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Cash Used in Financing Activities

Net cash used in financing activities was \$1.0 million for the three months ended March 31, 2015 and 2014, consisting primarily of principal payments on our term loan facilities.

For the year ended December 31, 2014, net cash used in financing activities was \$3.9 million, consisting primarily of quarterly principal payments on our term loan facilities.

For the year ended December 31, 2013, net cash used in financing activities was \$8.6 million, consisting primarily of the payment of debt issuance costs related to the repricing of our term loan facilities and quarterly principal payments.

For the year ended December 31, 2012, net cash used in financing activities was \$13.2 million, consisting primarily of the issuance of dividends and payment of debt issuance costs, partially offset by proceeds from the borrowings under our term loan facilities.

Description of Indebtedness

As of March 31, 2015, our senior secured credit facilities consisted of \$390.1 million of outstanding term loans maturing on August 8, 2019 and an undrawn \$40.0 million revolving credit facility (which includes borrowing capacity available for letters of credit and for short-term borrowings) maturing on August 8, 2017. Blue Buffalo Company, Ltd., a wholly-owned subsidiary of the Company, is the borrower under our senior secured credit facilities. As of March 31, 2015, the interest rate on the term loan facilities was 3.75%.

All obligations under our senior secured credit facilities are unconditionally guaranteed by Blue Pet Products, Inc., a wholly-owned subsidiary of the Company and the direct parent of the borrower, and, subject to certain exceptions, each of our material current and future U.S. wholly-owned restricted subsidiaries. All obligations under our senior secured credit facilities, and the guarantees of those obligations, are secured by substantially all of the following assets of the borrower and each guarantor, subject to certain exceptions:

- a pledge of 100% of the capital stock of the borrower and 100% of the equity interests directly held by the borrower and each guarantor in any wholly-owned material subsidiary of the borrower or any guarantor (which pledge, in the case of any non-U.S. subsidiary of a U.S. subsidiary, will not include more than 65% of the voting stock of such non-U.S. subsidiary), subject to certain exceptions; and
- a security interest in, and mortgages on, substantially all tangible and intangible assets of the borrower and each guarantor, subject to certain exceptions.

Our senior secured credit facilities contain a number of covenants that, among other things, restrict the ability of the borrower and its restricted subsidiaries to (subject to certain exceptions): incur additional indebtedness or issue preferred stock; create liens on assets; enter into sale and leaseback transactions; engage in mergers or consolidations; sell assets; pay dividends and distributions or repurchase our capital stock; make investments, loans or advances; repay subordinated indebtedness; make certain acquisitions; engage in certain transactions with affiliates; amend material agreements governing its subordinated indebtedness; and change its lines of business. The credit agreement covenants also restrict the ability of Blue Pet Products, Inc. to engage in certain mergers or consolidations. The credit agreement also contains certain customary affirmative covenants and events of default (including change of control). In addition, the credit agreement includes maintenance covenants that require compliance with certain secured leverage ratios. The availability of certain baskets and the ability to enter into certain transactions (including the ability of the borrower to pay dividends to the parent guarantor) may also be subject to compliance with such secured leverage ratios. See "Description of Certain Indebtedness." The Company believes it was in compliance with its financial debt covenants in the credit agreement as of March 31, 2015.