ASCENDIA BRANDS, INC.
Form DEF 14A
December 29, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

Filed by the registrant

Filed by a party other than the registrant

Check the appropriate box:

Preliminary Proxy Statement.
Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e)(2)).
Definitive Proxy Statement.
Definitive Additional Materials.
Soliciting Material pursuant to Rule 14a-12.

ASCENDIA BRANDS, INC.

(Name of Registrant as Specified in Its Charter)

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No fee required.

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(4) Date Filed:

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100 American Metro Boulevard, Suite 108

Hamilton, New Jersey 08619

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON FEBRUARY 14, 2007

NOTICE IS HEREBY GIVEN that the annual meeting of the stockholders of Ascendia Brands, Inc., formerly known as Cenuco, Inc. (the Company), will be held on February 14, 2007 at 10:00 a.m., local time, Hyatt Regency Princeton, 102 Carnegie Center, Princeton, New Jersey, for the following purposes:

1. to elect five directors for a term of one year, or until their successors are duly elected and qualified;
2. to ratify the selection of BDO Seidman, LLP as our independent registered public accounting firm for the fiscal year ending February 28, 2007;
3. to approve the issuance of up to 28,056,510 shares of the Company s common stock issuable upon conversion of the Company s Series A Junior Participating Preferred Stock or otherwise in connection with the merger with Hermes Acquisition Company I LLC;
4. to approve the issuance of an aggregate of 34,000 shares of the Company s common stock to Robert Picow and Doug McMillen;
5. to approve the adoption of the Company s 2007 Stock Incentive Plan; and
6. to act on other matters and transact such other business as may properly come before the annual meeting and any adjournment(s) or postponement(s) of the meeting.

The Board of Directors has fixed the close of business on December 29, 2006 as the record date for the annual meeting. Only holders of record of the Company s Series A Junior Participating Preferred Stock and the Company s common stock on the record date are entitled to notice of, and to vote at, the annual meeting and any adjournment or postponement thereof. Furthermore, only the holders of record of the Company s common stock on the record date will be entitled to vote on proposal three: the issuance of shares upon conversion of the Series A Junior Participating Preferred Stock. The merger transaction and the above-referenced proposals are more fully described in the accompanying proxy statement.

Please read the accompanying proxy material carefully. Your vote is important, and we appreciate your cooperation in considering and acting on the matters presented. You are cordially invited to attend the meeting in person. Whether or not you expect to attend the annual meeting, you are urged to complete, sign, date and return the enclosed proxy card to us in the enclosed envelope, which requires no postage if mailed in the United States. The proxies are solicited by the Board of Directors of the Company. The return of enclosed proxy will not affect your right to vote if you attend the meeting in person.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Joseph A. Falsetti

JOSEPH A. FALSETTI
PRESIDENT AND CHIEF EXECUTIVE OFFICER
Dated: January 2, 2007

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100 American Metro Boulevard, Suite 108

Hamilton, New Jersey 08619

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON FEBRUARY 14, 2007

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Ascendia Brands, Inc., formerly known as Cenuco, Inc., a Delaware corporation (the Company), to be used at the Annual Meeting of Stockholders, to be held on February 14, 2007 at 10:00 a.m., local time at the Hyatt Regency Princeton, 102 Carnegie Center, Princeton, New Jersey, and any adjournment or postponement thereof (the Meeting). This proxy statement, the foregoing notice and the enclosed proxy are first being mailed to holders of the Company s Series A Junior Participating Preferred Stock and the Company s common stock on or about January 9, 2007.

The Board of Directors does not intend to bring any matter before the Meeting except as specifically indicated in the notice, nor does the Board of Directors know of any matters that anyone else proposes to present for action at the Meeting. If any other matters properly come before the Meeting, however, the persons named in the enclosed proxy, or their duly constituted substitutes acting at the Meeting, will be authorized to vote or otherwise act thereon in accordance with their judgment on such matters.

Shares represented by proxies received by the Company, where the stockholder has specified a choice with respect to the matters to be voted upon at the Meeting, will be voted in accordance with the specification(s) so made. **In the absence of such specification(s), the shares will be voted FOR each of the director nominees named in the proxy, FOR selection of the Company s independent registered public accounting firm, FOR the proposal regarding the issuance of shares of common stock upon conversion of the Series A Junior Participating Preferred Stock, FOR the proposal regarding the issuance of 34,000 shares of common stock to Robert Picow and Doug McMillen, and FOR the adoption of the Company s 2007 Stock Incentive Plan.**

Any proxy may be revoked at any time prior to its exercise by notifying the Secretary of the Company in writing, by delivering a duly executed proxy bearing a later date, or by attending the Meeting and voting in person.

The accompanying form of proxy is being solicited on behalf of the Board of Directors of the Company. The expenses of the solicitation of proxies for the Meeting will be paid by the Company. In addition to the mailing of the proxy material, such solicitation may be made in person or by telephone or Internet by directors, executive officers or employees of the Company, who will receive no additional compensation therefor. Upon request, the Company will reimburse brokers, dealers, banks and trustees, or their nominees, for reasonable out-of-pocket expenses incurred by them in forwarding proxy and solicitation material to beneficial owners of the Company s stock.

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QUESTIONS AND ANSWERS ABOUT THE MEETING

AND THE PROPOSALS TO BE VOTED UPON AT THE MEETING

The following questions and answers briefly address some commonly asked questions regarding the Meeting and the proposals to be voted upon at the Meeting. These questions and answers may not address all questions that may be important to you as a stockholder of the Company. For additional information, please refer to the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the other documents we refer to in this proxy statement.

The Annual Meeting

Q. When and where will the meeting of stockholders take place?

A. The annual meeting of the Company s stockholders will take place on February 14, 2007 at 10:00 a.m., local time, at the Hyatt Regency Princeton, 102 Carnegie Center, Princeton, New Jersey.

Q. What is the purpose of the annual meeting?

A. At the annual meeting, stockholders will vote upon the six proposals that are described in detail in this proxy statement, including the election of directors, the ratification of the selection of our independent registered public accounting firm, a proposal regarding the issuance of common stock upon conversion of the Company s Series A Junior Participating Preferred Stock, a proposal regarding the issuance of 34,000 shares of common stock to Robert Picow and Doug McMillen, and the adoption of the Company s 2007 Stock Incentive Plan.

Q. Who may vote at the annual meeting and who may attend the annual meeting?

A. Only holders of record of the Company s common stock and Series A Junior Participating Preferred Stock as of the close of business on December 29, 2006 may vote at the annual meeting. As of December 29, 2006 the Company had outstanding 13,944,056 shares of common stock, and 2,347.7745 shares of Series A Junior Participating Preferred Stock, entitled to vote. Each share of common stock shall have one vote and each share of Series A Junior Participating Preferred Stock shall have 10,118.9046 votes. All stockholders of the Company who owned shares on December 29, 2006 may attend the annual meeting.

Q. How do I cast my vote?

A. There are two different ways you may cast your vote. You can vote by:

- marking, signing and dating a proxy card and returning it in the envelope provided; or
- attending the meeting and voting in person.

Q. If I have given a proxy, how do I revoke that proxy?

A. Your presence at the meeting will not in itself revoke any proxy you may have given. However, you may revoke your proxy (to the extent it has not already been voted at the meeting) if you:

- give written notice of the revocation to the Company s Corporate Secretary, at 100 American Metro Boulevard, Suite 108, Hamilton, New Jersey 08619, which notice will not be effective until it is received;
- submit a properly signed proxy with a later date; or
- attend the meeting and vote in person.

Q. How will my proxy be voted?

A. If your proxy in the accompanying form is properly executed, returned to and received by the Company prior to the meeting and is not revoked, it will be voted in accordance with your instructions. If you return your signed proxy but do not mark the boxes to show how you wish to vote on one or more of the proposals, the shares for which you have given your proxy will, in the absence of your instructions to the contrary, be voted FOR each of the director nominees named in the proxy, FOR ratification of the selection of BDO Seidman, LLP as our independent registered public accounting firm, FOR the proposal regarding the issuance of shares of common stock upon conversion of the Series A Junior Participating Preferred Stock (Proposal Three), FOR the proposal regarding the issuance of 34,000 shares of common stock to Robert Picow and Doug McMillen (Proposal Four), and FOR the adoption of the Company s 2007 Stock Incentive Plan (Proposal Five). If additional matters come

before the meeting, the person to whom you have provided your proxy will exercise his or her own discretion in voting your shares on such matters.

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Q. Will my shares be voted if I do not provide my proxy?

A. Your shares may be voted under certain circumstances if they are held in the name of a brokerage firm or nominee. Under rules currently in effect, brokerage firms and nominees that are members of the American Stock Exchange have the authority under the American Stock Exchange s rules to vote their customers unvoted shares on certain routine matters if the customers have not furnished voting instructions within a specified period prior to the meeting. Under these rules, the routine matters to be voted on at the meeting include the election of directors and the ratification of the selection of the independent registered public accounting firm. However, none of the approval of the share issuance proposal arising from the merger transaction, the approval of the share issuance proposal to Robert Picow and Doug McMillen, or the approval of the adoption of the Company s 2007 Stock Incentive Plan is considered a routine matter and hence brokerage firms and nominees will not be able to vote the shares of customers from whom they have not received voting instructions with regard to approval of Proposal Three, Proposal Four or Proposal Five. If you hold your shares directly in your own name, they will not be counted as shares present for the purposes of establishing a quorum or be voted if you do not provide a proxy or attend the meeting and vote the shares yourself.

Broker Non-Votes: Broker non-votes occur when shares held by a broker are not voted with respect to a proposal because (1) the broker has not received voting instructions from the beneficial owner of the shares and (2) the broker lacks the authority to vote the shares at the broker s discretion. Broker non-votes will have no effect on the matters to be voted on at the meeting because broker non-votes will not be considered votes cast, but will be counted as shares present and entitled to vote for the purposes of determining the presence of a quorum.

Q. How many votes are needed to elect directors?

A. The five nominees receiving the highest number of FOR votes will be elected as directors. This is referred to as plurality.

Q. How many votes are needed to approve the proposal to ratify the selection of BDO Seidman, LLP as our independent registered public accounting firm, the proposal to issue shares of common stock upon conversion of the Series A Junior Participating Preferred Stock, the proposal to issue 34,000 shares of common stock to Robert Picow and Doug McMillen, and the adoption of the 2007 Stock Incentive Plan?

A. Each of these proposals requires that the number of votes cast FOR the proposal exceed the number of votes cast AGAINST the proposal.

Q. Who will count the vote?

A. Representatives of American Stock Transfer & Trust Company, the Company s transfer agent, will tabulate the votes cast at the meeting.

Q. What does it mean if I get more than one proxy card?

A. If you have your shares registered in multiple accounts with one or more brokers and/or the Company s transfer agent, you will receive more than one card. Please complete and return each of the proxy cards you receive to ensure that all of your shares are voted.

Q. What is a quorum ?

A. A quorum, for purposes of the Meeting, means a majority of the shares of the Company s stock entitled to vote at the Meeting. A quorum of the Company s shares must be present at the Meeting in order for the meeting to be held. For purposes of determining the presence of a quorum, shares will be counted if they are present in person or by proxy. Shares present by proxy will be counted as present for purposes of determining the presence of a quorum even if the proxy does not have authority to vote on all matters.

Abstentions: Abstentions are not counted in the tally of votes FOR or AGAINST a proposal. Abstentions are counted as shares present at the Meeting for purposes of determining the presence of a quorum.

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Q. What happens if I abstain from voting?

A. For each of the proposals to be voted on at the meeting, abstentions will have no effect on the outcome (other than with respect to determining whether a quorum exists), since an abstention is not a vote cast.

Q. How will voting on any other business be conducted?

A. We do not know of any business to be considered at the annual meeting other than the proposals described in this proxy statement. However, if any other business is presented at the Meeting, a proxy in the accompanying form will give authority to Joseph A. Falsetti and John D. Wille to vote on such matters at their discretion and they intend to do so in accordance with their best judgment on any such matter.

The Merger

Q. What happened in the merger?

A. Hermes Acquisition Company I LLC (Hermes), together with its wholly owned subsidiaries Lander Co., Inc., Lander Co. Canada Limited and Ascendia Real Estate LLC (f/k/a Hermes Real Estate I LLC), became wholly owned subsidiaries of the Company through a merger transaction in which a newly formed subsidiary of the Company merged with and into Hermes. The merger was completed on May 20, 2005.

Q. Upon completion of the merger, what happened to my common stock?

A. There was no change in your common stock. Shares of the Company s common stock held by stockholders of the Company before the merger continue to remain outstanding after the merger and represent an equal number of shares of common stock of the Company after the merger. However, immediately following the merger, the prior members of Hermes became the beneficial owners of 65% of the voting power of the then outstanding shares of the Company s capital stock by virtue of owning shares of Series A Junior Participating Preferred Stock which is convertible, subject to stockholder approval, into shares of the Company s common stock. As a consequence of the issuance of the shares of Series A Junior Participating Preferred Stock, there was significant dilution in the ownership of the Company by stockholders of the Company before the merger.

Q. Are stockholders being asked to approve the merger?

A. No. The Company s Restated Certificate of Incorporation, as amended, authorizes the Board of Directors to issue shares of preferred stock from time to time with such designations, preferences, conversion and other rights as the Board shall determine. Due to certain anticipated delays in the preparation of the proxy statement, the Board concluded that it was advisable to modify the original terms of the merger transaction to issue shares of Series A Junior Participating Preferred Stock to the former Hermes members and to consummate the merger, neither of which required stockholder approval. However, the conversion of the shares of Series A Junior Participating Preferred Stock into shares of common stock is subject to stockholder approval and, as such, will be voted on at the Meeting. Only the holders of common stock will be entitled to vote on the proposal regarding conversion of the shares of series A Junior Participating Preferred Stock into shares of common stock (Proposal Three).

Q. Are appraisal rights applicable to any of the matters to be voted on at the annual meeting?

A. No. Appraisal rights do not apply to any matter to be voted on at the annual meeting.

Other Information

Q. Why are stockholders being asked to approve the issuance of stock to Messrs. Picow and McMillen?

A. The listing standards of the American Stock Exchange, where our common stock is currently listed, require stockholder approval of any stock option or equity compensation plan pursuant to which any officer, director, employee or consultant may acquire options or stock of the company. Because these shares of common stock were issued to Messrs. Picow and McMillen as part of a compensation arrangement, we are required to obtain the approval of our stockholders prior to including these shares on the American Stock Exchange listing.

Q. Who will pay the cost of this proxy solicitation and how will the solicitation be conducted?

A. The Company will pay the expenses it incurs in soliciting proxies in the form included with this proxy statement, and in preparing and filing any material required in connection with the solicitation. In addition to the use of the mail, the Company s directors, executive officers and employees may solicit proxies personally or by telephone. The Company will also reimburse brokerage houses and other custodians, nominees and fiduciaries

for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to the Company s stockholders.

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Q. Where can I find more information about the Company?

A. The Company files periodic reports and other information with the U.S. Securities and Exchange Commission (the SEC). This information is available at the SEC s public reference facilities, and on the SEC s Internet site at *http://www.sec.gov*. For a more detailed description of the information available, see the section of this proxy statement entitled *General Information*.

Q. Who can help answer my questions?

A. After reading this proxy statement, if you have questions about the annual meeting, the merger transaction or any of the other proposals to be voted upon at the annual meeting, you should contact us at Ascendia Brands, Inc., 100 American Metro Boulevard, Suite 108, Hamilton, New Jersey 08619, Attn: Corporate Secretary or call us at (609) 219-0930.

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SUMMARY

This summary highlights selected information from this proxy statement about the conversion of the preferred stock issued in the merger and the other matters to be voted upon at the annual meeting. This summary may not contain all of the information that is important to you as a stockholder of the Company. Accordingly, we encourage you to read carefully this entire document and the other documents to which we refer you. References in this proxy statement to the Company, Ascendia, we, our and us mean, unless the context indicates otherwise, Ascendia, Inc. and its subsidiaries.

The Companies (see page 40)

On May 9, 2006, the Company (previously known as Cenuco, Inc.) changed its name to Ascendia Brands, Inc. The chart below depicts the current structure of the Ascendia group and the discussion that follows summarizes the functions and role of each company in this group.

Ascendia Brands, Inc. (the Company). The Company is a holding company, organized under Delaware law, with its executive offices in Hamilton, New Jersey. It owns directly the stock of Hermes Acquisition Company I LLC and Cenuco, Inc. The Company s common stock is listed on the American Stock Exchange under the symbol ASB . Prior to the change in the Company s name to Ascendia Brands, Inc. the Company s common stock was quoted on the American Stock Exchange under the symbol ICU .

Hermes Acquisition Company I LLC. Hermes is a Delaware limited liability company that acts as the holding company for the Company s health and beauty care division.

Ascendia Brands Co., Inc. Ascendia Brands Co., Inc. (or Ascendia Brands) is a New Jersey corporation with its executive offices in Hamilton, New Jersey. As of May 1, 2006, Ascendia Brands assumed the manufacturing and distribution operations formerly conducted through Lander Co., Inc. (*see, infra*). As the successor to Lander Co., Inc., Ascendia Brands manufactures and sells branded health and beauty care products in the value and premium value categories, through mass market retailers (such as Wal-Mart and K-Mart), dollar stores, supermarkets and pharmacies. Ascendia s brands include *Baby Magic*®, *Binaca*®, *Mr. Bubble*®, *Lander*®, *Lander essentials* , *Ogilvie*®, *Tek*®, *Dentax*®, *Dorothy Gray*® and *Tussy*®. Ascendia Brands operates a manufacturing plant in Binghamton, New York, which is leased from a related party, Ascendia Real Estate LLC.

Lander Co., Inc. Lander Co., Inc. (or Lander) is a Delaware corporation with its executive offices in Wilmington, Delaware. During the period ended February 28, 2006, Lander Co., Inc. was the principal operating company in the Company s health and beauty care division. Following the transition of manufacturing and distribution activities to Ascendia Brands, Lander Co., Inc. acts as an intellectual property holding company for trademarks and other intellectual property associated with the *Lander* brands.

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Lander Co. Canada Ltd. Lander Co. Canada Ltd. (or Lander Canada), a Canadian limited company, is the Canadian manufacturing and distribution arm of the Company s health and beauty care division. Lander Canada operates a manufacturing facility in Toronto, Ontario, which it leases from a third party.

