NEWELL BRANDS INC
Form 10-Q
May 09, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 March 31, 2016
Commission File Number 1-9608
NEWELL BRANDS INC.
(Exact name of registrant as specified in its charter)

DELAWARE	36-3514169
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6655 Peachtree Dunwoody Road
Atlanta, Georgia 30328
(Address of principal executive offices)
(Zip Code)
(770) 418-7000
(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 R No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes R No o

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer R Accelerated filer o Non-accelerated filer o Smaller reporting company o
(Do not check if a smaller reporting company)

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

Number of shares of common stock outstanding (net of treasury shares) as of March 31, 2016: 268.2 million.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

NEWELL BRANDS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(Amounts in millions, except per share data)

	Three Months Ended March 31,	
	2016	2015
Net sales	$1,314.9	$1,264.0
Cost of products sold	809.3	776.5
GROSS MARGIN	505.6	487.5
Selling, general and administrative expenses	362.5	362.0
Restructuring costs	17.7	27.3
OPERATING INCOME	125.4	98.2
Nonoperating expenses:		
Interest expense, net	29.4	19.2
Loss related to termination of credit facility	45.9	—
Other (income) expense, net	(1.5)	0.1
Net nonoperating expenses	73.8	19.3
INCOME BEFORE INCOME TAXES	51.6	78.9
Income tax expense	11.3	22.0
INCOME FROM CONTINUING OPERATIONS	40.3	56.9
Income (loss) from discontinued operations, net of tax	0.2	(2.8)
NET INCOME	$40.5	$54.1
Weighted average shares outstanding:		
Basic	268.7	270.5
Diluted	270.1	272.7
Earnings per share:		
Basic:		
Income from continuing operations	$0.15	$0.21
Income (loss) from discontinued operations	$—	$(0.01)
Net income	$0.15	$0.20
Diluted:		
Income from continuing operations	$0.15	$0.21
Income (loss) from discontinued operations	$—	$(0.01)
Net income	$0.15	$0.20
Dividends per share	$0.19	$0.19

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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NEWELL BRANDS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(Amounts in millions)

	Three Months Ended March 31,	
	2016	2015
NET INCOME	$40.5	$54.1
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	10.9	(105.5)
Change in unrecognized pension and other postretirement costs	6.7	11.2
Derivative hedging (loss) gain	(58.0)	1.1
Total other comprehensive loss, net of tax	(40.4)	(93.2)
COMPREHENSIVE INCOME (LOSS) [1]	$0.1	$(39.1)

(1) Comprehensive income (loss) attributable to noncontrolling interests was not material.

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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NEWELL BRANDS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)
(Amounts in millions, except par values)

	March 31, 2016	December 31, 2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$8,180.9	$ 274.8
Accounts receivable, net	1,187.7	1,250.7
Inventories, net	871.5	721.8
Prepaid expenses and other	146.0	147.8
Assets held for sale	102.8	98.4
TOTAL CURRENT ASSETS	10,488.9	2,493.5
PROPERTY, PLANT AND EQUIPMENT, NET	624.5	599.2
GOODWILL	2,801.6	2,791.2
OTHER INTANGIBLE ASSETS, NET	1,085.9	1,063.7
DEFERRED INCOME TAXES	38.5	38.5
OTHER ASSETS	293.4	273.4
TOTAL ASSETS	$15,332.8	$ 7,259.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$657.1	$ 642.4
Accrued compensation	98.7	185.2
Other accrued liabilities	625.7	728.9
Short-term debt	762.8	382.9
Current portion of long-term debt	5.9	5.9
Liabilities held for sale	44.7	43.3
TOTAL CURRENT LIABILITIES	2,194.9	1,988.6
LONG-TERM DEBT	10,606.6	2,669.1
DEFERRED INCOME TAXES	203.9	226.6
OTHER NONCURRENT LIABILITIES	548.7	548.8
STOCKHOLDERS' EQUITY:		
Preferred stock, authorized shares, 10.0 at $1.00 par value	—	—
None issued and outstanding		
Common stock, authorized shares, 800.0 at $1.00 par value	289.1	287.5
Outstanding shares, before treasury:		
2016 – 289.1		
2015 – 287.5		
Treasury stock, at cost:	(542.6)	(523.1)
Shares held:		
2016 – 20.9		
2015 – 20.3		
Additional paid-in capital	822.3	801.4
Retained earnings	2,080.6	2,090.9
Accumulated other comprehensive loss	(874.2)	(833.8)
STOCKHOLDERS' EQUITY ATTRIBUTABLE TO PARENT	1,775.2	1,822.9
STOCKHOLDERS' EQUITY ATTRIBUTABLE TO NONCONTROLLING INTERESTS	3.5	3.5
TOTAL STOCKHOLDERS' EQUITY	1,778.7	1,826.4
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$15,332.8	$ 7,259.5

