $747,000, respectively.

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Consolidated selling, general and administrative expenses were composed of the following (in thousands):

	Quarter Ended December 31,		*Six Months Ended December 31,*	
	2012	*2011*	*2012*	*2011*
Biotechnology	$ 9,223	$ 9,003	$ 18,363	$ 18,473
Hematology	379	400	798	880
Unallocated corporate expenses	1,354	1,248	2,123	2,071
Consolidated selling, general and administrative expenses	$ 10,956	$ 10,651	$ 21,284	$ 21,424

The Company is in the process of searching for a new Chief Executive Officer (CEO). It is believed that the compensation for the previous CEO was below market and that it is likely the Company will incur increased selling, general and administrative costs as a result. These increases, if any, should not be significant in the fiscal year ending June 30, 2013, but could impact financial results beginning in fiscal 2014. This change could also impact other compensation and benefit costs.

Research and Development Expenses

Research and development expenses were composed of the following (in thousands):

	Quarter Ended December 31,		*Six Months Ended December 31,*	
	2012	*2011*	*2012*	*2011*
Biotechnology	$ 7,196	$ 6,624	$ 14,455	$ 13,093
Hematology	207	213	400	411
Consolidated research and development expenses	$ 7,403	$ 6,837	$ 14,855	$ 13,504

Research and development expenses for the quarter and six months ended December 31, 2012 increased $566,000 (8.3%) and $1.4 million (10.0%) from the same prior-year periods. The increase was mainly due to increases in personnel and supply costs associated with the development and release of new high-quality biotechnology products. The Company expects research and development expenses to continue to increase in future periods as a result of its ongoing product development program.

Other Non-operating Expense, Net

Other non-operating expense, net, consists mainly of foreign currency transaction gains and losses, rental income, building expenses related to rental property, and the Company s share of losses by equity method investees. Amounts were as follows (in thousands):

	Quarter Ended December 31,		*Six Months Ended December 31,*	
	2012	*2011*	*2012*	*2011*
Foreign currency gains (losses)	$ 149	$ (105)	$ 71	$ (629)
Rental income	215	198	385	332
Building expenses related to rental property	(457)	(482)	(986)	(1,069)
Losses by equity method investees	(42)	(218)	(83)	(416)
Other non-operating expense, net	$ (135)	$ (607)	$ (613)	$ (1,782)

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Income Taxes

Income taxes for both the quarter and six-month period ended December 31, 2012 were provided at rates of 32.3% of consolidated earnings before income taxes compared to 31.8% and 31.9% for the same prior-year periods. In January 2013, the U.S. federal credit for research and development was reinstated retroactively for the period of January 2012 through December 2013. As a result, in addition to the credit for the quarter ended March 31, 2013, the Company will record the credit for calendar 2012 in the third quarter of fiscal 2013. The amount of the retroactive credit is approximately $975,000. The Company expects its fiscal 2013 effective income tax rate for fiscal 2013 range from approximately 31% to 33%.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2012, cash and cash equivalents and available-for-sale investments were $415 million compared to $413 million at June 30, 2012. Included in available-for-sale-investments at December 31, 2012 was the fair value of the Company s investment in ChemoCentryx, Inc. (CCXI) of $69.1 million. The fair value of the Company s CCXI investment at June 30, 2012 was $94.7 million.

At December 31, 2012, approximately 59%, 39%, and 2% of the Company s cash and cash equivalents of $143 million are located in the U.S., United Kingdom and China, respectively. At December 31, 2012, approximately 96% of the Company s available-for-sale investment accounts are located in the U.S., with the remaining 4% in China. The Company has either paid U.S. income taxes on its undistributed foreign earnings or intends to indefinitely reinvest the undistributed earnings in the foreign operations.

The Company believes it can meet its cash and working capital requirements, facility expansion and capital addition needs and share repurchase, cash dividend, investment and acquisition strategies for at least the next twelve months through currently available funds, cash generated from operations and maturities or sales of available-for-sale investments.

Cash Flows From Operating Activities

The Company generated cash of $60.6 million from operating activities in the first six months of fiscal 2013 compared to $54.9 million in the first six months of fiscal 2012. The increase from the prior year was primarily due to changes in deferred income taxes and income taxes payable as a result of the timing of tax payments, offset by decreased net earnings for the period.

Cash Flows From Investing Activities

During the six months ended December 31, 2012, the Company purchased $42.6 million and had sales or maturities of $38.9 million of available-for-sale investments. During the six months ended December 31, 2011, the Company purchased $84.0 million and had sales or maturities of $76.0 million of available-for-sale investments. The Company s investment policy is to place excess cash in municipal and corporate bonds and other investments with maturities of less than three years. The objective of this policy is to obtain the highest possible return while minimizing risk and keeping the funds accessible.