Ascendia Real Estate LLC (f/k/a Hermes Real Estate I LLC). Ascendia Real Estate LLC, a New York limited liability company, is a real estate holding company. Its sole asset is the Binghamton plant, which it leases to Ascendia Brands.

Lander Intangibles Corporation. Lander Intangibles Corporation is a Delaware corporation with its executive offices in Wilmington, Delaware. Lander Intangibles Corporation is an intellectual property holding company that was formed to acquire and hold certain of the intellectual property that the Company purchased from Playtex Products Inc. and its affiliates on November 16, 2005.

Cenuco, Inc. Cenuco, Inc. (Cenuco Wireless) is a Florida corporation with executive offices in Boca Raton. Cenuco develops and markets wireless data applications, with a focus on live video streaming to cellular devices across any carrier or handset platform.

The Annual Meeting (see page 2)

Date, Time and Place. The Meeting will be held on February 14, 2007 at the Hyatt Regency Princeton, 102 Carnegie Center, Princeton, New Jersey, at 10:00 a.m., local time, to consider and vote upon proposals:

Proposal One: Election of five directors for a term of one year, or until their successors are duly elected and qualified.

This proposal requires a plurality of the votes cast at the meeting, in person or by proxy, by the holders on the record date of the Company s common stock and Series A Junior Participating Preferred Stock, voting as a single class. In other words, the five director nominees receiving the highest number of affirmative votes cast at the meeting will be elected as directors.

Proposal Two: Ratification of the selection of BDO Seidman, LLP as our independent registered public accounting Firm for the fiscal year ending February 28, 2007.

This proposal requires the affirmative vote of a majority of the votes cast at the meeting, in person or by proxy, by the holders on the record date of the Company s common stock and Series A Junior Participating Preferred Stock, voting as a single class.

Proposal Three*:* Approval of the issuance of up to 28,056,510 shares of the Company s common stock issuable upon conversion of the Company s Series A Junior Participating Preferred Stock or otherwise in connection with the merger with Hermes Acquisition Company I LLC.

This proposal requires the affirmative vote of a majority of the votes cast at the meeting, in person or by proxy, by the holders of the Company s common stock on the record date. The holders of the Company s Series A Junior Participating Preferred Stock are not entitled to vote on this proposal.

Proposal Four: Approval of the issuance of an aggregate of 34,000 shares of the Company s common stock to Robert Picow and Doug McMillen.

This proposal requires the affirmative vote of a majority of the votes cast at the meeting, in person or by proxy, by the holders on the record date of the Company s common stock and Series A Junior Participating Preferred Stock, voting as a single class.

Proposal Five: Approval of the adoption of the Company s 2007 Stock Incentive Plan.

This proposal requires the affirmative vote of a majority of the votes cast at the meeting, in person or by proxy, by the holders on the record date of the Company s common stock and Series A Junior Participating Preferred Stock, voting as a single class.

Proposal Six: Approval to act on other matters and transact such other business as may properly come before the Meeting and any adjournment(s) or postponement(s) of the Meeting.

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The Company does not anticipate that any other matters will be presented for a vote by stockholders at the annual meeting. If any such matter is presented, the vote required would depend upon the nature of the matter considered.

Record Date and Voting Power. You are entitled to vote if you owned shares of our common stock or our Series A Junior Participating Preferred Stock (the Series A Preferred Stock) at the close of business on December 29, 2006, the record date for the Meeting. You will have one vote for each share of our common stock, and 10,118.9046 votes for each share of Series A Preferred Stock, that you owned at the close of business on the record date. On the record date there were 13,944,056 shares of our common stock, and 2,347.7745 shares of Series A Preferred Stock entitled to be voted at the Meeting. Only the holders of common stock on the record date will be entitled to vote on the proposal arising from the merger transaction (Proposals Three). On all other proposals (Proposals One, Two, Four, Five and Six), the holders of the common stock and Series A Preferred Stock will vote together as a single class.

Proposals to Elect Directors and Select of Independent Registered Public Accounting Firm (see pages 26 and 35)

These sections of the proxy statement contain descriptions of the proposals to elect five directors to our Board of Directors (Proposal One) and to ratify the selection of BDO Seidman, LLP as our independent registered public accounting firm for the fiscal year ending February 28, 2007 (Proposal Two). These sections also contain biographical information regarding the director nominees recommended by the Board and other information regarding corporate governance and accounting fees and polices.

Executive Compensation (see page 30)

This section of the proxy statement contains summary tables and other disclosure regarding the compensation and other benefits received by our executives during the most recent fiscal year. This section also contains a report from our Compensation Committee and a description of certain related party transactions.

Background of the Merger (see page 38)

This section of the proxy statement contains a description of the process that we undertook with respect to our reaching a definitive merger agreement and consummating the merger with Hermes, and includes a discussion of our contacts and discussions with Hermes that led to that agreement.

Purpose of the Merger; Effect of the Stock Issuances (see page 40)

The principal purpose and effect of the merger was to effectuate the acquisition by the Company of all of the membership interests in Hermes and thereby create a combined company with a diverse business portfolio and reduced reliance on any particular industry. In connection with the merger, the former members of Hermes were issued shares of Series A Preferred Stock representing 65% of the outstanding voting power of the capital stock of the Company. The merger was treated as a reverse acquisition using the purchase method of accounting, with Hermes being treated as the acquirer for accounting purposes. The merger had no effect on the shares of common stock outstanding at the time of the merger; shares of the Company s common stock held by stockholders of the Company before the merger continue to remain outstanding after the merger and represent an equal number of shares of common stock of the Company after the merger. However, upon approval by our stockholders of Proposal Three, the Series A Preferred Stock will be converted into the Company s common stock representing approximately 63% of the outstanding voting power of the capital stock of the Company.

Following the completion of the merger, Hermes, together with its wholly owned subsidiaries Lander, Lander Canada and Ascendia Real Estate LLC, became a wholly owned subsidiary of the Company. We will use our reasonable best

efforts to ensure that our common stock will continue to be quoted on the American Stock Exchange, and will continue to be publicly traded.

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Reasons for the Merger (see page 41)

Our Board of Directors determined that the merger and the merger agreement were in the best interests of the Company and its stockholders. We believe that the merger offered an excellent opportunity to create value for our stockholders, as further described in this section of the proxy statement. In making this determination, our Board of Directors considered a number of factors, including, among other things:

- the reasons described under the heading *Reasons for the Merger*, including the possibility of cost savings, accelerated growth and the combined company s diverse business portfolio;
- information concerning the businesses, assets, liabilities, results of operations and financial performance of Hermes and the combined company;
- the opinion of vFinance that, as of March 9, 2005, and subject to the matters set out in its opinion, the consideration to be paid by the Company in the merger was fair, from a financial point of view, to the stockholders of the Company;
- the determination that the merger would create a larger combined company with greater financial resources and increased free cash flow and, as a result, increased flexibility and opportunity for future growth;
- Lander s position as a leader in the manufacture, marketing and distribution of brand value priced health and beauty care products with strong brand strength and name recognition;
- the expected composition of the combined company s senior management after the merger as described in this proxy statement under the heading *The Merger Management of the Combined Company*
- the fact that the merger is consistent with the Company s objective to grow through acquisitions;
- the fact that we were not required to register the shares of the Company s capital stock issued to the former members of Hermes in the merger or the shares of common stock that would be issued upon conversion of the preferred stock if the stockholders of the Company approve Proposal Three;
- the long-term interests of the Company and its stockholders, as well as the effects of the merger on the Company s employees, customers, creditors, suppliers and the communities in which it has operations; and
- the expectation that the merger would qualify as a reorganization under the Internal Revenue Code of 1986.

In the course of its deliberations, our Board of Directors also considered a variety of risks and potential drawbacks relating to the merger, including, among other things:

- the fact that the former members of Hermes would hold approximately 65% of the outstanding common shares of the Company after the conversion of the Series A Preferred Stock to common stock;
- the fact that the merger agreement eliminated the possibility of the Company entering into business combinations with companies other than Hermes prior to the merger or the termination of the merger agreement, and the fact that termination fees and restrictions on negotiations may have inhibited third parties from proposing an offer for the Company;
- the challenges and costs of combining the businesses of Lander and Cenuco Wireless; and
- the risks that the companies will not be able to combine their businesses without encountering operational difficulties or failing to realize the cost savings expected from the integration of their businesses, which could lead to the need to spin off or sell the Company s wireless technology division.

Opinion of Financial Advisor (see page 44)

In deciding to approve the merger, our Board of Directors considered the opinion of its financial advisor, vFinance Investment, Inc., that, as of the date the merger agreement was entered into, the consideration to be paid by the Company in the merger was fair from a financial point of view to the Company s stockholders. This opinion is attached as Annex A to this proxy statement. We encourage you to review the opinion in its entirety.

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Material Terms of the Merger Agreement (see page 51)

We have filed the merger agreement with the SEC as an exhibit to our Current Report on Form 8-K dated March 16, 2005 and we have filed an amendment to the merger agreement as an exhibit to our Current Report on Form 8-K dated May 20, 2005. We encourage you to review the merger agreement, as amended, as it is the legal document that governed the merger. The merger agreement provides, among other things:

- a newly formed wholly owned subsidiary of the Company is merged with and into Hermes; as a result of the merger, which was completed on May 20, 2005, Hermes became a direct wholly owned subsidiary of the Company;
- upon the completion of the merger, the former members of Hermes received shares of the Company s Series A Junior Participating Preferred Stock which, in the aggregate, represented 65% of the voting power of the then outstanding shares of the Company s capital stock;
- following the completion of the merger, the Company agreed to convene a meeting of the Company s stockholders that would, among other things, increase the number of authorized shares of common stock of the Company and approve the conversion of the Company s Series A Junior Participating Preferred Stock into shares of common stock of the Company representing 65% of the outstanding shares; the special meeting of stockholders held on May 3, 2006 and this annual meeting of stockholders are intended to satisfy that obligation of the Company and if Proposal Three is approved at this annual meeting, the outstanding shares of Series A Junior Participating Preferred Stock of the Company will automatically convert into shares of common stock of the Company representing approximately 63% of the outstanding shares in the aggregate (after taking into consideration the redemption by the Company of 205.9001 shares of the Series A Junior Participating Preferred Stock on August 3, 2006);
- upon the completion of the merger, all outstanding options to purchase common stock of the Company were immediately vested and remained outstanding without any other change in the terms or conditions thereof;
- the closing of the merger was conditioned upon, among other things, the Company obtaining a fairness opinion that the merger is fair to the Company s stockholders from a financial point of view and the Company having cash and cash equivalents on hand at closing of approximately $6 million, subject to no liens;
- the Company was required to pay Hermes a termination fee in the amount of $500,000 if Hermes terminated the merger agreement because of the Company s material breach of any representation, warranty, covenant or agreement contained in the merger agreement or if Hermes determined that any reports filed by the Company with the SEC contained an untrue statement of a material fact or omitted a material fact; and
- the Company was not permitted to solicit, initiate or encourage any inquiry, proposal or offer with respect to a third party tender offer, merger, consolidation, business combination or similar transaction involving any assets or class of capital stock of the Company.

Material Terms of the Voting Agreements (see page 54)

In connection with the execution of the merger agreement Steven Bettinger, our former President and Chief Executive Officer and director, entered into a voting agreement with Hermes. This voting agreement provides that Mr. Bettinger will vote the 3,817,267 shares of the Company s common stock that he owned beneficially at the time, representing approximately 27.4% of the outstanding shares of common stock on the record date, for Proposal Three at the annual meeting. On August 3, 2006, Mr. Bettinger sold 3,322,482 shares of the Company s common stock to Prencen, LLC, a Delaware limited liability company (Prencen) for a purchase price of $1.50 per share. Prencen has advised the Company that it will vote the shares of common stock that it owns in favor of Proposal Three. In addition, each of Edward Berzak, Warren Gilbert, Gilder Funding Corp., Jay Haft, Irvin Joseph, Irving J. Denmark Trust, Fred Mack,

Robert Picow and Stanley Snyder, stockholders of the Company owning an aggregate of 4,013,302 shares of common stock (representing approximately 28.8% of the outstanding shares of common stock on the record date), have agreed to vote their shares in favor of Proposal Three. The voting agreements further restrict such stockholders from selling or transferring the shares of the Company common stock beneficially owned by them other than in certain permitted circumstances. The voting agreements terminate on the earlier of December 31, 2006 or the day following the stockholder meeting to consider the proposals contemplated by the merger agreement.

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Board of Directors of the Company After the Merger (see page 56)

As provided for in the merger agreement, Steven Bettinger, Andrew Lockwood and Jack Phelan resigned from the Company s Board of Directors on the date that the merger was completed and Hermes designated four individuals to fill those vacancies on the Board of Directors. Since the merger, the Company s Board of Directors has been composed of Robert Picow, the sole remaining pre-merger director, and Joseph A. Falsetti, Kenneth D. Taylor, Edward J. Doyle and Francis Ziegler, the four Hermes designees.

Proposal Relating to Issuance of Shares on Conversion of Series A Preferred Stock (see page 57)

This section of the proxy statement contain a description of Proposal Three, approval of the issuance of up to 28,056,510 shares of the Company s common stock issuable upon conversion of the Series A Preferred Stock or otherwise in connection with the merger transaction.

Proposal Regarding Share Issuances to Messrs. Picow and McMillen (see page 58)

This section of the proxy statement gives the background and description of Proposal Four to approve the issuance of an aggregate of 34,000 shares of the Company s common stock to Robert Picow and Doug McMillen.

Proposal Regarding Adoption of the Company s 2007 Stock Incentive Plan (see page 58)

This section of the proxy statement provides a description of Proposal Five to approve the adoption of the Company s 2007 Stock Incentive Plan, and includes a summary of the material terms of the 2007 Stock Incentive Plan and the awards proposed to be granted to selected officers and directors under that plan.

Recommendation of the Board of Directors (see pages 26, 36, 58 and 59)

The Board of Directors of the Company recommends that you vote FOR each of the director nominees named in the proxy, FOR the ratification of the selection of BDO Seidman, LLP as the Company s independent registered public accounting firm, FOR the proposal regarding the issuance of shares of common stock upon conversion of the Series A Preferred Stock (Proposal Three), FOR the proposal regarding the issuance of shares of common stock to Robert Picow and Doug McMillen (Proposal Four), and FOR the adoption of the Company s 2007 Stock Incentive Plan (Proposal Five).

Security Ownership of Certain Beneficial Owners and Management (see page 66)

This section of the proxy statement contains a table setting forth certain information with respect to the beneficial ownership of shares of the Company s common stock and Series A Preferred Stock by: (i) each person known by us to beneficially own more than 5% of the outstanding shares of our common stock or Series A Preferred Stock; (ii) each of our current directors; (iii) each of our named executive officers; and (iv) all of our executive officers and directors as a group.

Management s Discussion and Analysis for Ascendia Brands, Inc. and Cenuco, Inc. (see pages 68 through 98)

These sections of the proxy statement contain management s discussion and analysis of financial condition and results of operations for the periods set forth in the financial statements of Ascendia Brands, Inc. and Cenuco, Inc. included with this proxy statement and described below. For information on the selected quarterly financial data of these companies for the respective periods, see the footnotes to the financial statements included with this proxy statement.

Certain Financial Statements for Ascendia Brands, Inc. and Cenuco, Inc. (see page F-1)

The audited consolidated/combined financial statements of the Company and its subsidiaries as of and for the years ended February 28, 2006 and 2005 and for the period from April 25, 2003 (inception) to February 29, 2004 were filed on August 11, 2006 with the SEC on the Company s Annual Report on Form 10-K for the fiscal year ended February 28, 2006. The unaudited consolidated financial statements of the Company and its subsidiaries as of August 26, 2006 and for the thirteen and twenty-six weeks then ended were filed on October 27, 2006 with the SEC on the Company s Quarterly Report on Form 10-Q. Such financial statements are set forth at page F-1 *et seq.* of this proxy statement.

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The audited consolidated financial statements of Cenuco, Inc. and its subsidiaries as of and for the years ended June 30, 2004 and June 30, 2003 were filed on September 27, 2004 with the SEC on the Company s Annual Report on Form 10-KSB for the fiscal year ended June 30, 2004. The unaudited consolidated financial statements of Cenuco, Inc. and its subsidiaries as of March 31, 2005 and for the three and nine months then ended were filed on May 9, 2005 with the SEC on the Company s Quarterly Report on Form 10-QSB. Such financial statements are set forth at page F-54 *et seq.* of this proxy statement.

Selected Historical Consolidated and/or Combined Financial Data of Ascendia Brands, Inc.

The following selected combined and/or consolidated financial information of Ascendia Brands, Inc. and its subsidiaries for the years ended February 28, 2006 and 2005 and for the period from April 25, 2003 (inception) to February 29, 2004 has been derived from the audited historical financial statements Annual Report on Form 10-K that was filed by the Company with the SEC on August 11, 2006, a copy of which has been delivered with this proxy statement. The following selected consolidated financial information for the period ended August 26, 2006 has been derived from the unaudited financial statements included in the Quarterly Report on Form 10-Q that was filed by the Company with the SEC on October 27, 2006, a copy of which has been delivered with this proxy statement.

				26 Weeks Ended	
($000 s) except per share amounts	**For the period 4/25/03 to 2/29/2004**	**Year ended 2/28/2005**	**Year ended 2/28/2006 (1) (2) (3)**	**8/27/2005 (1)**	**8/26/2006 (4)**
Operating Data:					
Net sales	$55,046	$69,861	$79,562	$34,192	$49,326
Gross profit	6,803	7,491	5,304	2,292	9,196
Loss from continuing operations	(1,195)	(2,756)	(27,726)	(3,941)	(1,385)
Net loss	(1,719)	(3,989)	(30,212)	(4,634)	(4,075)
Loss from continuing operations per common share	N/A	N/A	(2.06)	(0.20)	(0.29)
Balance Sheet Data (as of the period end):					
Total assets	$24,461	$24,036	$102,946	$63,374	$108,541
Current portion of long-term debt	8,203	8,930	32	7,316	9
Long-term debt, less current portion	7,608	6,875	80,000	6,510	83,591
Other long-term obligations	673	673	967	731	1,017
Shareholders equity (deficit)/members (loss)	(1,815)	(5,830)	8,869	34,915	9,538
Cash dividends declared per common share	0	0	0	0	0

(1) In May 2005, Hermes Acquisition Company I (HACI) reversed merged into Cenuco, Inc. On May 20, 2005, Hermes Holding Company I, a wholly owned subsidiary of Cenuco, Inc., merged with HACI. As a consequence of the merger, HACI, together with its wholly owned subsidiaries, became wholly owned subsidiaries of Cenuco, Inc. For financial statement purposes, the Merger was treated as a recapitalization of HACI followed by the reverse acquisition of Cenuco, Inc. by HACI. Accordingly the financial position and results of operations of HACI and its predecessor entities are presented above for periods prior to the Merger and the financial position and results of operations of Cenuco have been included thereafter. The Company s name was subsequently changed to Ascendia Brands, Inc. in

May 2006.