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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NEWELL BRANDS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Amounts in millions)

	Three Months Ended March 31,	
	2016	2015
OPERATING ACTIVITIES:		
Net income	$40.5	$54.1
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	42.8	42.2
Net gain from sale of discontinued operations	(0.9)	—
Loss related to termination of credit facility	45.9	—
Non-cash restructuring costs	0.3	—
Deferred income taxes	7.0	17.9
Stock-based compensation expense	9.9	6.8
Other, net	4.8	5.5
Changes in operating assets and liabilities, excluding the effects of acquisitions and divestitures:		
Accounts receivable	69.7	170.0
Inventories	(137.8)	(164.8)
Accounts payable	7.4	(38.7)
Accrued liabilities and other	(360.5)	(247.3)
NET CASH USED IN OPERATING ACTIVITIES	(270.9)	(154.3)
INVESTING ACTIVITIES:		
Proceeds from sales of discontinued operations and noncurrent assets	2.6	4.0
Acquisitions and acquisition-related activity	(21.0)	(2.0)
Capital expenditures	(51.6)	(50.9)
Other	—	(0.2)
NET CASH USED IN INVESTING ACTIVITIES	(70.0)	(49.1)
FINANCING ACTIVITIES:		
Short-term borrowings, net	378.7	343.4
Proceeds from issuance of debt, net of debt issuance costs	7,931.2	—
Repurchase and retirement of shares of common stock	—	(73.6)
Cash dividends	(53.3)	(53.2)
Excess tax benefits related to stock-based compensation	9.5	15.2
Other stock-based compensation activity and other, net	(18.0)	(13.6)
NET CASH PROVIDED BY FINANCING ACTIVITIES	8,248.1	218.2
Currency rate effect on cash and cash equivalents	(1.1)	1.2
INCREASE IN CASH AND CASH EQUIVALENTS	7,906.1	16.0
Cash and cash equivalents at beginning of period	274.8	199.4
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$8,180.9	$215.4

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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NEWELL BRANDS INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Footnote 1 — Basis of Presentation and Significant Accounting Policies

The accompanying unaudited condensed consolidated financial statements of Newell Brands Inc. (formerly Newell Rubbermaid Inc., and collectively with its subsidiaries, the "Company") have been prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC") and do not include all of the information and footnotes required by U.S. generally accepted accounting principles ("U.S. GAAP") for complete financial statements. In the opinion of management, the unaudited condensed consolidated financial statements include all adjustments (including normal recurring accruals) considered necessary for a fair presentation of the financial position and the results of operations of the Company. The condensed consolidated balance sheet as of December 31, 2015 has been derived from the audited financial statements as of that date, but it does not include all of the information and footnotes required by U.S. GAAP for complete financial statements. It is recommended that these unaudited condensed consolidated financial statements be read in conjunction with the financial statements, and the footnotes thereto, included in the Company's most recent Annual Report on Form 10-K.

Seasonal Variations

Sales of the Company's products tend to be seasonal, with sales and operating income in the first quarter generally lower than any other quarter during the year, driven principally by reduced volume and the mix of products sold in the first quarter. Historically, the Company has earned approximately 60% of its annual operating income during the second and third quarters of the year. The seasonality of the Company's sales volume combined with the accounting for fixed costs, such as depreciation, amortization, rent, personnel costs and interest expense, impacts the Company's results on a quarterly basis. In addition, the Company has historically generated more than 95% of its operating cash flow in the second half of the year due to seasonal variations in operating results, the timing of annual performance-based compensation payments, customer program payments, working capital requirements and credit terms provided to customers. Accordingly, the Company's results for the three months ended March 31, 2016 may not necessarily be indicative of the results that may be expected for the full year ending December 31, 2016.