Capital expenditures for fixed assets for the first six months of fiscal 2013 and 2012 were $10.7 million and $3.3 million, respectively. Included in capital expenditures for the first six months of fiscal 2013 and 2012 was $9.6 million and $1.9 million, respectively, related to expansion and remodeling of office and laboratory space at the Company s Minneapolis facility. The remaining capital additions were mainly for laboratory and computer equipment. Capital expenditures in the remainder of fiscal 2013 are expected to be approximately $18.0 million including $13.4 million related to expansion space in Minneapolis and the purchase of land and construction of a new facility in the United Kingdom, both of which are expected to be completed during fiscal 2014. Capital expenditures are expected to be financed through currently available funds and cash generated from operating activities.

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Cash Flows From Financing Activities

During the first six months of fiscal 2013 and 2012, the Company paid cash dividends of $21.4 million and $20.4 million, respectively, to all common shareholders. On February 5, 2013, the Company announced the payment of a $0.30 per share cash dividend. The dividend of approximately $11.0 million will be payable March 1, 2013 to all common shareholders of record on February 15, 2013.

Cash of $824,000 and $45,000 was received during the six months ended December 31, 2012 and 2011, respectively, from the exercise of stock options. The Company also recognized excess tax benefits from stock option exercises of $64,000 and $13,000 for the six months ended December 31, 2012 and 2011, respectively.

During the first six months of fiscal 2013 and 2012, the Company repurchased 8,324 and 13,140 shares of common stock for its employee stock bonus plans at a cost of $573,000 and $907,000, respectively.

During the first six months of fiscal 2012, the Company repurchased and retired 263,027 shares of common stock at a market value of $18.2 million, of which $17.7 million was disbursed prior to December 31, 2011. The Company did not repurchase any shares during the first six months of fiscal 2013.

CONTRACTUAL OBLIGATIONS

There were no material changes outside the ordinary course of business in the Company s contractual obligations during the quarter ended December 31, 2012.

CRITICAL ACCOUNTING POLICIES

The Company s significant accounting policies are discussed in the Company s Annual Report on Form 10-K for fiscal 2012 and are incorporated herein by reference. The application of certain of these policies requires judgments and estimates that can affect the results of operations and financial position of the Company. Judgments and estimates are used for, but not limited to, valuation of available-for-sale investments, inventory valuation and allowances, valuation of intangible assets and goodwill and valuation of investments in unconsolidated entities. There have been no significant changes in estimates in fiscal 2013 that would require disclosure. There have been no changes to the Company s policies in fiscal 2013.

FORWARD LOOKING INFORMATION AND CAUTIONARY STATEMENTS

This quarterly report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those regarding the Company s expectations as to the effect of changes to accounting policies, the expected effective income tax rate, the amount of capital expenditures for the remainder of the fiscal year, the timeframe for completing facility improvements in the U.S. and the U.K., the source of funding for capital expenditure requirements, the sufficiency of currently available funds for meeting the Company s needs, the impact of fluctuations in foreign currency exchange rates, and expectations regarding gross margin fluctuations, increased research and development expenses and increased selling, general and administrative expenses. These statements involve risks and uncertainties that may affect the actual results of operations. The following important factors, among others, have affected and, in the future, could affect the Company s actual results: the introduction and acceptance of new products, general economic conditions, increased competition, the reliance on internal manufacturing and related operations, the impact of currency exchange rate fluctuations, economic instability in Eurozone countries, the recruitment and retention of qualified personnel, the impact of governmental regulation, maintenance of intellectual property rights, credit risk and fluctuation in the market value of the Company s investment portfolio, unseen delays and expenses related to facility improvements and the success of financing efforts by companies in which the Company has invested. For additional information concerning such factors, see the Company s Annual Report on Form 10-K for fiscal 2012 as filed with the Securities and Exchange Commission.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At December 31, 2012, the Company had a portfolio of fixed income debt securities, excluding those classified as cash and cash equivalents, of $202 million. These securities, like all fixed income instruments, are subject to interest rate risk and will decline in value if market interest rates increase. As the Company s fixed income securities are classified as available-for-sale, no gains or losses are recognized by the Company in its consolidated statements of earnings due to changes in interest rates unless such securities are sold prior to maturity. The Company generally holds its fixed income securities until maturity and, historically, has not recorded any material gains or losses on any sale prior to maturity.

At December 31, 2012, the Company held an investment in the common stock of CCXI. The investment was included in short-term available-for-sale investments at its fair value of $69.1 million. At December 31, 2012, the potential loss in fair value due to a 10% decrease in the market value of CCXI was $6.9 million.