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(2) On November 16, 2005, the Company acquired certain brands and brand related assets from Playtex, Inc. for approximately $58.0 million. Sales of the acquired Playtex products and amortization of related acquired intangible assets are reflected above from that date forward.

(3) The loss from continuing operations and the net loss for the year ended February 28, 2006 includes a $16.4 million charge for an impairment in the carrying value of goodwill established in the May 20, 2005 Merger noted above.

(4) In August 2006, the Company completed the issuance of secured notes with a beneficial conversion option.and other embedded derivatives As a result of this financing arrangement, a compound derivative was identified and bifurcated and the related liability recorded as required under FASB No. 133 and EITF 00-19. This resulted in a $6.8 million loss being recorded in interest and other expense on August 2, 2006. The value of the compound derivative liability was adjusted as of August 26, 2006, resulting in a reduction of interest and other expense for the period between August 2 and August 26, 2006 of $11.2 million.

Selected Historical Consolidated Financial Data of Cenuco, Inc.

The following selected consolidated financial information of Cenuco, Inc. as of and for each of the two years in the period ended June 30, 2004 has been derived from the audited historical financial statements of Cenuco, Inc. that are included in the Annual Report on Form 10-KSB that was filed by Cenuco, Inc. with the SEC on September 27, 2004 and are set forth at page F-54 *et seq.* of this proxy statement. The following selected consolidated financial information for the years ended June 30, 2001 and 2002 has been derived from the audited financial statements of Cenuco, Inc. that are not included in this proxy statement. The following selected consolidated financial information for the period July 1, 2004 to March 31, 2005 has been derived from the unaudited financial statements of Cenuco, Inc. that are included in the Quarterly Report on Form 10-QSB that was filed by Cenuco, Inc. with the SEC on May 9, 2005 and are set forth at page F-74 *et seq.* of this proxy statement.

	Year Ended June 30				
($000 s, except per share amounts)	**2001**	**2002**	**2003**	**2004**	**Period July 1, 2004 to March 31, 2005**
Operating Data:					
Net sales	$2,632	$3,099	$1,577	$1,514	$ 398
Income (loss) from continuing operations	323	(124)	(1,289)	(3,622)	(2,155)
Income (loss) from continuing operations per common share	$0.04	$(0.01)	$(0.15)	$(0.36)	$ (0.17)
Balance Sheet Data (as of the period end):					
Total assets	$4,671	$4,410	$2,705	$7,188	$ 7,302
Long-term obligations	356	445	1,545	1,454	200
Shareholders equity	1,157	1,070	43	4,611	6,798
Cash dividends per common share	0	0	0	0	0

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RISK FACTORS

In addition to the other information that we have included in this proxy statement, including the matters addressed in *Cautionary Statement Concerning Forward-Looking Statements*, you should carefully read and consider the following factors in evaluating the proposals to be voted on at the Meeting.

Risks Relating to the Merger

The integration of the business operations of the Lander Group and Cenuco following the merger has been difficult.

The combination of the Cenuco and Lander Group operations as a consequence of the merger that was completed on May 20, 2005 involves the integration of separate businesses: the health and beauty care business of the Lander Group and the wireless data applications, including live video streaming to cellular devices, of Cenuco Inc. The process of combining the companies has at times been disruptive to the respective businesses and has potentially caused an interruption of, or a loss of momentum in, such businesses, and has or may result in the following difficulties, among others:

- loss of key employees or customers;
- possible inconsistencies in standards, controls, procedures and policies among the companies being combined and the need to implement and harmonize company-wide financial, accounting, information and other systems;
- failure to maintain the quality of services that the companies have historically provided;
- the need to coordinate geographically diverse organizations;
- the diversion of management s attention from the day-to-day business as a result of the need to deal with the above disruptions and difficulties and the possible need to add management resources to do so; and
- if the integration of the diverse businesses is not ultimately successful, it may be necessary for management to devote resources to effect a disposition of the wireless business by sale or spinoff.

Such disruptions and difficulties, if and when they occur, may cause us to fail to realize the benefits that, at the time of the merger, we expected to result from such integration and may cause material adverse short and long-term effects on our operating results and financial condition of the companies.

We may not achieve the cost savings and sales enhancements we expect to result from the integration of Cenuco and the Lander Group.

Even if we are ultimately able to integrate the operations of the companies successfully, there can be no assurance that such integration will result in the realization of the full benefits that, at the time of the merger, we expected to result from such integration or that such benefits will be achieved within the time frame that we then expected. Potential risks include, without limitation, the possibility that:

- revenue enhancements following the integration may not materialize as expected;
- the benefits from the integration may be offset by costs incurred in integrating the companies; and
- the benefits from the integration may also be offset by increases in other expenses, by operating losses or by problems in the business unrelated to the merger transaction.

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As a result of the merger that was completed on May 20, 2005, we have been required to re-list our shares of common stock on the American Stock Exchange.

Shares of our common stock have been listed on the American Stock Exchange since May 2004. The American Stock Exchange has separate standards that companies must meet in order to (a) have their shares listed and (b) continue that listing in effect. Continued listing is dependent, among other things, on compliance with applicable SEC filing requirements. Following the merger, we were unable to file in a timely manner certain historical audited financial statements relating to the business of Lander, because certain of the periods in question had not previously been audited. As a result of our failure to make these filings within the prescribed period, we received notice from the American Stock Exchange that we were not in compliance with certain listing standards. For more information on these notices, you are referred to our Current Reports on Form 8-K dated August 22, 2005 and September 20, 2005. The required financial statements were subsequently filed with our Current Report on Form 8-K/A dated December 19, 2005.

Section 341 of the American Stock Exchange Company Guide (the AMEX Guide) describes the listing policies that the American Stock Exchange applies in the case of any plan of acquisition, merger or consolidation, the net effect of which is that a listed company is acquired by an unlisted company even though the listed company is the nominal survivor. Section 341 states that, in evaluating the continued listing eligibility of the surviving company, the American Stock Exchange will apply its original listing standards (which differ, in certain respects, from the continued listing standards). On January 5, 2006, the American Stock Exchange requested, pursuant to Section 341 of the AMEX Guide, that we re-file an original listing application to demonstrate compliance with the original listing standards of the American Stock Exchange. This information was provided on January 19, 2006 and supplemented on January 26, 2006. We have received no formal response from the American Stock Exchange with regard to the filing of such information.

In the future, should the implementation of the financing transaction that was consummated on August 3, 2006, result in a change of control of the Company, we will once again be required to re-apply for listing. No assurance can be given, however, that we will continue to meet all of the American Stock Exchange listing standards or that the American Stock Exchange will agree to continue to list our shares of common stock, and there is the possibility that the American Stock Exchange will not accept our listing application filed on January 19, 2006, or any re-listing application that we may be required to file in the future. In the event the American Stock Exchange does not agree to list our common stock, our stock price may materially decrease and the public market for our common stock may deteriorate. The absence of a public trading market would make it far more difficult for stockholders to sell any or all of their shares of our common stock, as we would, de facto, become a private company with no ability for any stockholder to sell shares of our common stock in the public markets.

The issuance of our common stock in connection with the merger will result in substantial dilution in the current ownership of the Company s common stock.

The approval of Proposal Three (relating to the issuance and authorization of shares of common stock in connection with the conversion to common stock of the Series A Preferred Stock issued in the merger) will result in our issuing at least 23,756,906 shares of our common stock to the prior members of Hermes. This issuance will result in substantial and immediate dilution to your percentage ownership of common stock, as the former members of Hermes will own approximately 63% of the shares of our common stock. However, when the merger was completed on May 20, 2005, the former members of Hermes were issued shares of Series A Preferred Stock that had the same dilutive effects both with respect to voting and economic interests as would the issuance of common stock upon conversion of the preferred stock upon approval of Proposal Three. Accordingly, there will be no further dilution of your voting power or economic interest as a consequence of the conversion to common stock of the outstanding shares of Series A Preferred Stock. In general however, any issuance of equity stock has the potential to reduce the earnings per share

and stockholders equity per share as a result of the increase in shares issued and outstanding.

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The market price of our common stock may decline as a result of the merger.

The market price of our common stock may decline as a result of the issuance of common stock upon conversion of the outstanding shares of Series A Preferred Stock issued in connection with the merger agreement for a number of reasons, including because:

- the consideration offered for the equity interests of Hermes may not be viewed favorably by the market;
- integration may not be successful; or
- the effect on our financial results may not be consistent with the expectations of financial or industry analysts.

Risks Relating to Our Business

Health and Beauty Care Business

The high level of competition in Ascendia Brands industry - the health and beauty care business - could adversely affect our sales, operating results and profitability.

The business of selling health and beauty products is highly competitive. Numerous manufacturers, distributors, marketers and retailers actively compete for consumers business, both in the United States and abroad.

Ascendia Brands principal competitors include Health Tech, Johnson & Johnson, Kimberly Clark, Pfizer, Procter & Gamble, The Village Company, and Unilever. Nearly all of these competitors are larger and have substantially greater resources than Ascendia Brands, and may therefore have the ability to spend more aggressively on advertising and marketing and to respond more effectively to changing business and economic conditions than we do. This could adversely affect our sales, operating results and profitability. Ascendia Brands competes on the basis of numerous factors, including brand recognition, product quality, performance, price and product availability at retail stores. Merchandising and packaging, the timing of new product introductions and line extensions also have a significant impact on customers buying decisions and, as a result, on our sales. The structure and quality of our sales force and broker network, as well as consumption of Ascendia Brands products, affect in-store position, shelf display space and inventory levels in retail outlets. If Ascendia Brands is not able to maintain or improve the inventory levels and/or shelf placement of its products in retail stores, our sales and operating results will be adversely affected. Ascendia Brands markets also are highly sensitive to the introduction of new products, which may rapidly capture a significant share of the market. An increase in the amount of product introductions by our competitors could have a material adverse effect on our sales, operating results and profitability.

In addition, competitors may attempt to gain market share by offering products at or below the prices typically offered by Ascendia Brands. Competitive pricing may require Ascendia Brands to reduce prices and may result in lost sales and/or reductions in our margins.

Ascendia Brands depends on a limited number of customers for a large portion of its gross sales and the loss of one or more of these customers could materially reduce our gross sales and therefore could have a material adverse effect on our business, financial condition and results of operations.

For the twenty-six weeks ended August 26, 2006, Ascendia Brands top five customers accounted for approximately 51 percent of net sales, with one customer (Wal-Mart) accounting for 38 percent and a second (Dollar Tree) for 4 percent. We expect that for the year ending February 28, 2007 and future periods, Ascendia Brands top five customers, including Wal-Mart and Dollar Tree, will, in the aggregate, continue to account for a significant portion of our gross sales. The loss of one or more of Ascendia Brands top customers, any significant decrease in sales to these customers or any significant decrease in retail display space in any of these customers stores, could reduce Ascendia

Brands gross sales and therefore could have a material adverse effect on our sales, operating results and profitability.

In addition, Ascendia Brands business is based primarily upon individual sales orders, and we typically do not enter into long-term contracts. Our customers could cease buying our products at any time and for any reason. The fact that we typically do not have long-term contracts means that we generally have no recourse in the event a customer ceases purchasing our products or reduce the level of purchases. If a significant number of our customers cease purchasing our products, or materially reduce the volume or value of those purchases, this could have a material adverse effect on our sales, operating results and profitability.

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Ascendia Brands and Lander Canada manufacture a significant quantity of the products they sell at their own manufacturing facilities. Any disruption in production could result in lost sales, and could have a material adverse effect on our customer relationships, financial condition and results of operations.

We manufacture most of our Lander brand health and beauty care products, plus a portion of the brands acquired from Playtex, at our 163,000 square foot manufacturing facility in Binghamton, New York and our 98,000 square foot plant in Scarborough, Ontario, Canada. Although we have the capability to manufacture most products (including shampoos, bubble bath, powders and topical analgesics) at either facility, alcohol-based products (such as mouthwash) and acetone-based products (such as nail polish remover) can be manufactured only at the Ontario location. A permanent or temporary unplanned shutdown of either of our plants, resulting from equipment malfunction, accident, fire, sabotage, strike or lockout, act of God or other factors, could substantially reduce our output of finished products. If output from one facility were to be curtailed, there is no assurance that we could absorb any lost production in our other manufacturing facility or that we could arrange to outsource production of the affected products in sufficient time to maintain scheduled deliveries. In the event of a protracted disruption in our own manufacturing operations, we would become more dependent on contract manufacturers and there is no assurance that we could obtain finished products from such contract manufacturers in sufficient quantities or at prices comparable to our own manufacturing costs. Our inability to do so could result in decreased sales and loss of market share, and could have a material adverse effect on our customer relationships, operating results and profitability.

Ascendia Brands and Lander Canada depend on third parties to provide raw materials for the products they manufacture. Disruption in the supply of raw materials, or increases in raw material costs, could adversely affect sales and our profitability.

Our ability to maintain production of our health and beauty care products at our own facilities depends upon access to raw materials, all of which we purchase from unrelated vendors. These raw materials include oil-based derivatives (such as mineral oil, petrolatum, surfactants and other specialty chemicals), plastic resin products (such as bottles and caps) and paper products (such as boxes, labels and packaging). If our current vendors become unable or unwilling to supply us with raw materials in a timely manner or at acceptable prices, there is no assurance that we could identify and qualify substitute vendors in sufficient time to prevent a disruption in production of some or all of the products we manufacture, or that substitute vendors would be able or willing to supply raw materials in the quantities and at the prices required to maintain normal operations. In addition, many of the raw materials we use, such as petroleum derivatives and paper products, are commodities that may be subject to significant price fluctuation, both in the short- and long-term. There is no assurance that we could pass through to our customers, in the form of higher prices, any resulting increase in our manufacturing costs. As a volume producer of value and extreme value products, we may be more susceptible than other producers to margin erosion resulting from increases in manufacturing costs. Our inability to secure sufficient quantities of raw materials at prices consistent with our current costs and sales price structure could therefore negatively impact inventory levels, customer relationships, sales and market share, and could have a material adverse effect on our operating results and profitability.

In addition, if our raw material suppliers fail to maintain adequate controls over specifications and quality, we may be unable to maintain the quality of our finished products. Reliance on raw materials of inferior quality could diminish the value of our brand names and the level of customer satisfaction. This could similarly lead to reduced sales and loss of market share and could thereby negatively affect our operating results and profitability.

Ascendia Brands and Lander Canada rely on unrelated carriers for the shipment of raw materials and finished products. Any disruption in, or unavailability of, transportation, could adversely affect production and distribution of our products.

Ascendia Brands and Lander Canada receive raw materials at their manufacturing facilities by truck, and distribute finished products to warehouses and customer distribution facilities by truck and/or rail. We rely on unrelated transportation companies for these services, which we typically contract on a short-term or ad hoc basis. The availability and cost of transportation services may be affected by many factors, including, without limitation, (i) market conditions of supply and demand, (ii) inclement weather, flood, hurricanes and the like, (iii) fuel shortages and/or increases in fuel costs, and (iv) strikes, lockouts or other industrial action. Although we seek to manage our raw materials and finished goods inventories prudently, any disruption in transportation services may interfere with normal plant operations, and/or could impede or prevent the delivery of finished products to our warehouses and to our customers facilities. Any sustained increase in transportation rates would increase our anufacturing and/or distribution costs, and there is no assurance that we would be able to pass these cost increases through to our customers in the form of higher prices. These factors could result in lost sales and market share and could adversely affect our operating results and profitability.

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Disruption in our distribution centers may prevent us from meeting customer demand.

We manage our product distribution in the continental United States and Canada through distribution centers in California, New York, North Carolina, Pennsylvania and Toronto, Canada. A serious disruption in the operation of any of these distribution centers, caused by a flood, fire or other factors, could damage or destroy inventory and could materially impair our ability to distribute products to our customers in a timely manner or at a reasonable cost. We could incur significantly higher costs and experience longer delivery lead times during the time it would take to reopen or replace a distribution center. This in turn could have a material adverse effect on our sales, operating results and profitability.

Ascendia Brands makes use of contract manufacturers to manufacture significant quantities of the finished products we sell.

We rely on contract manufacturers to manufacture certain of the finished products sold by our health and beauty care division, and the use of contract manufacturers has increased significantly as a result of Ascendia Brands acquisition of the former Playtex brands in November, 2005. Any delay in delivery by one or more of these contract manufacturers, or the breach or termination of a manufacturing contract, could adversely affect our inventory levels, our ability to meet scheduled deliveries and to accept new orders. Any or all of these factors could also negatively affect our market share, customer relationships, operating results and profitability.

Efforts to acquire other companies, brands or product lines may divert our managerial resources from our day-to-day operations, and if we complete an acquisition we may incur or assume additional liabilities or experience integration problems.

Our growth strategy is bifurcated, driven both by acquiring other companies, brands or product lines that management believes complement our existing health and beauty care business, and through organic growth of our existing brands. At any given time, we may be engaged in discussions with respect to possible acquisitions or other business combinations that are intended to enhance our product portfolio, enable us to realize cost savings and further diversify our category, customer and channel focus. Our ability successfully to grow through acquisition depends on our ability to identify, acquire and integrate suitable acquisition targets and to obtain any necessary financing. These efforts could divert the attention of our management and key personnel from our day-to-day business operations. If we complete acquisitions, we may also experience:

- difficulties or delays in integrating any acquired companies, personnel and/or products into our existing business;
- delays in realizing the benefits of the acquired company or products;
- diversion of our management s time and attention from other business concerns;
- higher than anticipated integration costs;
- difficulties in retaining key employees of the acquired business who may be necessary to manage those businesses most efficiently;
- difficulties in maintaining uniform standards, controls, procedures and policies throughout all acquired companies; and/or
- adverse customer reaction to the business combination.