Recent Accounting Pronouncements

Changes to U.S. GAAP are established by the Financial Accounting Standards Board ("FASB") in the form of accounting standards updates ("ASUs") to the FASB's Accounting Standards Codification. The Company considers the applicability and impact of all ASUs.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers. Accounting Standard Codification 605 — Revenue Recognition." ASU 2014-09 supersedes the revenue recognition requirements in "Accounting Standard Codification 605 — Revenue Recognition" and most industry-specific guidance. ASU 2014-09 requires that entities recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which a company expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for fiscal years beginning after December 15, 2017. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. The Company is currently assessing the impact ASU 2014-09 will have on its financial position and results of operations.

In January 2015, the FASB issued ASU No. 2015-01, "Income Statement—Extraordinary and Unusual Items (Subtopic 225-20), Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items," which simplifies income statement presentation by eliminating the concept of extraordinary items. Previously, events or transactions that were both unusual in nature and infrequent in occurrence for a business entity were considered to be extraordinary items and required separate presentation, net of tax, after income from continuing operations. The presentation and disclosure guidance for items that are unusual in nature or occur infrequently was retained and expanded to include items that are both unusual and infrequently occurring. The guidance is effective for fiscal years beginning after December 15, 2015. The Company adopted ASU 2015-01 on January 1, 2016, and the adoption of ASU 2015-01 did not have a material impact on the Company's results of operations, cash flows or financial position.

In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs," which changes the presentation of debt issuance costs in financial statements. ASU 2015-03 requires an entity to present such costs in the balance sheet as a direct reduction from the related debt liability rather than as an asset. Amortization of the costs continues to be reported as interest expense. The guidance is effective for fiscal years beginning after December 15, 2015. The Company restrospectively adopted ASU 2015-03 on January 1, 2016, and the adoption of ASU 2015-03 had the effect of reducing the Company's other assets and long-term debt by $86.0 million and $18.5 million as of March 31, 2016 and December 31, 2015, respectively.

In April 2015, the FASB issued ASU No. 2015-05, "Intangibles - Goodwill and Other -Internal-Use Software (Subtopic 350-40), Customers Accounting for Fees Paid in a Cloud Computing Arrangement," to help entities evaluate the accounting for fees paid by a customer in a cloud computing arrangement. The amendments provide guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license element, then the customer should account for the software license element arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The Company prospectively adopted this guidance as of January 1, 2016, and the adoption did not have a material impact on the Company's results of operations, cash flows or financial condition.

In July 2015, the FASB issued ASU No. 2015-11, "Simplifying the Measurement of Inventory," which modifies existing requirements regarding measuring first-in, first-out and average cost inventory at the lower of cost or market. Under existing standards, the market amount requires consideration of replacement cost, net realizable value ("NRV"), and NRV less an approximately normal profit margin. ASU 2015-11 replaces market with NRV, defined as estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. This eliminates the need to determine and consider replacement cost or NRV less an approximately normal profit margin when measuring inventory. This guidance is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. The Company is currently assessing the impact ASU 2015-11 will have on its financial position and results of operations.

In September 2015, the FASB issued ASU No. 2015-16, "Simplifying the Accounting for Measurement-Period Adjustments," which requires an acquirer in a business combination to recognize measurement-period adjustments during the period in which the acquirer determines the amounts, including the effect on earnings of any amounts the acquirer would have recorded in previous periods if the accounting had been completed at the acquisition date, as opposed to retrospectively. This guidance is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. The Company adopted ASU 2015-16 in the third quarter of 2015, and the adoption did not have a material impact on the Company's results of operations, cash flows or financial position.

In November 2015, the FASB issued ASU No. 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes," which simplifies the reporting of deferred tax positions, requiring deferred tax assets and liabilities to be classified as noncurrent in the consolidated balance sheet, as opposed to the historical current and noncurrent classification. This guidance is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. The Company adopted ASU 2015-17 on a retrospective basis as of December 31, 2015.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)," which requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses will depend on classification as a finance or operating lease. ASU 2016-02 is effective for the Company on January 1, 2019. The Company is currently assessing the impact ASU 2016-02 will have on its financial position and results of operations.