The Company operates internationally, and thus is subject to potentially adverse movements in foreign currency exchange rates. For the six months ended December 31, 2012, approximately 31% of consolidated net sales were made in foreign currencies, including 15% in euros, 7% in British pound sterling, 4% in Chinese yuan and the remaining 5% in other European currencies. As a result, the Company is exposed to market risk mainly from foreign exchange rate fluctuations of the euro, British pound sterling and the Chinese yuan as compared to the U.S. dollar as the financial position and operating results of the Company s foreign operations are translated into U.S. dollars for consolidation.

Month-end average exchange rates between the British pound sterling, euro and Chinese yuan and the U.S. dollar, which have not been weighted for actual sales volume in the applicable months in the periods, were as follows:

	Quarter Ended December 31,		*Six Months Ended December 31,*	
	2012	*2011*	*2012*	*2011*
Euro	$ 1.30	$ 1.34	$ 1.28	$ 1.37
British pound sterling	1.61	1.58	1.60	1.59
Chinese yuan	.160	.158	.159	.157

The Company s exposure to foreign exchange rate fluctuations also arises from trade receivables and intercompany payables denominated in one currency in the financial statements, but receivable or payable in another currency. At December 31, 2012, the Company had the following trade receivable and intercompany payables denominated in one currency but receivable or payable in another currency (in thousands):

	Denominated Currency	*U.S. Dollar Equivalent*
Accounts receivable in:		
Euros	£ 1,016	$ 1,650
Other European currencies	£ 884	$ 1,437
Intercompany payable in:		
Euros	£ 366	$ 594
U.S. dollars	£ 2,363	$ 3,839
U.S. dollars	yuan 5,818	$ 934

All of the above balances are revolving in nature and are not deemed to be long-term balances. The Company does not enter into foreign exchange forward contracts to reduce its exposure to foreign currency rate changes on forecasted intercompany foreign currency denominated balance sheet positions. Foreign currency transaction gains and losses are included in Other non-operating expense in the Consolidated Statement of Earnings and Comprehensive Income. The effect of translating net assets of foreign subsidiaries into U.S. dollars are recorded on the Consolidated Balance Sheet as part of Accumulated other comprehensive income.

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The effects of a hypothetical simultaneous 10% appreciation in the U.S. dollar from December 31, 2012 levels against the euro, British pound sterling and Chinese yuan are as follows (in thousands):

Decrease in translation of 2013 earnings into U.S. dollars (annualized)	$ 2,372
Decrease in translation of net assets of foreign subsidiaries	16,412
Additional transaction losses	477

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, the Company conducted an evaluation, under the supervision and with the participation of the person serving as principal executive officer and principal financial officer, of the Company s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 as amended (the Exchange Act)). Based on this evaluation, the person serving as principal executive officer and principal financial officer concluded that the Company s disclosure controls and procedures are effective to ensure that material information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. There was no change in the Company s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the Company s most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company s internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

As of February 11, 2012, the Company is not a party to any legal proceedings that, individually or in the aggregate, are reasonably expected to have a material adverse effect on the Company s business, results of operations, financial condition or cash flows.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in Part I, Item 1A, Risk Factors, of the Company s Annual Report on Form 10-K for the year ended June 30, 2012.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table sets forth the repurchases of Company common stock for the quarter ended December 31, 2012:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
10/1/12-10/31/12	0	$ 0	0	$ 127.0 million
11/1/12-11/30/12	0	$ 0	0	$ 127.0 million
12/1/12-12/31/12	0	$ 0	0	$ 127.0 million
Total	0	$ 0	0	$ 127.0 million

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In April 2009, the Company authorized a plan for the repurchase and retirement of $60 million of its common stock. The plan does not have an expiration date. In October 2012, the Company increased the amount authorized under the plan by $100 million.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

See exhibit index following the signature page.

SIGNATURES

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.

TECHNE CORPORATION
(Company)

Date: February 11, 2013

/s/ Gregory J. Melsen
Gregory J. Melsen
Interim Chief Executive Officer and Chief Financial Officer

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EXHIBIT INDEX

TO

FORM 10-Q

TECHNE CORPORATION

Exhibit #	Description
31.1	Section 302 Certification
32.1	Section 906 Certification
101	The following financial statements from the Company s Quarterly Report on Form 10-Q for the quarter ended December 31, 2012, formatted in Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Earnings and Comprehensive Income, (iii) the Condensed Consolidated Statements of Cash Flows, and (iv) Notes to the Condensed Consolidated Financial Statements.

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