In addition, an acquisition could materially impair our operating results by causing us to incur debt, amortize acquisition expenses and/or depreciate acquired assets.

Regulatory matters governing our industry could have a significant negative effect on our sales and operating costs.

In both our U.S. and foreign markets, we are subject to extensive laws, governmental regulations, administrative determinations, court decisions and similar constraints affecting our health and beauty care business. Such laws, regulations and other constraints may exist at the federal, state or local levels in the United States and at analogous levels of government in foreign jurisdictions.

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In particular, the formulation, manufacturing, packaging, labeling, distribution, importation, sale and storage of the products sold by our health and beauty care division are subject to regulation by various federal agencies, including the FDA, the Federal Trade Commission (FTC), the Consumer Product Safety Commission, the Environmental Protection Agency, and by various agencies of the states, localities and foreign countries in which our products are manufactured, distributed and sold. In addition, the adoption of new regulations or changes in the interpretations of existing regulations may result in significant compliance costs or require discontinuation of product.

If we fail to comply with federal, state or foreign regulations, we could be required to:

- pay fines and/or penalties;
- suspend manufacturing operations;
- change product formulations;
- suspend the sale of products with non-complying specifications;
- initiate product recalls; or
- change product labeling, packaging, or take other corrective action.

Any of these actions could materially and adversely affect our financial results.

In addition, any failure to comply with FTC or state regulations, or with regulations in foreign markets that cover our product claims and advertising, including direct claims and advertising by us, may result in enforcement actions and imposition of penalties or otherwise materially and adversely affect the distribution and sale of our products.

Our business depends upon the protection of our intellectual property rights.

The market for our health and beauty care products depends to a significant extent upon the goodwill associated with our trademarks and tradenames. The trademarks and tradenames on our products are how we convey that the products Ascendia Brands sells are value brand name products, and we believe consumers ascribe value to our brands. Ascendia Brands and its affiliates own the material trademark and tradename rights used in connection with the packaging, marketing and sale of our products. This ownership is what prevents competitors or new entrants to the market from using our valuable brand names.

Therefore, trademark and tradename protection is critical to our business. Although most of our material trademarks are registered in the United States and in applicable foreign countries, we may not be successful in asserting trademark or tradename protection. If we were to lose the exclusive right to use any of our brand names in the United States or any other market in which we sell our products, our sales and operating results could be materially and adversely affected. We could also incur substantial costs to defend legal actions relating to the use of our intellectual property, which could have a material adverse effect on our business, results of operations or financial condition.

Other parties may infringe on our intellectual property rights and may thereby dilute the value of brands in the marketplace. If the value of our brands becomes diluted, or if our competitors are able to introduce brands that cause confusion with our brands in the marketplace, it could adversely affect the value that our customers associate with our brands, and thereby negatively impact our sales. Any such infringement of our intellectual property rights would also likely result in a commitment of our time and resources to protect these rights through litigation or otherwise. In addition, third parties may assert claims against our intellectual property rights and we may not be able successfully to resolve these claims.

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Wireless Applications Development Business

The Cenuco Wireless business faces extensive competition.

Our wireless applications development business, conducted under the Cenuco name has only recently introduced its full line of wireless video monitoring servers. There can be no assurance that the market will accept the wireless products currently offered. The industries in which the Cenuco Wireless division operates are characterized by intense competition. We face competition in all aspects of our business and we compete directly with numerous other firms, a significant number of which may offer their customers a broader range of products and services, have substantially greater financial, personnel, marketing, research and other resources, have greater operating efficiencies and have established reputations relating to product offerings and customer service. There can be no assurance that we will be able to compete in this business successfully.

If we are unable to protect our intellectual property rights our ability to compete effectively in the market for our products could be negatively impacted.

We regard our patents, copyrights, service marks, trademarks, trade secrets and similar intellectual property as important to our success in wireless applications development. We rely on patent, trademark and copyright law, trade secret protection and confidentiality agreements with our employees, customers, consultants and advisors to protect our proprietary rights; however, the steps we take to protect our proprietary rights may be inadequate and legal means may afford only limited protection. In addition, traditional legal protections may not be applicable in the Internet or wireless context, and the ownership of proprietary rights in our Cenuco Wireless technology may be subject to uncertainty. Our failure or inability to protect our proprietary rights could materially harm our business and competitive position.

We have filed for one Utility patent, Wireless Security Audio-Video Monitoring, which was accepted by the United States Patent Office in June, 2004, as Patent Pending #10/846426. We have also filed for one Provisional Patent, which we expect to covert to a full Utility Patent filing later this year. From time to time, we may decide to file additional patent applications relating to aspects of our proprietary Cenuco Wireless technology. Other parties may independently develop similar or competing technology or design around any patents that may be issued to us. There is no assurance that any of the patent applications we file will be approved, or that any issued patents will adequately protect our intellectual property. In addition, there is no assurance that third parties will not challenge the validity of our patents, or assert that technology developed and sold by Cenuco Wireless infringes other patents. Any such claims, even if lacking in merit, could require us to expend considerable resources in defending them and adversely affect the results of our operations.

Cenuco Wireless is currently the defendant in a patent infringement case commenced on February 1, 2005 in Federal District Court for the Southern District of New York (Joao v. Cenuco, Inc., 05 Civ. 1037 (CM) (MDF)). The plaintiff, Raymond Anthony Joao, asserts in his complaint that Cenuco Wireless is infringing certain patent held by Joao, specifically United States Patents Nos. 6,587,046, 6,542,076 and 6,549,130, which cover apparatuses and methods for transmitting video information to remote devices and/or over the Internet. Cenuco Wireless has timely answered the complaint denying infringement, and intends to defend this case vigorously on the merits. We believe that the patents relied on by Joao are invalid and that Joao will not prevail. Nonetheless, there can be no assurance as to the outcome of the case, and a judicial determination that Cenuco Wireless is infringing Joao s patents could have a material adverse effect on the ability of Cenuco Wireless to market and sell its current product line. Similarly, there is no assurance that Cenuco Wireless would be able to develop, at a reasonable cost, within a reasonable length of time or at all, a workaround to eliminate any patent infringement found to exist.

Our Business Generally

The integration of the former Playtex brands, Ascendia Brands and Cenuco Wireless may be difficult.

The combination of the former Playtex Brands, Ascendia Brands and Cenuco Wireless operations involves the integration of separate businesses: the health and beauty care business of Ascendia Brands and the former Playtex brands and the wireless data applications, including live video streaming to cellular devices, of Cenuco Wireless. The process of combining the former Playtex brands into the business of Ascendia Brands and integrating the Cenuco Wireless business with our health and beauty care business may be disruptive to these respective businesses and may cause an interruption of, or a loss of momentum in, such businesses, and may result in the following difficulties, among others:

- loss of key employees or customers;

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- possible inconsistencies in standards, controls, procedures and policies among our subsidiaries and the need to implement and harmonize company-wide financial, accounting, information and other systems;
- failure to maintain the quality of services that the companies individually have historically provided;
- the need to coordinate geographically diverse organizations;
- the diversion of management s attention from the day-to-day business as a result of the need to address the above disruptions and difficulties, and the possible need to add management resources to do so; and
- if the integration of our new brands and our diverse businesses is not successful, it may be necessary for management to devote resources to effect a disposition of the wireless business by sale or spin off.

Such disruptions and difficulties, if they occur, may cause us to fail to realize the benefits we currently expect to result from such integration and may cause material adverse short and long-term effects on our operating results and financial condition.

Both operating divisions depend on our key personnel and the loss of the services of executive officers or other key employees could harm our business and results of operations.

Our success in the health and beauty care and wireless applications development business sectors depends to a significant degree upon the continued contributions of our senior management and (in the case of Cenuco Wireless) of the programmers and technicians responsible for technology development. These employees may voluntarily terminate their employment with us at any time. We may not be able to retain existing key personnel or identify, hire and integrate new personnel.

We must comply with the listing provisions of the American Stock Exchange.

We must maintain sufficient stockholders equity to continue its listing on the American Stock Exchange. Section 1003(a) of the AMEX Guide provides that the American Stock Exchange will normally consider suspending dealings in, or removing from the list, securities in a company that has stockholders equity of less than $6 million if the company has sustained losses from continuing operations and/or net losses in its five most recent fiscal years. As of August 26, 2006, stockholders equity was approximately $9.5 million. However, should the Company sustain losses in the future, this would reduce stockholders equity. We therefore continue to evaluate alternative sources of equity capital so as to maintain our listing on the American Stock Exchange. Sustained or recurring failure to meet the equity requirements of the American Stock Exchange could ultimately lead to our being delisted from trading and therefore could potentially impact our ability to raise debt or equity capital in the future.

Future Impairments to Goodwill and other non amortizable intangible assets.

We have approximately $31.5 million of goodwill and other non amortizable intangible assets. The testing for impairment in the future may result in additional write-offs.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this document and in documents that are incorporated by reference in this document that are subject to risks and uncertainties. Forward-looking statements include information concerning possible or assumed future actions, events or results of operations of Cenuco, Hermes and Lander and the combined company, generally. These forward-looking statements may contain the words believe, anticipate, expect, estimate, project, will be, will continue, will likely result, or other similar words and phrases. This proxy statement may cont forward-looking statements that reflect, when made, our expectations or beliefs concerning future events that involve risks and uncertainties, including:

- general economic conditions affecting our products and their respective markets;
- the high level of competition in our industry and markets;
- our dependence on a limited number of customers for a large portion of our sales;
- disruptions in our distribution centers;
- integration of the brands acquired from Playtex Products Inc. and its affiliates (Playtex) diverting managerial resources, or incurrence of additional liabilities or integration problems associated with such transaction;
- changing consumer trends;
- pricing pressures that may cause us to lower our prices;
- increases in supplier prices;
- changes in our senior management team;
- our ability to protect our intellectual property rights;
- our dependency on the reputation of our brand names;
- the effects of shortages of supply of sourced goods or interruptions in the manufacturing of our products;
- our level of debt;
- our ability to obtain additional financing;
- the restrictions in our debt and equity financing on our operations; and
- our ability to service our debt.

All statements other than statements of historical facts included in this proxy statement, are forward-looking statements (as defined in the Private Securities Litigation Reform Act of 1995) based, among other things, on the Company s current plans and expectations relating to analyses of value and expectations of anticipated growth in the future and future success under various circumstances, and, as such, these forward-looking statements involve uncertainty and risk. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such expectations may prove not to have been correct. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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THE ANNUAL MEETING OF STOCKHOLDERS

We are furnishing this proxy statement to stockholders of the Company as part of the solicitation of proxies by the Board of Directors for use at the annual meeting of the Company s stockholders (the Meeting).

Date, Time and Place

The Company will hold the Meeting at the Hyatt Regency Princeton, 102 Carnegie Center, Princeton, New Jersey, on February 14, 2007, at 10:00 a.m., local time.

Purpose of the Annual Meeting

At the Meeting, we will ask holders of our stock:

Proposal One: to elect five directors for a term of one year, or until their successors are duly elected and qualified.
Proposal Two: to ratify the selection of BDO Seidman, LLP as our independent registered public accounting firm for the fiscal year ending February 28, 2007.
Proposal Three: to approve the issuance of up to 28,056,510 shares of the Company s common stock issuable upon conversion of the Company s Series A Preferred Stock or otherwise in connection with the merger with Hermes Acquisition Company I LLC;
Proposal Four: to approve the issuance of an aggregate of 34,000 shares of the Company s common stock to Robert Picow and Doug McMillen;
Proposal Five: to approve the adoption of the Company s 2007 Stock Incentive Plan; and
Proposal Six: to act on other matters and transact such other business as may properly come before the Meeting and any adjournment(s) or postponement(s) of the Meeting.

The Company s Board of Directors believes that the foregoing proposals are in the best interests of the Company and its stockholders, and recommends that the Company s stockholders FOR each of the director nominees named in the proxy, FOR the ratification of the selection of BDO Seidman, LLP as the Company s independent registered public accounting firm, FOR the proposal regarding the issuance of shares of common stock upon conversion of the Series A Preferred Stock (Proposal Three), FOR the proposal regarding the issuance of 34,000 shares of common stock to Robert Picow and Doug McMillen (Proposal Four), and FOR the adoption of the Company s 2007 Stock Incentive Plan.

Record Date, Shares Entitled to Vote and Quorum

Only holders of record of the Company s common stock and Series A Preferred Stock at the close of business on December 29, 2006, the record date, are entitled to notice of, and to vote at, the Meeting. On the record date, 13,944,056 shares of the Company s common stock were issued and outstanding and held by approximately 1,200 holders of record, and 2,347.7745 shares of the Series A Preferred Stock were issued and outstanding and held by six holders of record. Only the holders of common stock on the record date will be entitled to vote on the proposal arising from the merger transaction (Proposal Three). On all other proposals (Proposals One, Two, Four, Five and Six), the holders of the common stock and Series A Preferred Stock will vote together as a single class.

A quorum will be present at the Meeting if the holders of a majority of the outstanding shares of the Company s common stock and Series A Preferred Stock entitled to vote are represented in person or by proxy. Stockholders will have one vote for each share of common stock, and 10,118.9046 votes for each share of Series A Preferred Stock, held of record at the close of business on the record date.

Vote Required

Directors are elected by a plurality and the five nominees who receive the most votes will be elected as directors (Proposal One). Stockholders do not have cumulative voting rights in the election of directors. Approval of each of the other proposals (Proposals Two through Six), requires that the number of shares cast FOR each such proposal exceeds the number of shares cast AGAINST each such proposal.

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If you abstain from voting on any of the proposals to be voted on at the Meeting, it will have no effect on the outcome (other than with respect to determining whether a quorum exists), since an abstention is not a vote cast.

Shares of our common stock may be voted under certain circumstances if they are held in the name of a brokerage firm or nominee. Under rules currently in effect, brokerage firms and nominees that are members of the American Stock Exchange have the authority under the rules of the American Stock Exchange to vote their customers unvoted shares on certain routine matters if the customers have not furnished voting instructions within a specified period prior to the Meeting. Under these rules, the routine matters to be voted on at the meeting include the election of directors and the ratification of the selection of the independent certified public accounting firm (Proposals One and Two). However, none of the approval of the share issuance proposal arising from the merger transaction (Proposal Three), the approval of the share issuance to Robert Picow and Doug McMillen (Proposal Four), or the approval of the adoption of the Company s 2006 Stock Incentive Plan (Proposal Five) is considered a routine matter and hence brokerage firms and nominees will not be able to vote the shares of customers from whom they have not received voting instructions with regard to approval of Proposal Three, Proposal Four or Proposal Five. Shares of our common stock held directly in a stockholder s name will not be counted as shares present for the purpose of establishing a quorum and will not be voted if the stockholder does not provide a proxy or attend the Meeting and vote their shares.

Broker non-votes occur when a person holding shares through a bank or brokerage account does not provide instructions as to how his or her shares should be voted and the broker does not exercise discretion to vote those shares on a particular matter. Brokers may not exercise discretion to vote shares as to which instructions are not given with respect to approval of the two share issuance proposals (Proposals Three and Four) or approval of the adoption of the Company s 2007 Stock Incentive Plan. Broker non-votes will have no effect on any of the matters to be voted on at the Meeting because broker non-votes will not be considered votes cast, but will be counted as shares present and entitled to be voted for the purposes of determining the presence of a quorum.

A quorum of our shares must be present in order for the meeting to be held. For purposes of determining the presence of a quorum, shares will be counted if they are present in person or by proxy. Shares present by proxy will be counted as present for purposes of determining the presence of a quorum even if the proxy does not have authority to vote on all matters.

Voting Agreements; Voting by Directors and Executive Officers

In connection with the execution of the merger agreement Steven Bettinger, our former President and Chief Executive Officer and director, entered into a voting agreement with Hermes. This voting agreement provides that Mr. Bettinger will vote the 3,817,267 shares of the Company s common stock that he owns beneficially, at the time representing approximately 27.4% of the outstanding shares of common stock on the record date, for Proposal Three at the annual meeting. On August 3, 2006, Mr. Bettinger sold 3,322,482 shares of the Company s common stock to Prencen, LLC, a Delaware limited liability company (Prencen) for a purchase price of $1.50 per share. Prencen has advised the Company that it intends to vote the shares of common stock that it owns in favor of Proposal Three. In addition, each of Edward Berzak, Warren Gilbert, Gilder Funding Corp., Jay Haft, Irvin Joseph, Irving J. Denmark Trust, Fred Mack, Robert Picow and Stanley Snyder, stockholders of the Company owning an aggregate of 4,014,302 shares of common stock (representing approximately 28.8% of the outstanding shares of common stock on the record date) have agreed to vote their shares in favor of Proposal Three.

On June 30, 2006, the Company entered into a Second Amended and Restated Securities Purchase Agreement with Prencen, LLC and Prencen Lending, LLC pursuant to which the Company issued and sold to Prencen Lending, LLC senior secured convertible notes in the principal amount of $91 million, which notes are secured by all of the Company s and its subsidiaries assets and guaranteed by all of the Company s subsidiaries (the Financing Transaction). On July 31, 2006, in connection with the Financing Transaction, which closed on August 3, 2006, Dana Holdings,

LLC, MarNan, LLC, Edward J. Doyle, Robert Enck and Franco S. Pettinato (holding approximately 53% of the combined voting power of the common stock and Series A Preferred Stock outstanding on the record date for the Meeting) entered into a voting agreement with the Company pursuant to which these stockholders agreed, for so long as Prencen, LLC or any of its affiliates (Prentice) owns (x) at least $5,000,000 in aggregate principal amount of the senior secured convertible notes issued in the Financing Transaction, or (y) at least 25% of the Series A stock purchase warrants purchased by Prentice in the Financing Transaction, to vote all of the shares of common stock and Series A Preferred Stock owned or entitled to be voted by such stockholder, at any stockholder meeting or action by consent in writing of the stockholders, in favor of one person designated by Prentice and nominated by the Company to serve on the Board of Directors of the Company, and, if requested by Prentice to take action to remove such nominee as a director, in favor of such removal. Copies of the securities purchase agreement and the voting agreement relating to the Financing Transaction have been filed with the SEC as exhibits to the Current Report on Form 8-K filed by the Company on August 8, 2006 and the definitive information statement filed by the Company on September 11, 2006.