In March 2016, the FASB issued ASU 2016-09, "Compensation-Stock Compensation: Improvement to Employee Share-Based Payment Accounting." ASU 2016-09 provides guidance intended to simplify accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. The guidance is effective for interim and annual periods beginning after December 15, 2016. Early adoption is permitted. The Company is currently evaluating the impact of the updated guidance on its consolidated financial statements.

Other recently issued ASUs were assessed and determined to be either not applicable or are expected to have a minimal impact on the Company's consolidated financial position and results of operations.

Venezuelan Operations

As of December 31, 2015, the Company determined it could no longer exercise control over its Venezuelan operations because the availability of U.S. Dollars had declined significantly over the past several years in each of Venezuela's three exchange mechanisms, and the Company concluded that an other-than-temporary lack of exchangeability between the Venezuelan Bolivar and the U.S. Dollar existed as of December 31, 2015. Furthermore, increasingly restrictive governmental regulations in Venezuela related to prices that could be charged for products, distribution channels into which products could be sold, product labeling requirements, importation of raw materials and sourced products which must be purchased in U.S. Dollars, and labor matters restricted the Company's ability to make and execute decisions related to its Venezuelan operations. As a result, the Company concluded it could no longer make key operational and financial decisions regarding its Venezuelan operations and deconsolidated its Venezuelan operations as of December 31, 2015.

Prior to the deconsolidation of the Venezuelan operations on December 31, 2015, the results of the Company's Venezuelan operations were included in the Company's Condensed Consolidated Statement of Operations. During the three months ended March 31, 2015, the Company's Venezuelan operations generated $21.9 million of consolidated net sales and $7.5 million of operating income.

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Income Taxes

At the end of each interim period, the Company makes its best estimate of the effective tax rate expected to be applicable for the full fiscal year. This estimate reflects, among other items, the Company's best estimate of operating results and foreign currency exchange rates. The Company's quarterly income tax rate may differ from its estimated annual effective tax rate because accounting standards require the Company to exclude the actual results of certain entities expected to generate a pretax loss when applying the estimated annual effective tax rate to the Company's consolidated pretax results in interim periods. In estimating the annual effective tax rate, the Company does not include the estimated impact of unusual and/or infrequent items, including the reversal of valuation allowances, which may cause significant variations in the customary relationship between income tax expense (benefit) and pretax income (loss) in quarterly periods. The income tax expense (benefit) for such unusual and/or infrequent items is recorded in the quarterly period such items are incurred.

The Company routinely reviews valuation allowances recorded against deferred tax assets on a more likely than not basis in evaluating whether the Company has the ability to realize the deferred tax assets. In making such a determination, the Company takes into consideration all available and appropriate positive and negative evidence, including projected future taxable income, future reversals of existing taxable temporary differences, available tax planning strategies and taxable income in prior carryback years, if available. Considering these factors, a possibility exists that the Company may record or release a portion of a valuation allowance against some deferred tax assets each quarterly period, which could create volatility in the Company's future effective tax rate.

Footnote 2 — Acquisitions

Elmer's

During October 2015, the Company acquired Elmer's Products, Inc. ("Elmer's") for a purchase price of $571.4 million, which is net of $16.8 million of cash acquired. The acquisition of Elmer's was accounted for using the purchase method of accounting and, accordingly, the Company preliminarily allocated the total purchase price to the identifiable tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the date of acquisition. Based on the preliminary purchase price allocation, which is subject to change while the Company obtains final third-party valuations, the Company allocated $24.5 million of the purchase price to identified tangible and monetary net assets, $86.6 million to deferred tax liabilities and $262.0 million to identified intangible assets. Approximately $220.0 million was allocated to indefinite-lived intangible assets and approximately $42.0 million was allocated to a definite-lived intangible asset with a weighted-average life of 8 years. The indefinite-lived intangible assets represent the acquired Elmer's® and X-Acto® trade names. The Company recorded the excess of the purchase price over the aggregate fair values of identifiable assets of $371.5 million as goodwill. None of the goodwill is expected to be tax deductible. Elmer's results of operations are included in the Company's Condensed Consolidated Statements of Operations since the acquisition date, including net sales of $44.6 million for the three months ended March 31, 2016. Pro forma results of operations of the Company would not be materially different as a result of the acquisition and therefore are not presented.

The Company incurred $6.6 million of restructuring costs during the three months ended March 31, 2016 associated with the integration of Elmer's.

The Company incurred $1.7 million of acquisition and integration costs associated with prior acquisitions during the three months ended March 31, 2015, of which $1.5 million is included in cost of products sold and $0.2 million is included in selling, general and administrative expenses in the Company's Condensed Consolidated Statement of Operations for the three months ended March 31, 2015.

Jarden Corporation

On April 15, 2016, Jarden Corporation ("Jarden") became a direct wholly-owned subsidiary of Newell Brands Inc., as a result of a series of merger transactions (the "Jarden Acquisition"). The Jarden Acquisition was effected pursuant to an Agreement and Plan of Merger, dated as of December 13, 2015 (the "Merger Agreement") between the Company, Jarden and two wholly-owned subsidiaries of the Company. Following the Jarden Acquisition, the Company was renamed Newell Brands Inc. Jarden is a leading, global consumer products company with leading brands, such as Yankee Candle®, Crock-Pot®, FoodSaver®, Mr. Coffee®, Oster®, Coleman®, First Alert®, Rawlings®, Jostens®, K2®, Marker®, Marmot®, Volkl® and many others. The Jarden Acquisition enables the Company to scale the enterprise with leading brands in global markets. The scale of the Company in key categories, channels and geographies enables it to deploy its strategy, which includes advantaged development and commercial capabilities, across a larger set of opportunities to generate accelerated growth and margin expansion. The Jarden Acquisition will be accounted for using the purchase method of accounting, and Jarden's assets, liabilities and results of operations will be included in the Company's financial statements from the acquisition date. Jarden's sales and operating income for the year ended December 31, 2015 were $8.6 billion and $508.0 million, respectively.

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Pursuant to the Merger Agreement, each share of Jarden common stock was converted into the right to receive and became exchangeable for merger consideration consisting of (1) 0.862 of a share of the Company's common stock plus (2) $21.00 in cash. On April 15, 2016, the Company provided for the issuance of up to 189.4 million shares of common stock and the payment of up to $4.6 billion for 100% of the outstanding equity interests of Jarden, which represented 219.7 million shares of Jarden common stock outstanding and eligible to receive the merger consideration. In addition, on April 15, 2016, the Company paid $4.1 billion to settle certain of Jarden's outstanding debt obligations, which included accrued interest and change-in-control premiums.

Based on the closing price of a share of the Company's common stock on April 15, 2016 of $44.33 per share and assuming conversion of all of Jarden's convertible notes, the total consideration paid or payable for shares of Jarden common stock is approximately $15.3 billion, including $5.4 billion of cash and $9.9 billion of common stock. Assuming conversion of all of Jarden's convertible notes, stockholders of Newell Rubbermaid and stockholders and convertible note holders of Jarden immediately before the merger owned 55% and 45%, respectively, of Newell Brands upon completion of the merger.

The Jarden Acquisition constituted a make-whole fundamental change with respect to Jarden's three series of outstanding convertible notes, making them eligible for conversion into shares of Jarden common stock and eligible to receive the merger consideration based on the number of Jarden shares into which the convertible notes may be converted. Jarden's three series of convertible notes include $500.0 million principal amount of 1.875% senior subordinated convertible notes due 2018 (the "Jarden 2018 Convertible Notes"); $265.0 million principal amount of 1.5% senior subordinated convertible notes due 2019 (the "Jarden 2019 Convertible Notes"); and $690.0 million principal amount of 1.125% senior subordinated convertible notes due 2034 (the "Jarden 2034 Convertible Notes"). As of May 4, 2016, holders of 85% of the principal amount of Jarden 2018 Convertible Notes, 75% of the principal amount of Jarden 2019 Convertible Notes and 83% of the principal amount of Jarden 2034 Convertible Notes had converted their notes into shares of Jarden common stock and received the merger consideration. If holders of Jarden's convertible notes convert all of the notes into shares of Jarden common stock, holders of Jarden's convertible notes would receive 37.9 million shares of Jarden common stock and would be entitled to receive the merger consideration of 32.7 million shares of Newell Brands common stock and $0.8 billion of cash.