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At the close of business on the record date, the directors and executive officers of the Company and their affiliates owned and were entitled to vote shares of our common stock representing approximately 1.4% of the shares of our common stock, and approximately 6.8% of the combined voting power of the common stock and Series A Preferred Stock outstanding on that date. To the Company s knowledge, these directors and executive officers intend to vote their shares FOR each of the director nominees named in the proxy, FOR the ratification of the selection of BDO Seidman, LLP as our independent registered public accounting firm, FOR the proposal regarding the issuance of shares of common stock upon conversion of the Series A Preferred Stock (Proposal Three), FOR the proposal regarding the issuance of shares of common stock to Robert Picow and Doug McMillen (Proposal Four), and FOR the adoption of the Company s 2007 Stock Incentive Plan.

Voting of Proxies

All shares represented by properly executed proxies received in time for the Meeting will be voted at the Meeting in the manner specified in the proxies. Properly executed proxies that do not contain voting instructions will be voted FOR each of the director nominees named in the proxy, FOR the ratification of the selection of BDO Seidman, LLP as our independent registered public accounting firm, FOR the proposal regarding the issuance of shares of common stock upon conversion of the Series A Preferred Stock (Proposal Three), FOR the proposal regarding the issuance of shares of common stock to Robert Picow and Doug McMillen (Proposal Four), and FOR the adoption of the Company s 2007 Stock Incentive Plan and will be deemed to grant discretion to the proxy holder on any other matter that may properly come before the Meeting. Adjournments of the Meeting may be made in accordance with the Company s Bylaws. If the persons named as proxies by you are asked to vote for one or more adjournments of the Meeting for matters incidental to the conduct of the Meeting, such persons will have the authority to vote in their discretion on such matters.

The Company does not expect that any matter other than the election of directors, ratification of the selection of our independent certified public accounting firm, the proposal regarding the issuance of shares of common stock upon conversion of the Series A Preferred Stock, the proposal regarding the issuance of shares of common stock to Robert Picow and Doug McMillen, and the adoption of the Company s 2007 Stock Incentive Plan (Proposals One through Five) will be brought before the Meeting. If, however, any other matter should properly come before the Meeting, unless provided otherwise in the written authorization, the persons named as proxies will vote in accordance with their judgment as to matters that they believe to be in the best interests of the stockholders. A proxy in the accompanying form will give authority to Joseph A. Falsetti and John D. Wille to vote on such matters at their discretion and they intend to do so in accordance with their best judgment on any such matter.

Revocability of Proxies

The grant of a proxy on the enclosed form of proxy does not preclude a stockholder from voting in person at the Meeting. A stockholder may revoke a proxy at any time prior to its exercise by (a) giving written notice of the revocation to the Company s Corporate Secretary, at 100 American Metro Boulevard, Suite 108, Hamilton, New Jersey 08619, (b) submitting a properly signed proxy with a later date, or (c) attending the Meeting and voting in person. Attendance at the Meeting (without voting) will not in and of itself constitute a revocation of the proxy. If you have instructed your broker or other nominee to vote your shares, you must follow the procedures provided by your broker or nominee to change those instructions.

Solicitation of Proxies

The Company will bear the expenses of soliciting proxies in the form included with this proxy statement, including the cost of preparing and filing material in connection with the solicitation. In addition to the use of the mail, the Company s directors, executive officers and employees may solicit proxies personally, by telephone or on the Internet.

The Company will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to stockholders.

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PROPOSAL ONE:

ELECTION OF DIRECTORS

Director Nominees

Our Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, has recommended and nominated each of the individuals listed below for election to our Board of Directors at the Meeting. Each duly elected director will hold office until his death, resignation, retirement, removal, disqualification, or until his successor shall have been elected and qualified. Unless otherwise instructed or unless authority to vote is withheld, the enclosed proxy will be voted for the election of the nominees listed below. Although our Board of Directors does not contemplate that the nominees will be unable to serve, if such a situation arises prior to the Meeting, the persons named in the enclosed proxy will vote for the election of such other person(s) as may be nominated by the Board of Directors.

Joseph A. Falsetti, 50 - President & Chief Executive Officer. Mr. Falsetti has served as Chairman and Chief Executive Officer of Ascendia since June 13, 2003, and as a director of the Company since the date of the merger, May 20, 2005, when he was designated by Hermes Acquisition Company I LLC in accordance with the terms of the merger agreement. Mr. Falsetti has an extensive entrepreneurial background, having established several consumer product companies. He was the founder and former Chairman and CEO of RomTech, a NASDAQ-listed consumer product entertainment company, which grew to become the highest volume distributor/publisher of value software in mass merchant retail, initiating value branding within the category. He also founded and was President and CEO of Galaxy Software, where he developed several leading brands including Picture It , which was sold to Microsoft Corporation and remains Microsoft s leading consumer application within the category. Prior to founding these companies, Mr. Falsetti worked for Unisys Corporation, rising to the position of Director of Desktop PCs, responsible for operations of the personal computing hardware, peripherals and related software applications with $200 million in annual sales. He received his BSME and BSEE degrees from The College Of New Jersey.

Edward J. Doyle, *63 - Independent Director; Chairman, Audit Committee*. Mr. Doyle has served as a director of the Company since the date of the merger, May 20, 2005, when he was designated by Hermes Acquisition Company I LLC in accordance with the terms of the merger agreement. Mr. Doyle has served as the sole proprietor of Zephyr Ventures LLC, since 2003 and managing director of The Hermes Group LLC since 2002. From 1999 to 2002, Mr. Doyle served as managing principal of Hamilton Capital Group LLC. From 1981 until 1996, he served as Divisional Vice President of Mars Incorporated.

Kenneth D. Taylor, 72 - Independent Director. Mr. Taylor has served as a director of the Company since the date of the merger, May 20, 2005, when he was designated by Hermes Acquisition Company I LLC in accordance with the terms of the merger agreement. Mr. Taylor has served as Chairman of Taylor & Ryan, Inc., a public affairs consulting company, since 1991. Prior to joining Taylor & Ryan, Inc., Mr. Taylor served as a diplomat in the Canadian Foreign Service and resigned from that post in 1984. Mr. Taylor presently also serves as a director of Hydro One, Devine Entertainment Corp. and SkyLink Aviations, Ltd., all of which are located in Toronto, Canada.

Robert Picow, *50 - Director*. Robert Picow was Chairman of the Board of Directors of Cenuco, Inc. prior to its merger with Lander. He served as Chairman from April 22, 2004 until May 20, 2005, and has been a director of the Company since July of 2003. In 1982, Mr. Picow founded Allied Distributors, a small electronics distributorship based in Philadelphia. In 1986, Allied Communications was formed and the company focused on cellular telephones and related products. Mr. Picow served as CEO of Allied Communications until its merger in 1996 with Brightpoint, a publicly traded communications company. Mr. Picow served as Vice Chairman and a director of Brightpoint until 1997. Mr. Picow served as a director of S.B.A. Communications for a two-year term and is now a director of Streicher

Mobile Fueling and Fundamental Management Corporation, a private fund management company. Mr. Picow also serves on the Board of Trustees of the Children s Place at Home Safe, a Palm Beach based charity.

Francis Ziegler, 66 - Independent Director; Chairman, Compensation Committee. Mr. Ziegler has served as a director of the Company since the date of the merger, May 20, 2005, when he was designated by Hermes Acquisition Company I LLC in accordance with the terms of the merger agreement. Mr. Ziegler retired in April 2004 from his position as President and Chief Executive Officer of Claneil Enterprises, Inc., a privately owned holding company that was a prior owner of Lander. He joined Claneil in 1993 after thirty years as an operations and marketing executive with Johnson & Johnson. During his career with Johnson & Johnson, he served as President of five subsidiary companies. Mr. Ziegler presently also serves as a director of S&H Green Points, Inc. and Rinaldi Enterprises.

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The Board of Directors recommends voting FOR the election of the five director nominees listed above.

Agreements regarding Director Nominated by Prencen, LLC

On July 31, 2006, in connection with the Financing Facility, Dana Holdings, LLC, MarNan, LLC, Edward J. Doyle, Robert Enck and Franco S. Pettinato (holding approximately 55% of the combined voting power of the common stock and Series A Preferred Stock outstanding on October 2, 2006) entered into a voting agreement with the Company pursuant to which these stockholders agreed, for so long as Prencen, LLC or any of its affiliates (Prentice) owns (x) at least $5,000,000 in aggregate principal amount of the senior secured convertible notes issued in the Financing Transaction, or (y) at least 25% of the Series A stock purchase warrants purchased by Prentice in the Financing Facility, to vote all of the shares of common stock and Series A Preferred Stock owned or entitled to be voted by such stockholder, at any stockholder meeting or action by consent in writing of the stockholders, in favor of one person designated by Prentice and nominated by the Company to serve on the Board of Directors of the Company, and, if requested by Prentice to take action to remove such nominee as a director, in favor of such removal.

Copies of the securities purchase agreement and the voting agreement relating to the Financing Facility have been filed with the SEC as exhibits to the Current Report on Form 8-K filed by us on August 8, 2006 and the definitive information statement filed by us on September 11, 2006.

Board Committees and Meeting Attendance

The Board of Directors held 4 meetings during the last fiscal year. The Board also considered and voted upon matters referred to it by management by means of unanimous written consents. During the fiscal year ended February 28, 2006, each director who served during that fiscal year attended at least 75% of the aggregate number of meetings of the Board and committees of the Board on which he or she served. Also during the last fiscal year, the independent directors of the Board of Directors met once in executive session. It is the policy of the Board of Directors to expect that all directors attend annual meetings of stockholders except where the failure to attend is due to unavoidable conflicts. All of the Company s then-serving directors attended the 2005 annual meeting.

Our Board of Directors has three standing committees: the Compensation Committee, the Audit Committee and the Nominating and Corporate Governance Committee. The Board of Directors has adopted charters for each of these committees that can be obtained free of charge from our website, *www.ascendiabrands.com*. A copy of the Audit Committee Charter is attached as Annex B to this proxy statement. Each committee reports its actions to the full Board at the Board s next regular meeting. A description of the members and duties of each committee follows.

Compensation Committee

Subsequent to the merger with Hermes, during the fiscal year ended February 28, 2006, the members of the Compensation Committee have been Mr. Ziegler, (Chairman), Mr. Doyle and Mr. Taylor. Our Compensation Committee has authority in matters relating to administration of our compensation plans and to set the salary and incentive compensation, including stock option grants, for our Chief Executive Officer and senior staff members.

Our Board of Directors has determined that the members of the Compensation Committee meet the independence standard set forth by the American Stock Exchange. Further, each member of the Compensation Committee is a Non-Employee Director as defined in Rule 16b-3 under the Securities Exchange Act of 1934 and an outside director as defined for purposes of 162(m) of the Internal Revenue Code of 1986.

The Compensation Committee reviewed and agreed on specific compensation for executive officers, including the employment contracts for the current and former Chief Executive Officers. The compensation awarded is comparable

to the overall market for executive officers. The Compensation Committee met four times during the most recently completed fiscal year.

Audit Committee

Subsequent to the merger with Hermes, during the fiscal year ended February 28, 2006, the members of the Audit Committee have been Mr. Doyle, (Chairman), Mr. Taylor and Mr. Ziegler. Our Audit Committee is responsible for assuring the integrity of our financial control, audit and reporting functions and reviews with our management and our independent registered public accounting firm the effectiveness of our financial controls and accounting and reporting practices and procedures. In addition, the Audit Committee reviews the qualifications of our independent registered public accounting firm, is responsible for their appointment, compensation, retention and oversight and reviews the scope, fees and results of activities related to audit and non-audit services.

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Our Board of Directors has determined that all of the members of the Audit Committee are financially literate and meet the independence standard set forth by the American Stock Exchange and applicable SEC rules. Our Board of Directors has further determined that Mr. Doyle qualifies as an audit committee financial expert, as defined in applicable SEC rules. The Audit Committee met four times during the most recently completed fiscal year.

Nominating and Corporate Governance Committee

Subsequent to the merger with Hermes, during the fiscal year ended February 28, 2006, the members of the Nominating and Corporate Governance Committee have been Mr. Doyle, Mr. Taylor and Mr. Ziegler (Chairman), each of whom is independent as defined under applicable American Stock Exchange rules. The primary responsibilities of the Nominating Committee are to:

- identify individuals qualified to become members of the Board and select, or recommend that the Board select, the director nominees for the next annual meeting of stockholders; and
- establish, implement and monitor policies and processes regarding principles of corporate governance in order to ensure the Board s compliance with its fiduciary duties to the Company and its stockholders, all in accordance with applicable laws or regulations of the SEC and other governmental authorities, and applicable rules of the American Stock Exchange.

The Nominating and Corporate Governance Committee did not meet during the most recently completed fiscal year. After considering the qualifications of the five incumbent Directors, on November 2, 2006, the Nominating Committee recommended that each of them be nominated for re-election as a Director at the Meeting.

Director Compensation

During the fiscal year 2006, each of our non-employee directors received $12,000 retainer (paid for three meetings for the period May 20, 2005 to February 28, 2006) in cash compensation. An additional $5,000 cash retainer was given to the Audit Committee Chairperson (Mr. Doyle) and an additional $3,000 annual cash retainer was given to the Compensation Committee and Nominating and Governance Committee Chairperson (Mr. Ziegler). We also paid the following fees in the fiscal year ended February 28, 2006 for meetings attended by various non-employee directors:

- a $2,000 fee for each meeting of our Board of Directors attended in persons;
- a $1,000 fee for each meeting of our Board of Directors attended by telephone;
- a $1,500 fee for each meeting of a committee of our Board of Directors attended in person; and
- a $750 fee for each meeting of a committee of our Board of Directors attended by telephone; and a $750 fee if scheduled the same day of a full Board meeting, either for attendance in person or via telephone.

In addition to cash compensation, on November 2, 2006, each of the independent directors, Edward J. Doyle, Kenneth D. Taylor and Francis Ziegler was awarded 100,000 shares of Ascendia Brands, Inc. restricted stock, with 50% vesting on the one year anniversary of the grant and the remaining shares vesting on the two year anniversary of the date of grant.

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Procedure for Recommending Director Candidates to the Nominating Committee

Any stockholder of record entitled to vote in the election of directors may recommend director candidates for consideration by the Nominating and Corporate Governance Committee and recommendation by the Nominating and Corporate Governance Committee to the Board of Directors. A stockholder wishing to recommend a director candidate to the Nominating and Corporate Governance Committee must send timely written notice to the Nominating and Corporate Governance Committee setting forth certain information with respect to the director candidate, including:

- the name and address of the stockholder recommending the director candidate, and the name and address of the beneficial owner, if different than the recommending stockholder;
- the name, address and biographical information of the person or persons being recommended for nomination;
- any information relevant to a determination of whether the candidate meets the criteria described below under the heading Director Qualifications ;
- any information regarding the candidate relevant to a determination of whether the candidate would be barred from being considered independent under applicable AMEX or SEC rules or, alternatively, a statement that the candidate would not be so barred;
- a statement, signed by the candidate verifying the accuracy of the biographical and other information about the candidate that is submitted with the recommendation; and
- if the recommending stockholder, or group of stockholders, has beneficially owned more than 5% of the Company s voting stock for at least one year as of the date the recommendation is made, evidence of such beneficial ownership.

To be timely received by the Nominating and Corporate Governance Committee for its consideration in connection with an annual meeting of stockholders, such notice must be received by the Nominating Committee no later than January 1 of that calendar year. All such submissions to the Nominating Committee must be made in writing and may be mailed to the Nominating Committee of Ascendia Brands, Inc., c/o President, 100 American Metro Boulevard, Suite 108, Hamilton, New Jersey 08619.

Director Qualifications

The Nominating and Corporate Governance Committee believes that each director nominee should be evaluated based on his or her individual merits, taking into account the needs of the Company and the composition of the Board. Members of the Board should have the highest professional and personal ethics, consistent with the values and standards of the Company. At a minimum, a nominee must possess integrity, skill, leadership ability, financial sophistication, and capacity to help guide the Company. Nominees should be committed to enhancing stockholder value and should have sufficient time to carry out their duties and to provide insight and practical wisdom based on their experiences. Their service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to responsibly perform all director duties.

Evaluation of Director Candidates by the Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee may utilize a variety of methods for identifying and evaluating nominees for director. The Nominating and Corporate Governance Committee will regularly assess the appropriate size of the Board and whether any vacancies on the Board are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Nominating and Corporate Governance Committee will consider various potential candidates for director. Candidates may come to the attention of the Nominating and Corporate Governance Committee through current Board members, professional search firms, stockholders, or other persons. The Nominating and Corporate Governance Committee will not evaluate director candidates recommended

by stockholders differently than director candidates recommended from other sources, except that the Nominating and Corporate Governance Committee may review materials provided by professional search firms or other parties in connection with a nominee who is not proposed by a stockholder. Director candidates will be evaluated at a regular or special meeting of the Nominating and Corporate Governance Committee, and may be considered at any point during the year. In evaluating such nominations, the Nominating and Corporate Governance Committee will seek to achieve a balance of knowledge, experience, and capability on the Board.

In connection with this evaluation, the Nominating and Corporate Governance Committee will make a determination whether to interview a prospective nominee based upon the Committee s level of interest. If warranted, one or more members of the Nominating and Corporate Governance Committee, and others as appropriate, will interview prospective nominees in person or by telephone. After completing this evaluation and any appropriate interviews, the Nominating and Corporate Governance Committee will make a recommendation to the full Board as to its selection of director nominees, and the Board will select the nominees after consideration of the Nominating and Corporate Governance Committee s recommendation and report.

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EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth information concerning the compensation during the fiscal years ended February 28, 2006, February 28, 2005 and February 28, 2004 of the Company s current and former Chief Executive Officers and each of the four other persons serving as executive officers of the Company at the end of fiscal 2006 who received the highest annual salary and bonus during fiscal 2006 for services rendered in all capacities to the Company and its subsidiaries (the Named Executive Officers):

					Long Term Compensation			
		Annual Compensation			*Restricted Securities*			
Name & Title	*Fiscal Year Ended February/28*	*Salary($)*	*Bonus($)*	*Other($)*	*Stock Awards ($)*	*Underlying Options/SARs (#)*	*LTIP Payouts ($)*	*All Other Comp. ($)*
Joseph A. Falsetti,	2006	381,250						
President & Chief	2005	175,000						
Executive Officer	2004	124,519						
Brian J. Geiger,	2006	231,250	5,000					
Former Executive	2005	141,346						
Vice President &	2004							
Chief Financial Officer								
Franco S. Pettinato	2006	190,000	5,000	14,400				
Senior Vice	2005	190,000	8,021	14,400				
President	2004	124,519		13,200				
Operations								
William B.	2006	225,000		6,000				
Acheson,	2005	225,000	2,986	6,000				
Executive Vice	2004	160,096	29,327	6,000				

President, Global Sales					
R. Elizabeth Houlihan, Vice President, Marketing	2006 2005 2004	51,923	10,000		
Steven Bettinger, Former Chief Executive Officer of Cenuco, Inc.(1)	2006 2005 2004	187,500 242,692 250,000		71,000(2) 82,000(3)	100,000(4) 100,000(5)

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Other annual compensation includes car allowances and relocation bonus.

(1) Amounts used for the years ended February 28, 2005 and February 29, 2004 are derived from Cenuco, Inc, s June 30, 2004 and 2003 fiscal years.

(2) Represents the issuance of 100,000 shares of Ascendia common stock at a fair market value of $0.71 on date of issuance.

(3) Represents the issuance of 100,000 shares of Ascendia common stock at a fair market value of $0.82 on the date of issuance.

(4) Represents 100,000 stock options granted at a fair market value on date of grant of $0.97.

(5) Represents 100,000 stock options granted at a fair market value on date of grant of $0.42.

At February 28, 2006, Steven Bettinger (former CEO) had issued and outstanding options of 100,000. These options were also issued and outstanding as of the date of the merger on May 20, 2005. The options became fully exercisable as a result of the merger. Prior to date of merger the successor company (Hermes) did not have any options issued or outstanding.

Aggregate Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The following table sets forth the information with respect to the Named Executive Officers concerning the exercise of options during fiscal year 2006 and unexercised options held as of February 28, 2006.

			Number of Securities Underlying Unexercised Options at Year-End (#)(2)		Value of Unexercised In-the-Money Options a Year-End ($)(1)	
Name	**Shares Acquired on Exercise #**	**Value Realized ($)**	**Exercisable**	**Unexercisable**	**Exercisable**	**Unexercisable**
Joseph A. Falsetti	0	$	0	0	$	$
Brian J. Geiger	0	$	0	0	$	$
Franco S. Pettinato	0	$	0	0	$	$
William B. Acheson	0	$	0	0	$	$
R. Elizabeth Houlihan	0	$	0	0	$	$
Steven Bettinger	0	$	100,000	0	$243,333	$

(1) Based on closing price of the common stock as reported on the American Stock Exchange at February 28, 2006 of $3.34, less exercise price, multiplied by the number of shares underlying the option.

(2) The 100,000 options are net of 100,000 options exercised in 2005.

Equity Compensation Plan Information

The following table provides information as of February 28, 2006 with respect to shares of the Company s common stock that may be issued under the Company s equity compensation plans, including the Company s 2000 Performance Equity Plan, as amended (the 2000 Plan) and grants of options to purchase common stock not issued under any plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)		Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)	
Equity compensation plans approved by security holders	556,668	(1)	$ 1.52	None	(1)
Equity compensation Plans not approved by security holders	None		None	None	
Total	556,668		$ 1.52	None	

(1) Represents the unexercised options at the time of the Merger, which became 100% vested due to change in control. No additional awards will be made under the 2000 Plan described below.

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The 2000 Plan

The 2000 Plan was approved by the stockholders of the Company on February 1, 2000. The purpose of the 2000 Plan is to further the Company s interests, and its subsidiaries and stockholders interests, by providing incentives to key employees, consultants, directors and others who contribute materially to the Company s success and profitability. The 2000 Plan provides for the grant of awards relating to or consisting of up to an aggregate of 3,000,000 shares of common stock, typically in the form of a grant of options to purchase shares of common stock. The 2000 Plan also provides for the grant of share appreciation rights, restricted shares of common stock, deferred awards of common stock, reload stock options, and other stock-based awards (such as purchase rights, unrestricted common stock, convertible or exchangeable debentures, or other rights convertible into shares of common stock), although the Company does not presently contemplate the granting of any of these. All of the Company s employees (including officers) and directors, and certain of its consultants, are eligible to receive awards under the 2000 Plan. In determining the eligible participants to whom awards may be granted under the 2000 Plan and the prices and times at which awards are granted, our board of directors, or the Compensation Committee as so delegated, has full and final authority and discretion. Stock options granted to employees may be either incentive stock options (ISOs), which satisfy the requirements of Section 422 of the Internal Revenue Code, or non-qualified options. Except for ISOs, which must be issued with an exercise price at or above the fair market value of the shares on the date of grant, options granted under the 2000 Plan may be issued with exercise prices at, above or below the fair market value of the shares at the time of grant. The individual option agreement sets forth the terms of the recipient s option, including the term during which an option may exercised (generally ten years from the date of grant). In the event of a change of control of the Company that has not been approved by the board of directors, the vesting periods of all stock options and other awards granted and outstanding under the 2000 Plan will immediately and entirely vest. In the case of a change of control transaction that is approved by our board of directors, the board or directors (or the Compensation Committee) may, in its discretion, accelerate the vesting of any and all stock options and other awards outstanding, or repurchase such outstanding stock options or awards for the fair market value thereof. The board of directors may amend, alter, suspend or discontinue the 2000 Plan from time to time in such manner as it may deem advisable, but no such amendment, alteration, suspension or discontinuance may impair the rights of a holder under any existing agreement without such holder s consent. The 2000 Plan was effective as of February 1, 2000, and, unless sooner terminated by our board of directors in accordance with the terms thereof, shall terminate on February 1, 2010. All of the outstanding awards under the 2000 Plan became fully vested as of May 20, 2005, the date of the merger with Hermes, and no new grants have been made since that date.

Employment and Indemnification Agreements

Bettinger Employment Agreement

As a condition to consummating the merger transaction with Hermes, any and all existing employment agreements (written and oral) with Steven Bettinger, our former President and Chief Executive Officer, were terminated. On May 20, 2005, the effective date of the merger, the Company and Steven Bettinger entered into an employment agreement (the Bettinger Employment Agreement) for Mr. Bettinger to act as the newly appointed Vice President of Corporate Development and Investor Relations of the Company for a three year period ending May 19, 2008. Mr. Bettinger will receive an annual base salary of $250,000 and will be eligible to participate in or receive benefits under any employee benefit plans generally made available to similarly situated executives. In addition, Mr. Bettinger will be eligible to receive options to purchase shares of the Company s common stock at the sole discretion of the Board of Directors or the Compensation Committee of the Board of Directors. The Bettinger Employment Agreement provides for payment to Mr. Bettinger of an amount equal to the base salary that would have been paid during the remaining term of the Bettinger Employment Agreement, payable in equal monthly installments over the remaining term, and continuation for the remaining term of all health benefit plans, programs or arrangements if the Company terminates Mr. Bettinger s employment other than for Cause (as defined in the Bettinger Employment Agreement) or if Mr. Bettinger terminates

his employment at any time within six months following a Change in Control (as defined in the Bettinger Employment Agreement) because of a change in his duties inconsistent with his position, reporting, responsibilities, titles or offices prior to the Change in Control, a reduction in his base salary, the failure of the Company to maintain Mr. Bettinger s participation in its benefit plans, the failure to provide Mr. Bettinger with appropriate adjustments to compensation and relocation allowance in the event he is required to relocate or the failure of the Company to honor its obligations under the Bettinger Employment Agreement. During the period that any such severance benefits are being paid, Mr. Bettinger is prohibited from engaging in any business that competes with the business of the Company and for a period of one year after such severance benefit payments cease or two years after the date of termination, whichever is later, Mr. Bettinger may not, within 75 miles of any operating location of the Company, engage in any business that is competitive with the Company s business. A copy of the Bettinger Employment Agreement was filed as Exhibit 10.6 to the Company s Current Report on Form 8-K/A dated May 20, 2005. The foregoing description of the Bettinger Employment Agreement is qualified in its entirety by reference to the full text of the Bettinger Employment Agreement. On July 2, 2006, Mr. Bettinger resigned all of his positions as an officer and employee of the Company and its subsidiaries. The Bettinger Employment Agreement was terminated at the time of his resignation.

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Falsetti Employment Agreement

On May 20, 2005, the Company and Joseph Falsetti, the Company s newly appointed Chairman of the Board and Chief Executive Officer, entered into an employment agreement (the Falsetti Employment Agreement) for a three-year period ending May 19, 2008, subject to automatic renewal for an additional three-year term unless terminated by the Company or Mr. Falsetti upon 90-days prior written notice. Mr. Falsetti will receive an annual base salary of $450,000 and will be eligible to participate in or receive benefits under any employee benefit plans generally made available to similarly situated executives. In addition, Mr. Falsetti will be eligible to receive options to purchase shares of the Company s common stock at the sole discretion of the Board of Directors or the Compensation Committee of the Board of Directors. The Falsetti Employment Agreement provides for payment to Mr. Falsetti of an amount equal to two times his base salary, payable in twenty four equal payments, the immediate vesting of all benefits, awards and grants and continuation for one year of all health benefit plans, programs or arrangements if the Company terminates Mr. Falsetti s employment other than for Cause (as defined in the Falsetti Employment Agreement) or if Mr. Falsetti terminates his employment at any time within six months following a Change in Control (as defined in the Falsetti Employment Agreement) because of a change in his duties inconsistent with his position, reporting, responsibilities, titles or offices prior to the Change in Control, a reduction in his base salary, the failure of the Company to maintain Mr. Falsetti s participation in its benefit plans, the failure to provide Mr. Falsetti with appropriate adjustments to compensation and relocation allowance in the event he is required to relocate or the failure of the Company to honor its obligations under the Falsetti Employment Agreement. During the period that any such severance benefits are being paid, Mr. Falsetti is prohibited from engaging in any business that competes with the business of the Company and for a period of one year after such severance benefit payments cease or two years after the date of termination, whichever is later, Mr. Falsetti may not, within 75 miles of any operating location of the Company, engage in any business that is competitive with the Company s business. A copy of the Falsetti Employment Agreement was filed as Exhibit 10.5 to the Company s Current Report on Form 8-K/A dated May 20, 2005. The foregoing description of the Falsetti Employment Agreement is qualified in its entirety by reference to the full text of the Falsetti Employment Agreement.

Indemnification Agreements

As a condition to consummation of the merger transaction with Hermes, the Company entered into indemnification agreements (the Indemnification Agreements) on May 20, 2005, with each of Messrs. Edward J. Doyle, Joseph A. Falsetti, Robert Picow, Kenneth D. Taylor and Francis Ziegler, the directors of the Company following the completion of the merger. The Indemnification Agreements provide, among other things, that the Company will indemnify and hold harmless each of the directors to the fullest extent not prohibited by applicable law and will advance expenses incurred by each of the directors provided that such director undertakes in writing to repay any such advances in the event that it is ultimately determined that such director is not entitled to indemnification. A copy of the form of Indemnification Agreement was filed as Exhibit 10.7 to the Company s Current Report on Form 8-K/A dated May 20, 2005. The foregoing description of the Indemnification Agreements is qualified in its entirety by reference to the full text of the form of Indemnification Agreement.

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Report of the Compensation Committee

Introduction

The Compensation Committee oversees the development of compensation programs for all employees of the Company and approves the terms of employment of executive officers. The Compensation Committee meets at scheduled times during the year and holds additional meetings from time to time as necessary to review compensation matters. The Company s Human Resource Department supports the Compensation Committee in its work. The Compensation Committee has the authority to engage the services of outside advisors, experts and others to assist it in its oversight and guidance in the development of the Company s compensation programs.

Executive Compensation Philosophy and Objectives

In determining the amount, form and terms of executive compensation, the Compensation Committee s policy is to take into account the need to attract, retain and reward executive officers and employees whose contributions are critical to the long-term success of the Company.

In 2005, the Compensation Committee engaged The Hay Group, an external compensation consulting firm, to assess the Company s compensation arrangements and provide recommendations for executive compensation and guidance as to the structure of employee compensation in general. Following the recommendations of the Hay Group, the Compensation Committee approved the adoption of equity incentives as described in the 2006 Stock Incentive Plan.

Compensation of its CEO and Other Executive Officers

Joseph A. Falsetti served as Chief Executive Officer of the Company during the year ended February 28, 2006. His compensation was established pursuant to an employment agreement (see page 33). Mr. Falsetti was not awarded incentive compensation for the year ended February 28, 2006. Mr. Geiger and Mr. Pettinato were awarded incentive compensation of $5,000 each for the year ended February 28, 2006. None of the other executive officers were awarded incentive compensation for the year ended February 28, 2006.

Compensation Committee Interlocks and Insider Participation

The current members of the Compensation Committee are Mr. Ziegler, Mr. Doyle and Mr. Taylor, none of whom has had any relationship requiring disclosure by the Company under Item 404 of Regulation S-K or ever served as an officer or employee of the Company or any of its subsidiaries.

Certain Relationships and Related Transactions

The Hermes Group LLP (THGLLP), a certified public accounting firm, provided professional services and (until June 2005) leased office facilities to the Company. THGLLP also paid certain expenses on behalf of the Company. THGLLP invoiced the Company approximately $411.1 thousand and $51.1 thousand, respectively, for professional fees, facility usage and reimbursable expenses for the year ended February 28, 2006 and the twenty-six weeks ended August 26, 2006. At August 26, 2006, and February 28, 2006, the Company owed THGLLP $6.9 thousand and $35.6 thousand, respectively. Mark I. Massad, a founding Partner owns 50% of THGLLP and is currently a non-active partner. Mr. Massad and/or members of his immediate family own beneficially 96.875% of the ownership interests in MarNan, LLC (MarNan), a New Jersey limited liability company. MarNan owns approximately 39% of the Series A Preferred Stock. In addition, in connection with the Financing Transaction, the Company redeemed an aggregate of 102.95 shares of the Series A Preferred Stock owned by MarNan. The redemption price was equivalent to $1.75 per share for each share of common stock into which the Series A Preferred Stock redeemed would be convertible, if such

conversion had occurred on August 2, 2006, the date of the redemption.

Zephyr Ventures LLC (ZVLLC) provided consulting services to the Company. Edward J. Doyle, a member of the Board of Directors of the Company since May 20, 2005, is a Managing Member, and owns 100% of the ownership interests, of ZVLLC, a business consulting company. For the year ended February 28, 2006, ZVLLC invoiced the Company $19,078 for consulting services. Effective May 20, 2005, the date of the merger with Hermes Acquisition Company I LLC, ZVLLC ceased providing consulting services to the Company. The balance due ZVLLC at February 28, 2006 and August 26, 2006 was $0.

Kenneth D. Taylor, a member of the Board of Directors of the Company since May 20, 2005, provided consulting services to the Company. For the year ended February 28, 2006, Mr. Taylor invoiced the Company $5,000 for consulting services. Effective May 20, 2005, the date of the merger with Hermes Acquisition Company I LLC, Mr. Taylor ceased providing consulting services to the Company. The balance due Mr. Taylor at February 28, 2006 and August 26, 2006 was $0.

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The Hermes Group LLC (THGLLC), a limited liability company, provides investment banking, acquisition and corporate advisory services to the Company. For the year ended February 28, 2006, and the twenty-six weeks ended August 26, 2006, THGLLC invoiced the Company and its subsidiaries approximately $429.3 thousand and $233.5 thousand, respectively, for business advisory services. Mark I. Massad, a member of THGLLC owns 51% of THGLLC. Mr. Massad is also a member of MarNan, which owns 39% of the outstanding shares of the Series A Preferred Stock. At August 26, 2006 and February 28, 2006, there was a balance due to THGLLC of $40.0 thousand and $6.9 thousand, respectively.

In addition, during the year ended February 28, 2006, the Company paid a fee of $1,000,000 (capitalized by the Company as part of purchase price of the Playtex asset acquisition - see Note 3 to the consolidated/combined financial statements of the Company and its subsidiaries as of February 28, 2006 set forth at page F-1 of this proxy statement) to THGLLC as compensation for advisory, diligence and other services rendered to the Company in connection with the Company s acquisition of certain brands and related assets from Playtex in November 2005.

M2 Advisory Group LLC (M2AG) provides investment banking, acquisition and corporate advisory services to the Company. For the twenty-six weeks ended August 26, 2006, M2AG invoiced the Company and its subsidiaries for $20.8 thousand as compensation for the provision of business advisory services. For the year ended February 28, 2006, M2AG did not provide any services to the Company. Mark I. Massad is a member of M2AG and a member of MarNan, which holds 39% of the outstanding shares of the Series A Preferred Stock. As of August 26, 2006 and February 28, 2006, there was a balance due to M2AG of $7.5 thousand and $0.0 thousand, respectively.

Joseph A. Falsetti (who is a Director and the Chief Executive Officer of the Company) and/or members of his immediate family own beneficially 96.875% of the ownership interests in Dana Holdings, LLC (Dana Holdings), a New Jersey limited liability company. Dana Holdings owns approximately 39% of the Series A Preferred Stock. During the year ended February 28, 2006, the Company paid guarantee fees of $400,000 each to Dana Holdings and MarNan in connection with the short-term bridge loan described in this proxy statement under the heading *Management s Discussion and Analysis of Financial Condition and Results of Operations of Ascendia Brands, Inc. Liquidity and Capital Resources Bridge Loan.* These guarantee fees were capitalized as deferred debt costs in connection with that bridge loan. Payment of such fees was approved by the unanimous vote of the Board of Directors. In addition, in connection with the Financing Transaction, the Company redeemed an aggregate of 102.95 shares of the Series A Preferred Stock owned by Dana Holdings. The redemption price was equivalent to $1.75 per share for each share of common stock into which the Series A Preferred Stock redeemed would be convertible, if such conversion had occurred on August 3, 2006, the date of the redemption.

The Company entered into a financing transaction with Prencen, LLC and Prencen Lending, LLC, pursuant to which they purchased $91 million of our senior secured convertible notes and were or may be issued warrants to purchase an aggregate of 6,053,358 shares of our common stock. As a result of the transaction, they became the beneficial owners, collectively, of approximately 23.9% of our common stock. One of their affiliates, Prentice Capital Management, LP, was paid a closing fee of $3,667,500 in connection with the financing transaction. For a description of the material terms of the financing transaction, see elsewhere in this proxy statement under the heading *Management s Discussion and Analysis of Financial Condition and Results of Operations of Ascendia Brands, Inc. Liquidity and Capital Resources Financing Facility.*

The Company s management believes the charges for the related party services listed above are consistent with the amounts that would be paid to independent third parties.