The Company, with the assistance of a third-party, is undertaking a comprehensive valuation of Jarden's property, plant and equipment and identifiable intangible assets. The estimated values of these assets are not available due to the number of physical locations where property, plant and equipment is located and the unique aspects and number of Jarden's identifiable intangible assets, particularly its trade names, trademarks, customer relationships and distribution channels. Because preliminary results of the comprehensive valuation are not yet available and because of the practical challenges associated with quantifying working capital accounts as of the middle of a month (April 15), the initial accounting for the transaction is not complete.

During the three months ended March 31, 2016, the Company incurred $12.7 million of acquisition and integration costs, which primarily relate to the acquisition and integration of Jarden and are included in selling, general and administrative expenses in the Company's Condensed Consolidated Statement of Operations for the three months ended March 31, 2016.

Footnote 3 — Discontinued Operations and Divestitures

The following table provides a summary of amounts included in discontinued operations (in millions):

	Three Months Ended March 31,	
	2016	2015
Net sales	$—	$17.3
Loss from discontinued operations before income taxes	$(0.6)	$(4.4)
Income tax benefit	(0.2)	(1.6)
Loss from discontinued operations	(0.4)	(2.8)

Net gain from sale of discontinued operations, net of tax	0.6	—
Income (loss) from discontinued operations, net of tax	$0.2	$(2.8)

Held for Sale

In October 2015, the Company announced its intention to divest the Levolor® and Kirsch® window coverings brands ("Décor"). The Décor business continues to be reported in continuing operations as part of the Home Solutions segment. During March 2016, the Company entered into an agreement to sell the Décor business for an estimated price of $270.0 million, subject to working capital adjustments. The transaction is expected to close in 2016, subject to certain customary conditions, including regulatory approvals.

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The Décor business generated 5.7% and 5.9% of the Company's consolidated net sales for the three months ended March 31, 2016 and 2015, respectively. The following table presents information related to the major classes of Décor's assets and liabilities that were classified as assets and liabilities held for sale in the Condensed Consolidated Balance Sheets as of March 31, 2016 and December 31, 2015 (in millions):

	March 31, 2016	December 31, 2015
Inventories, net	$32.2	$ 35.3
Prepaid expenses and other	7.2	2.0
Property, plant and equipment, net	20.5	18.2
Goodwill	19.2	19.2
Other intangible assets, net	23.7	23.7
Total Assets	$102.8	$ 98.4
Accounts payable	$36.1	$ 34.8
Other accrued liabilities	8.6	8.5
Total Liabilities	$44.7	$ 43.3

Footnote 4 — Stockholders' Equity and Accumulated Other Comprehensive Loss

In August 2011, the Company announced a three-year share repurchase program (the "SRP"). Under the SRP, the Company may repurchase its own shares of common stock through a combination of 10b5-1 automatic trading plans, discretionary market purchases or in privately negotiated transactions. As expanded and extended in November 2014, the Company may repurchase a total of up to $1.1 billion of its own stock through the end of 2017 pursuant to the SRP. As of March 31, 2016, the Company had $255.9 million available under the SRP for future repurchases.

The following tables display the changes in accumulated other comprehensive loss by component for the three months ended March 31, 2016 and 2015 (in millions):

	Foreign Currency Translation Loss [1]	Unrecognized Pension & Other Postretirement Costs, Net of Tax	Derivative Hedging Gain (Loss), Net of Tax	Accumulated Other Comprehensive Loss
Balance at December 31, 2015	$ (411.7)	$ (422.3)	$ 0.2	$ (833.8)
Other comprehensive income (loss) before reclassifications	10.9	4.3	(68.7)	(53.5)
Amounts reclassified to earnings	—	2.4	10.7	13.1
Net current period other comprehensive income (loss)	10.9	6.7	(58.0)	(40.4)
Balance at March 31, 2016	$ (400.8)	$ (415.6)	$ (57.8)	$ (874.2)

(1) Includes foreign exchange gains of $0.5 million arising during the three months ended March 31, 2016 associated with intercompany loans designated as long-term.