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PROPOSAL TWO:

RATIFICATION OF THE SELECTION OF INDEPENDENT

REGISTERED PUBLIC ACCOUNTING FIRM

To Ratify the Selection of Independent Registered Public Accounting Firm

The Board of Directors has selected BDO Seidman, LLP as our independent registered public accounting firm for the fiscal year ending February 28, 2007, which is the current fiscal year. The Board of Directors wishes to obtain from the stockholders a ratification of their action in appointing their existing independent auditors, BDO Seidman, LLP, as our independent registered public accounting firm for the current fiscal year.

There is no requirement that the Board s selection of BDO Seidman, LLP be submitted to our stockholders for ratification or approval. The Board, however, believes that the Company s stockholders should be given an opportunity to express their views on the selection. While the Board is not bound by a vote against ratifying BDO Seidman, LLP, the Board may take a vote against BDO Seidman, LLP into consideration in future years when selecting our independent registered public accounting firm. BDO Seidman, LLP has audited our financial statements since July 8, 2005.

A representative of BDO Seidman, LLP is expected to be present at the Meeting with the opportunity to make a statement if he so desires and to respond to appropriate questions.

The Board of Directors recommends a vote FOR the ratification of BDO Seidman, LLP as our independent registered public accounting firm for fiscal year ending February 28, 2007.

Audit Fees

The aggregate fees billed or expected to be billed to the Company by BDO Seidman, LLP for professional services rendered in connection with the audits of the Company s annual consolidated financial statements for the fiscal years ended February 28, 2006 and 2005 and the reviews of the consolidated financial statements included in the Company s Quarterly Reports on Form 10-Q for the fiscal years ended February 28, 2006 and 2005 were approximately $323,000 and $318,000, respectively.

Audit-related fees

For the fiscal years ending February 28, 2006 and 2005, the aggregate fees billed or expected to be billed to the Company by BDO Seidman, LLP for audit related services in connection with the reverse merger with Hermes Acquisition Company I LLC, the acquisition of brands and brand-related assets from Playtex, and SEC filings totaled approximately $55,000 and $248,600, respectively. The Company s auditors did not bill any additional fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company s financial statements and are not reported under Audit Fees above.

Tax-related Fees

BDO Seidman, LLP billed the Company approximately $3,000 and $3,000, respectively for professional services for tax compliance, tax advice, and tax planning services in the fiscal years ended February 28, 2006 and 2005.

All Other Fees

The Company s auditors did not perform or bill for any other services in the fiscal years ended February 28, 2006 and 2005.

In accordance with the Audit Committee s pre-approval policies and procedures, all of the above fees were reviewed and pre-approved.

Pre-Approval Policy

All proposals for audit and audit related services must be submitted and approved in advance of the start of the audit or audit related engagement.

Audit Committee Report

The Audit Committee has reviewed and discussed the audited consolidated financial statements of the Company for the fiscal year ended February 28, 2006 with management and BDO Seidman, LLP. Specifically, the Audit Committee has discussed with BDO Seidman, LLP the matters required to be discussed by Statements on Auditing Standard 61.

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The Audit Committee has received the written disclosures and the letter from BDO Seidman, LLP, required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, and has discussed with BDO Seidman, LLP their independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company s Annual Report on Form 10-K for the fiscal year ended February 28, 2006.

THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS:

Edward J. Doyle	Kenneth D. Taylor	Francis Ziegler
	August 9, 2006	

Prior Independent Registered Public Accounting Firms

Prior to the selection of BDO Seidman, LLP as the Company s independent registered public accounting firm, and prior to the consummation of the merger with Hermes, the financial statements of Cenuco, Inc. and subsidiaries, a Delaware Corporation for periods prior to the merger were audited by Grant Thornton LLP or by Salberg & Company, P.A. (See the historical financial statements of Cenuco, Inc. and subsidiaries for the year ended June 30, 2004 included elsewhere in this proxy statement.)

Grant Thornton LLP

Grant Thornton LLP (GT) terminated its relationship as the independent accountant for Cenuco, Inc. and its subsidiaries by letter dated December 10, 2003. The Company and GT mutually agreed to terminate this relationship. Prior to such date, GT had been the independent accountant for, and audited the financial statements of, the Company.

The reports of GT on the consolidated financial statements of the Company for the two fiscal years prior to such termination contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles. Further, for the two fiscal years prior to such termination, there were no disagreements between the Company and GT on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which would have caused GT to make a reference thereto in its report on the Company s financial statements for such periods. During the period from August 28, 2000 through December 10, 2003, there were no reportable events (as defined in Item 304 (a)(1)(v) of Regulation S-B).

By letter dated December 18, 2003, addressed to SEC, Grant Thornton LLP stated that it had read the disclosures intended to be made by the Company regarding its dismissal and that such firm was in agreement with such statements. A copy of such letter was filed as Exhibit 16.1 to the Current Report on Form 8-K filed by the Company with the SEC on December 19, 2003.

Salberg & Company, P.A.

The Company engaged Salberg & Company, P.A. (Salberg) as its independent accountants commencing December 16, 2003. Prior to such date, the Company did not consult with Salberg regarding (i) the application of accounting principles, (ii) the type of audit opinion that might be rendered by Salberg, or (iii) any other matter that was the subject of a disagreement between the Company and Salberg (as defined in Item 304 (a)(1)(iv) of Regulation S-K) or a reportable event (as described in Item 304 (a)(1)(v) of Regulation S-K). On July 5, 2005, the Company dismissed Salberg as its independent auditor.

Salberg performed the audit for Cenuco Inc. and its subsidiaries for the year ended June 30, 2004, which did not contain any adverse opinion or a disclaimer of opinion, nor was qualified as to audit scope or accounting principles.

During the two most recent fiscal years and the subsequent interim period prior to the July 5, 2005 dismissal, there were no disagreements with Salberg with respect to accounting or auditing issues of the type discussed in Item 304(a)(iv) of Regulation S-K.

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On July 7, 2005, the Company provided Salberg with a copy of this disclosure and requested such firm that it furnish a letter to the Company, addressed to the SEC, stating that it agreed with these statements or the reasons why it disagreed. A copy of such letter was filed as Exhibit 16.1 to the Current Report on Form 8-K filed by the Company with the SEC on July 12, 2005.

During the two most recent fiscal years or any subsequent interim period prior to engaging BDO Seidman, LLP, neither the Company nor anyone on its behalf had consulted BDO Seidman, LLP regarding any of the accounting or auditing concerns stated in Item 304(a)(2) of Regulation S-K.

The Audit Committee approved the engagement of the BDO Seidman, LLP as the Company s independent registered public accounting firm. Such appointment was accepted by BDO Seidman, LLP by letter dated July 8, 2005.

THE MERGER

On May 20, 2005, pursuant to the terms of the Merger Agreement, dated March 16, 2005, and amended on May 10, 2005 (as amended, the Merger Agreement), among the Company, a publicly traded Delaware corporation then known as Cenuco, Inc., Hermes Holding Company, Inc., a newly formed Delaware corporation and wholly owned subsidiary of the Company, and Hermes Acquisition Company I LLC (Hermes), the parties executed a Plan of Merger setting forth certain terms relating to the merger of Hermes Holding Company, Inc. with and into Hermes (the Merger). In the Merger, the members of Hermes (the Hermes Members) received an aggregate of 2,553.6746 shares of the Company s Series A Preferred Stock, representing 65% of the outstanding voting power of the Company s capital stock. References in this section to Cenuco refer to the Company as it existed prior to the consummation of the Merger. Subsequent to the Merger, the name of the Company was changed from Cenuco, Inc. to Ascendia Brands, Inc.

Background of the Merger

Preliminary discussions between Cenuco and Hermes regarding a potential business combination commenced in January 2005 following Cenuco s introduction to Hermes by one of Cenuco s former directors, Tuyen Do. The initial meeting between the parties occurred in late January 2005 when Steven Bettinger, then Cenuco s President and Chief Executive Officer, met with Joseph Falsetti and other executives of Hermes and Lander at Lander s offices in Lawrenceville, New Jersey. Soon after this initial meeting, Steven Bettinger, Robert Picow and Jordan Serlin visited Lander executives a second time at their offices in Lawrenceville, and additional Cenuco management met with Lander management, following which the group visited Lander s manufacturing facility in Binghamton, New York. On January 28, 2005, after receiving a report of these visits and initial discussions from Steven Bettinger, Cenuco s Board of Directors approved the exploration of a business combination with Hermes, and directed Steven Bettinger to continue his discussions with Hermes.

Cenuco, Hermes and Lander exchanged information regarding their respective companies over the next several weeks and performed business and legal due diligence on one another. Cenuco s business due diligence of Hermes and Lander was conducted by Robert Picow, Steven Bettinger and Jordan Serlin and the legal due diligence was performed by Cenuco s counsel, Akerman Senterfitt. Hermes due diligence was conducted primarily by Lander executives and advisors, Joseph Falsetti, Brian Geiger and Mark Massad. The results of Cenuco s due diligence were presented by Steven Bettinger to our Board of Directors on February 11, 2005. In his report, Mr. Bettinger stated that no material legal or business issues were discovered and that Cenuco s business due diligence team had been very impressed with the management team and operations of Hermes and Lander. Throughout the discussions of the material terms of a business combination, Mr. Falsetti, on behalf of Hermes, refused to consider any transaction that did not result in the members of Hermes owning a significant controlling interest in the combined company.
Mr. Falsetti further required that at the effective time of the Merger, Cenuco must have significant cash reserves available so that the combined company would have the ability to proceed with further acquisitions in accordance with

an agreed business plan designed to enhance stockholder value. Mr. Bettinger sought to reduce the amount of Cenuco common stock to be issued in the Merger and attempted to remove any working capital conditions to the Merger. After considerable negotiation, it was agreed that the members of Hermes would be issued common stock representing 65% of the outstanding common stock, on a fully diluted basis. However, Hermes agreed that fully diluted would include only those then outstanding options or warrants that were actually exercised and not all such outstanding options and warrants as it was unlikely that many of such instruments would be exercised because of the fact that the exercise price was well in excess of the current market price of the Company s common stock. It was also agreed that the Company must have cash and cash equivalents available at the time the transaction is completed of at least $6 million in order to permit asset acquisitions following the closing. After considerable discussion by Cenuco s Board of Directors, including consideration of the reasons and factors described below under the headings *Reasons for the Merger* and *Factors Considered by the Board of Directors of Cenuco*, our Board concluded that a business combination with Hermes and Lander was in the best interest of our stockholders and, at the February 11, 2005 meeting, unanimously approved the material terms of the Merger and the negotiation and execution of the Merger Agreement.

Over the next few weeks, legal and financial representatives of Cenuco, Hermes and Lander met and communicated telephonically on numerous occasions to discuss and negotiate aspects of the proposed Merger and the definitive agreements relating thereto, including the Merger Agreement. Early drafts of the Merger Agreement that had been prepared by attorneys for Hermes provided for large termination fees to be paid to Hermes if the transaction was not completed and further provided that Cenuco could not solicit any further acquisition proposals so long as the Merger Agreement continued to be in effect. After extensive negotiation, the parties agreed on a termination fee of $500,000 payable to Hermes under very limited circumstances, including termination of the Merger Agreement as a result of the failure of the stockholders to approve the Merger Agreement. Cenuco agreed that it would not solicit any acquisition proposals from third parties unless the Merger Agreement was terminated. In connection with these negotiations, Mr. Bettinger was authorized by the Board to interview investment banking firms for purposes of providing Cenuco with financial advice in connection with any proposed transaction. Mr. Bettinger interviewed two firms and recommended that the Board engage vFinance Investments, Inc. because it had demonstrated far greater willingness than the other firm to provide Cenuco with the time, effort and expertise that would be necessary and had agreed to do so in consideration of fees that were significantly less than proposed by the other firm. Based upon Mr. Bettinger s report, the Board engaged vFinance Investments, Inc. as its financial advisor. vFinance presented its fairness opinion to our Board of Directors on March 9, 2005. At the March 9, 2005 meeting, our Board of Directors also received a report from Mr. Bettinger on his recent discussions with other companies engaged in the same general communications business as Cenuco that Mr. Bettinger, with the assistance of vFinance, had identified as potential merger partners. Cenuco reviewed and discussed a possible strategic alliance, merger or acquisition with four companies within the mobile technology and security industries. From a synergy perspective, including cash flow limitations, all of the companies were similar to Cenuco in that they were startup companies relying upon the marketplace to adopt mobile technology applications. In its review and analysis of possible combinations, Cenuco determined that the financial stability of a combined company would be questionable in that predictable revenues were not sufficient to support such a combination. Mr. Bettinger discussed with the Board the minimal adoption of Cenuco s existing technology and the concerns with the slow acceptance of such mobile technologies generally. Based upon Mr. Bettinger s presentation, the Board concluded that a combination with any of these companies would not satisfy Cenuco s goal of attaining greater financial stability, because these companies were in the same early development stage as Cenuco and did not offer the advantages of diversification and more reliable cash flow that seemed possible in a combination with the Lander business. Following discussions regarding such potential advantages and possible disadvantages of the Merger, the Board ratified and confirmed its earlier conclusion that the Merger was in the best interests of the Cenuco stockholders. The parties executed the Merger Agreement on March 16, 2005, and, on March 17, 2005, the proposed Merger was publicly announced.

At meetings of our Board of Directors held on May 2, 2005 and May 9, 2005, the Board discussed the need for consummating the Merger as soon as practicable in order to execute its strategic plan for the combined company. Hermes advised the Board that the audited financial statements required by SEC rules to be included in the proxy statement to be sent to our stockholders in connection with the Merger would not be available until the end of May 2005 or later because there were periods for which no audit had ever been performed and the necessary information to conduct such an audit must be obtained from third parties who had no obligation to provide such information. Hermes further advised the Board that if there were extensive delays before the Merger could be completed, it was likely that the combined company would lose an opportunity that then existed to acquire certain brand trademarks and related assets from Playtex; this acquisition was a key element of Hermes strategy for enhancing stockholder value following the Merger. In light of these anticipated delays in the completion of the audited financial statements required to be included in the proxy statement, the Board concluded that unless the form of transaction was modified, the stockholder meeting to consider and vote upon approval of the issuance of the shares of Cenuco s common stock in the Merger, as required by the rules of the American Stock Exchange, could not be held before August 2005 at the very earliest and that such delays could have a material adverse effect on the ability of the combined company to execute its business plan and potential acquisition opportunities. The Board considered its options, revisited the other potential acquisitions and other alternatives that had been reported by Mr. Bettinger, and, after much discussion, unanimously

determined that the terms of the Merger should be modified, and, as modified, that the Merger was still in the best interests of the Cenuco stockholders.

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Following these meetings, on May 10, 2005, the parties to the original Merger Agreement entered into an amendment to the original agreement pursuant to which the parties agreed to close the Merger on or about May 23, 2005. The terms of the Merger were modified so that, instead of issuing shares of Cenuco s common stock to the Hermes Members, Cenuco issued preferred stock that could be converted into common stock after a stockholder vote on substantially the same terms as the original Merger Agreement. The Merger was consummated on May 20, 2005.

The Companies

Ascendia Brands, Inc. (f/k/a Cenuco, Inc.)

100 American Metro Boulevard, Suite 108

Hamilton, New Jersey 08619

(609) 219-0930

We are a Delaware corporation organized in 1988. Our common stock is listed on the American Stock Exchange and trades under the symbol ASB (prior to the change in the Company s name to Ascendia Brands, Inc. the Company s common stock was quoted on the American Stock Exchange under the symbol ICU). In addition to the activities conducted by the Company s wholly owned subsidiary Hermes as described below, we are engaged, through our wholly owned Florida subsidiary named Cenuco Inc., in the business of developing wireless and internet based software solutions for transmitting live streaming video, and other targeted content, directly onto cellular phones and remote computers. Our technology has applications in a variety of markets. Our wireless data technology is primarily focused on wireless video monitoring solutions that allow users to view real-time streaming video of security cameras or video content feeds at their home or place of business from anywhere they receive a cellular connection, regardless of the cellular carrier, user s location, or type of cellular phone or wireless device. Our products address the security, surveillance and Homeland Security markets, and some of our monitoring products have been listed on the Federal General Services Administration (GSA) schedule. Our products have also been Windows Mobile Certified by Microsoft, have received BREW certification from Qualcomm, and are listed in the Intel Mobility Catalog. For more information on the Company, see the information contained under the headings Item 1 Business, Item 2 Properties and Item 3 Legal Proceedings, which are incorporated herein by reference, in the Company s Annual Report on Form 10-K for the year ended February 28, 2004, a copy of which is being delivered with this proxy statement.

Hermes Acquisition Company I LLC

2000 Lenox Drive, Suite 202

Lawrenceville, New Jersey 08648

(609) 219-0930

Hermes is a Delaware limited liability company organized in 2003. Hermes, through its subsidiaries, Lander Co. Inc., Lander Co. Canada Limited and Ascendia Real Estate LLC, is a manufacturer, marketer and distributor of value brand health and beauty products. Lander also produces private label health and beauty products for certain major retailers. Lander owns and operates two manufacturing and distribution facilities, one in Binghamton, New York and the other in Toronto, Canada. There has never been an established public trading market for the securities of Hermes or Lander, and, prior to the Merger, there were six holders of the membership interests of Hermes.

As a result of the Merger, Hermes and our Florida subsidiary remain focused in their respective current industries but have been integrating certain overhead and administrative functions to reduce operating costs and improve efficiencies. For a description and current structure chart of the Company, see the section in this proxy statement entitled *Summary The Companies*.

Purpose of the Merger; Effect of Stock Issuances

The principal purpose of the Merger was to effectuate the acquisition by Cenuco of all of the membership interests of Hermes in exchange for the issuance to the Hermes Members of shares of the Series A Preferred Stock representing 65% of the combined outstanding voting power of all classes of Cenuco s capital stock. Upon approval by our stockholders of Proposal Three, the Series A Preferred Stock will be converted without any further action by the Company or the holders of the Series A Preferred Stock into common stock of the Company representing (after accounting for the redemption of 102.95 shares of Series A Preferred Stock from each of MarNan and Dana Holdings in connection with the Financing Transaction) approximately 63% of the outstanding voting power of our capital stock. In the Merger Agreement, we agreed to use our reasonable best efforts to ensure that our common stock will continue to be quoted on the American Stock Exchange, and will continue to be publicly traded. In the event the American Stock Exchange does not agree to list our common stock, our stock price may materially decrease and the public market for our common stock may deteriorate. The absence of a public trading market would make it far more difficult for stockholders to sell any or all of their shares of our common stock, as we would, de facto, become a private company with no ability for any stockholder to sell shares of our common stock in the public markets. Following the completion of the Merger, Hermes, together with its wholly owned subsidiaries Lander Co., Inc, Lander Co. Canada Limited, and Hermes Real Estate I LLC, became wholly owned direct and indirect subsidiaries of the Company.