	Foreign Currency Translation Loss [2]	Unrecognized Pension & Other Postretirement Costs, Net of Tax	Derivative Hedging Gain (Loss), Net of Tax	Accumulated Other Comprehensive Loss
Balance at December 31, 2014	$ (287.8)	$ (511.7)	$ 5.1	$ (794.4)
Other comprehensive (loss) income before reclassifications	(105.5)	7.2	4.2	(94.1)
Amounts reclassified to earnings	—	4.0	(3.1)	0.9
	(105.5)	11.2	1.1	(93.2)

Net current period other comprehensive (loss) income				
Balance at March 31, 2015	$ (393.3)	$ (500.5)	$ 6.2	$ (887.6)

(2) Includes foreign exchange losses of $24.2 million arising during the three months ended March 31, 2015 associated with intercompany loans designated as long-term.

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The following table depicts reclassifications out of accumulated other comprehensive loss to earnings for the periods indicated (in millions):

	Amount Reclassified to Earnings as Expense (Benefit) in the Statements of Operations Three Months Ended March 31,		Affected Line Item in the Condensed Consolidated Statements of Operations
	2016	2015	
Unrecognized pension and other postretirement costs:			
Prior service benefit	$(1.2)	$(1.7)	(1)
Actuarial loss	4.7	7.4	(1)
Total before tax	3.5	5.7	
Tax effect	(1.1)	(1.7)	
Net of tax	$2.4	$4.0	
Derivatives:			
Foreign exchange contracts on inventory-related purchases	$(1.7)	$(4.3)	Cost of products sold
Cross-currency interest rate swaps on intercompany borrowings	11.8	—	Other expense, net
Forward-starting interest rate swaps	0.2	0.2	Interest expense, net
Total before tax	10.3	(4.1)	
Tax effect	0.4	1.0	
Net of tax	$10.7	$(3.1)	

(1) These accumulated other comprehensive income (loss) components are included in the computation of net periodic pension and other postretirement benefit costs, which are recorded in the cost of products sold and selling, general and administrative expenses line-items in the Condensed Consolidated Statements of Operations for the three months ended March 31, 2016 and 2015. See Footnote 9 for further details.

Footnote 5 — Restructuring Costs

Project Renewal

Project Renewal was launched in October 2011 to reduce the complexity of the organization and increase investment in growth platforms within the business. Under Project Renewal, the Company is simplifying and aligning its businesses around two key activities, Brand & Category Development and Market Execution & Delivery; simplifying and streamlining the supply chain and overhead and partnering functions to align with the new structure; and optimizing its selling and trade marketing functions. Cumulative costs of Project Renewal are expected to be approximately $690.0 million to $725.0 million pretax, with cash costs of approximately $645.0 million to $675.0 million. Approximately 60% to 70% of the total costs are expected to be restructuring costs, a majority of which are expected to be employee-related cash costs, including severance, retirement and other termination benefits and costs. Project Renewal is expected to be complete by the end of 2017.

The following table depicts the restructuring charges incurred in connection with Project Renewal for the periods indicated (in millions):

	Three Months	Since Inception

	Ended March 31,		Through
	2016	2015	March 31, 2016
Facility and other exit costs, including impairments	$0.3	$0.3	$ 27.7
Employee severance, termination benefits and relocation costs	(1.5)	18.9	217.0
Exited contractual commitments and other	12.3	8.1	76.2
	$11.1	$27.3	$ 320.9

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Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management and are periodically updated for changes. Restructuring amounts also include amounts recognized as incurred. The following table depicts the activity in accrued restructuring reserves for Project Renewal for the three months ended March 31, 2016 (in millions):

	December 31, 2015 Balance	Provision	Costs Incurred	March 31, 2016 Balance
Facility and other exit costs, including impairments	$ —	$ 0.3	$ (0.3)	$ —
Employee severance, termination benefits and relocation costs	49.3	(1.5)	(11.9)	35.9
Exited contractual commitments and other	17.3	12.3	(2.5)	27.1
	$ 66.6	$ 11.1	$ (14.7)	$ 63.0

The following table depicts the activity in accrued restructuring reserves for Project Renewal for the three months ended March 31, 2016 aggregated by reportable business segment (in millions):

Segment	December 31, 2015 Balance	Provision	Costs Incurred	March 31, 2016 Balance
Writing	$ 14.0	$ 4.8	$ (0.5)	$ 18.3
Home Solutions	5.1	0.3	(0.9)	4.5