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Our Amended and Restated Certificate of Incorporation authorizes the Company to issue up to 1,000,000 shares of preferred stock, and grants the Board of Directors the authority, without further action by the holders of the outstanding shares of common stock, to issue shares of preferred stock with such designations, preferences, conversion rights, cumulative, relative, participating, optional or other rights, including voting rights, qualifications, limitations or restrictions, as the Board of Directors shall determine. Pursuant to such authority, Cenuco s Board of Directors created a new series of Cenuco preferred stock, designated as the Series A Junior Participating Preferred Stock, with such rights, preferences and limitations as are set forth in the Certificate of Designation, Preferences and Rights of the Series A Junior Participating Preferred Stock filed with the Delaware Secretary of State by Cenuco and set forth as Exhibit 3(i) to its Current Report on Form 8-K dated May 10, 2005 filed with the SEC, and issued shares to the Hermes Members in exchange for their membership interests in Hermes.

There are currently outstanding 13,944,056 shares of common stock, and outstanding options and warrants (at the time of the Merger) with respect to an aggregate of 2,518,212 shares of common stock. As a consequence of the consummation of the Merger, the Hermes Members became the owners of 65% of the combined outstanding voting power of all classes of the Company s capital stock and, upon conversion of the Series A Preferred Stock into common stock, such holders of the Series A Preferred Stock will own (after accounting for the August 2, 2006 redemption of 102.95 shares of Series A Preferred Stock from each of MarNan and Dana Holdings in connection with the Financing Transaction) approximately 63% of the then outstanding shares of common stock. Conversion of the Series A Preferred Stock into common stock requires the authorization of the Company s holders of common stock (without the vote of holders of Series A Preferred Stock) to the issuance of the shares of common stock upon conversion of all of the shares of the Series A Preferred Stock. See *Proposal Three* to be voted upon at the Meeting.

If Proposal Three is approved and no further options or warrants outstanding at the time of the Merger are exercised, each share of the Series A Preferred Stock will be convertible into 10,118.9046 shares of common stock. This conversion ratio assumes that no further options or warrants that were outstanding at the time of the Merger are exercised after the record date of the Meeting and prior to the date of conversion of the Series A Preferred Stock into common stock. Any such exercise would result in an adjustment in the conversion ratio and the number of shares of common stock issuable upon conversion to retain the applicable ratio. The conversion ratio and the shares of common stock issuable upon conversion are also subject to adjustment upon the occurrence of stock splits, stock dividends or similar events.

The holders of the Company s common stock immediately prior to the conversion of Series A Preferred Stock to common stock as contemplated by the Merger would continue to hold the same number of shares immediately thereafter. No additional consideration was offered to our common stockholders in connection with the Merger.

If the conversion of the Series A Preferred Stock to common stock is consummated, based upon the 13,944,056 shares of common stock outstanding as of the record date, we would then issue an additional 23,756,906 shares of common stock, or 170% of the number of shares of common stock currently outstanding.

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Reasons for the Merger

Cenuco s management believed that the Merger would provide Cenuco with additional logistics and distribution knowledge, which it believed was a strong component of Lander s current business operations. Also, Cenuco expected that additional efficiencies and cost savings would be forthcoming for the entire enterprise after the completion of the Merger. In particular, Cenuco s Board of Directors believed that the combined company would be better positioned to:

- realize significant cost savings;
- achieve accelerated growth; and
- enjoy reduced cyclicality and sustained earnings growth as a result of a diverse business portfolio.

The intent of the Merger was to create a combined company with a diverse business portfolio and reduced reliance on any particular industry. The increased diversification was expected to reduce the combined company s overall exposure to cyclical economic swings and industry specific fluctuations and increase the likelihood of achieving consistent earnings growth. Management believed that the combined company would be in a position to achieve accelerated growth by utilizing its financial strength to pursue business opportunities, and utilizing the combined company s larger, more diverse servicing capabilities to provide enhanced and more comprehensive services to customers.

The Company s strategic plan for the Merger included introducing Cenuco s wireless consumer products into Lander s existing retail channels. Additionally, since all of these retail channels would benefit from remote video monitoring technologies to combat theft and liability, the Company s management expected to work with these existing Lander customers on how Cenuco s wireless technologies could assist and extend their loss-prevention and monitoring infrastructure. Furthermore, since Cenuco s wireless technology applications have the ability to transmit virtually any type of data to a cellular device, not just video, Cenuco s management believed that Lander represented a unique opportunity to apply Cenuco s wireless technology to issues surrounding: warehousing, inventory control, manufacturing review and control, supply chain management and numerous others. It was management s belief that the combined knowledge of both companies would result in additional wireless and consumer brand products focused on these and other markets.

Factors Considered by the Board of Directors of Cenuco

Cenuco s Board of Directors determined that the terms of the Merger Agreement, which were the product of arm s length negotiations between Cenuco s representatives and Hermes, were in the best interests of Cenuco and its stockholders.

In reaching this determination, Cenuco s Board of Directors considered the following material positive factors:

- the reasons described above under *Reasons for the Merger*, including the possibility of cost savings, accelerated growth and the combined company s diverse business portfolio;
- information concerning the businesses, assets, liabilities, results of operations and financial performance of Hermes and the combined company;
- the opinion of vFinance that, as of March 9, 2005, and subject to the matters set out in its opinion, the consideration to be paid by Cenuco in the Merger was fair, from a financial point of view, to the stockholders of Cenuco;
- the determination that the Merger would create a larger combined company with greater financial resources and increased free cash flow and, as a result, increased flexibility and opportunity for future growth;
- Lander s position as a leader in the manufacture, marketing and distribution of brand value priced health and beauty care products with strong brand strength and name recognition;

the expected composition of the combined company s senior management after the Merger as described in this proxy statement under the heading *Management of the Combined Company* since the Board of Directors concluded that the senior management of Hermes had greater strategic, administrative and financial expertise and experience than was available at Cenuco and that a strong management team with such expertise was necessary to permit the combined company to grow in a manner that Cenuco alone as a startup company could not;

the fact that the Merger is consistent with the Company s objective to grow through acquisitions;

- the fact that we were not required to register the shares of the Company s capital stock issued to the former members of Hermes in the merger or the shares of common stock that would be issued upon conversion of the preferred stock if the stockholders of the Company approve Proposals One and Two;
- the long-term interests of Cenuco and its stockholders, as well as the effects of the Merger on Cenuco s employees, customers, creditors, suppliers and the communities in which it has operations; and
- the expectation that the Merger would qualify as a reorganization under the Internal Revenue Code of 1986.

Cenuco s Board of Directors also identified and considered a variety of potentially negative material factors in its deliberations, including:

- the fact that the Hermes Members would hold approximately 65% of the outstanding common shares of Cenuco after the conversion of the Series A Preferred Stock to common stock;
- the fact that some of the individual analyses conducted by vFinance in determining the fairness of the consideration to be paid in the Merger, from a financial point of view, produced wide ranges;
- the fact that the result of the discounted cash flow analysis conducted by vFinance suggests that the Hermes Members should have received considerably less than 65% of the combined companies, based upon the market capitalization of Cenuco at the time that vFinance delivered its opinion to the Board, although the Board understood that vFinance did not rely on any single analytical model and tended to favor transaction-oriented multiples as more indicative of the true multiple to be assigned, and that the ratio of such market capitalization to the mean value arising from the comparable transaction analysis suggests that the Hermes Members should have received slightly more than 65% of the combined companies;
- the fact that the Merger Agreement eliminated the possibility of Cenuco entering into business combinations with companies other than Hermes prior to the Merger or the termination of the Merger Agreement, and the fact that termination fees and restrictions on negotiations may have inhibited third parties from proposing an offer for Cenuco;
- the challenges and costs of combining the businesses of Lander and Cenuco; and
- the risks that the companies will not be able to combine their businesses without encountering operational difficulties or failing to realize the cost savings expected from the integration of their businesses, which could lead to the need to spin off or sell the Company s wireless technology division.

Our Board of Directors concluded, however, that these negative factors could be managed or mitigated by us or were unlikely to have a material impact on the Merger or us, and that overall, the potentially negative factors associated with the Merger were outweighed by the potential benefits of the Merger.

In concluding that an amendment to the Merger Agreement providing, among other things, for the issuance of shares of Series A Preferred Stock in lieu of shares of the Company s common stock and the completion of the Merger without a vote of the Company s stockholders was in the best interests of the Company and its stockholders, our Board of Directors considered the following factors:

- the delays incurred while Hermes prepared the audited financial statements required for purposes of the proxy statement to be sent to the Company s stockholders could materially and adversely affect the ability of the combined company to acquire assets from Playtex which represented a significant opportunity for the combined company following the Merger;
- the delays in preparing the applicable audited financial statements were a consequence of the fact that there was a period prior to Hermes acquisition of the Lander business for which no audited financial statements had ever been prepared and therefore there was no reasonable possibility of such financial statements being prepared in a timely manner;
- the Series A Preferred Stock to be issued to the members of Hermes in the Merger had substantially the same economic and voting rights as the shares of common stock that would have been issued under the terms of the Merger Agreement that had been approved by our Board of Directors;
- representatives of the American Stock Exchange had given verbal assurances to Cenuco and its legal counsel that the completion of the Merger in accordance with the terms of the modified structure, including the issuance of the Series A Preferred Stock without a vote of stockholders, would not violate any of the rules or regulations

of the American Stock Exchange;

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since the financial terms of the transaction as modified are virtually identical to the transaction that was contemplated by vFinance when the fairness opinion was issued, there was no need to obtain another fairness opinion with respect to the modified structure;

although the vFinance opinion had been rendered in connection with a transaction that was conditioned upon approval of the stockholders of the Company, the change in structure that removed such condition did not have any effect on the fairness of the transaction from a financial point of view, but only on the procedural fairness, and therefore did not have any effect on the fairness opinion of vFinance; and

since Hermes had conditioned the change in structure upon delivery of voting agreements from stockholders of the Company owning enough shares to approve Proposal Three, the Board of Directors concluded that such approval had the same effect as a vote of stockholders and therefore satisfied our Board of Directors that the new structure satisfied all requirements of fair process, as well as fair price.

The above discussion of the factors considered by our Board of Directors is not intended to be exhaustive, but does set forth the principal factors considered by the Board of Directors prior to executing the Merger Agreement. The Board of Directors collectively reached the unanimous conclusion to approve the Merger Agreement, and the transactions contemplated thereby, including the issuance of the Series A Preferred Stock contemplated by the Merger Agreement, in light of the various factors described above and other factors that each member of our Board of Directors felt were appropriate. In view of the wide variety of factors considered by our Board of Directors in connection with its evaluation of the Merger Agreement and the complexity of these matters, Cenuco s Board of Directors did not consider it practical, and did not attempt, to quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision. Rather, Cenuco s Board of Directors made its recommendation based on the totality of information presented to and the investigation conducted by it. In considering the factors discussed above, individual directors may have given different weights to different factors.

Regulatory Approvals Needed to Complete the Merger

The Merger was completed on May 20, 2005. We were not required to obtain the approval of any regulatory agency in order to enter into the Merger Agreement or complete the Merger.

However, Section 712(b) of the American Stock Exchange Company Guide requires that our stockholders approve the issuance of more than 20% of our common stock in any acquisition of the stock or assets of another company. Because, as contemplated in the Merger, the issuance of shares of our common stock in connection with conversion of the Series A Preferred Stock to common stock will exceed 20% of our currently outstanding shares, we are required to seek stockholder approval before we can issue those shares. If we issue the shares of our common stock to Hermes Members upon conversion of the Series A Preferred Stock without stockholder approval for the issuance, our common stock could be de-listed from the American Stock Exchange.

In addition, as discussed at page 17 (*Risk Factors*), the rules of the American Stock Exchange required that we re-submit an original listing application with respect to our Common Stock, because the Merger resulted in a change of control of the Company. This application was submitted on January 19, 2006.

Opinion of Financial Advisor to Cenuco

The following summary does not purport to describe all of the material analyses contained in its opinion, the Fairness Opinion, and is qualified in its entirety by reference to the copy of the Fairness Opinion, which is included as Annex A to this proxy statement. We urge you to carefully read the Fairness Opinion in its entirety.

In connection with its evaluation of the Merger as described above, Cenuco s Board of Directors engaged vFinance Investments, Inc. (vFinance), to act as its financial advisor. vFinance, Inc. is a rapidly growing financial services company that provides research, investment banking, brokerage and trading services to more than 10,000 corporate,

institutional and private clients worldwide. vFinance, Inc. has offices in New York, San Jose, Houston, Boca Raton and 24 other cities nationwide. Its subsidiary, vFinance Investments, Inc., is a registered broker-dealer with the SEC and a member of the NASD. vFinance rendered its opinion, dated March 9, 2005, to the effect that, as of that date and based upon and subject to the assumptions, limitations and qualifications set forth in its opinion, the consideration to be paid in the Merger was fair, from a financial point of view, to our stockholders. vFinance has consented to the inclusion of the Fairness Opinion in this proxy statement.

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We have attached as Annex A to this document the full text of vFinance s written opinion and urge you to read the opinion in its entirety. The Fairness Opinion sets forth the assumptions made, matters considered and limits on the review undertaken and is incorporated by reference in its entirety. vFinance addressed the Fairness Opinion to Cenuco s Board of Directors. The Fairness Opinion addresses only the consideration paid in the Merger and is not a recommendation to any stockholder as to how that stockholder should vote on any proposals relating to the Merger at the Meeting. The summary of vFinance s opinion provided below is qualified in its entirety by reference to the full text of the Fairness Opinion.

In arriving at its opinion, vFinance reviewed:

- the Merger Agreement;
- the audited financial statements of Cenuco for the fiscal year ended June 30, 2004 and the audited financial statements of Hermes for the year ended February 29, 2004;
- the unaudited financial statements of Cenuco and Hermes for the periods ended December 31, 2004 and November 30, 2004, respectively;
- current and historical market prices of Cenuco common stock;
- various publicly available information concerning the business of Cenuco and Lander and of several other companies engaged in businesses comparable to those of Cenuco and Lander, and the reported market prices for the securities of other companies deemed comparable;
- the terms of various transactions involving companies comparable to Cenuco and Lander and the consideration received for those companies;
- the terms of other business combinations that vFinance deemed relevant; and
- various internal financial analyses and forecasts prepared by Cenuco and Hermes and their respective managements.

vFinance also held discussions with several members of the management of Cenuco and Hermes on numerous aspects of the Merger, the past and current business operations of Cenuco and Lander, the financial condition and future prospects and operations of Cenuco and Lander, the effects of the Merger on the financial condition and future prospects of Cenuco and Lander, and other matters that vFinance believed necessary or appropriate to its inquiry. In addition, vFinance reviewed other financial studies and analyses and considered other information as it deemed appropriate for the purposes of its opinion.

vFinance relied upon and assumed, without independent verification, the accuracy and completeness of all information that was publicly available or that was furnished to it by Cenuco and Hermes or otherwise reviewed by vFinance from third party sources. vFinance is not responsible or liable for that information or its accuracy. vFinance did not conduct any valuation or appraisal of any assets or liabilities, and no valuations or appraisals were provided to vFinance. In relying on financial analyses and forecasts provided to it, vFinance has assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of Cenuco and Hermes to which those analyses or forecasts relate. vFinance also assumed that the Merger will have the tax consequences described in discussions with, and materials furnished to vFinance by, representatives of Cenuco, and that the parties would complete the other transactions contemplated by the Merger Agreement as described in that agreement. vFinance relied as to all legal matters relevant to rendering its opinion upon the advice of its counsel.

As is customary in the rendering of fairness opinions, vFinance based its opinion on economic, market and other conditions as in effect on, and the information made available to vFinance as of, March 9, 2005. Subsequent developments may affect vFinance s opinion, and vFinance does not have any obligation to update, revise, or reaffirm its opinion. vFinance expressed no opinion as to the price at which Cenuco s or the combined company s common stock will trade at any future time.

Cenuco did not request vFinance to, and vFinance did not, provide advice concerning the structure, the specific amount of the consideration, or any other aspects of the Merger, and did not provide services other than the delivery of its opinion. vFinance did not participate in negotiations on the terms of the Merger and related transactions, which were the product of direct negotiations between Cenuco and Hermes.

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In accordance with customary investment banking practice, vFinance employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses performed by vFinance in connection with its opinion. We have presented some of the summaries of financial analyses in tabular format. In order to understand the financial analyses used by vFinance more fully, you should read the tables together with the text of each summary. The tables alone do not constitute a complete description of vFinance s financial analyses and this summary does not purport to be a complete description of the analyses underlying vFinance s opinion.

Comparable Company Analysis. vFinance first identified those other companies that might be considered comparable to Lander, the operating company of Hermes. While Lander competes in the Consumer Goods & Products sector, this market includes multi-billion dollar behemoths such as Proctor & Gamble and Colgate Palmolive. While this would ordinarily pose problems from an analytical standpoint, vFinance spent considerable time reviewing the product lines of the companies that were ultimately included in its analysis, and there appears to be a homogeneity among the lines carried, while the prime differentiator from a branding standpoint appears to be the pricing points and advertising dollars spent on support of the brand. The distribution channels for most of these companies are almost identical.

From a practical standpoint, vFinance elected to exclude Proctor & Gamble from its analysis, as its market capitalization is over 4.5x the size of its nearest competitor, Colgate Palmolive and it almost always positions itself as the premium brand in the markets in which it competes. Lander, by comparison, has historically been viewed as a value brand, having been so positioned from its more than 85 years of existence. In addition, Proctor & Gamble markets lines of snacks & beverages, making it slightly dissimilar to the rest of the universe considered by vFinance.

The following companies were considered for the comparable analysis: Colgate-Palmolive Company, The Estee Lauder Companies Inc., Alberto-Culver Company, Church & Dwight Co., Inc., Revlon, Inc., Prestige Brand Holdings, Inc., Elizabeth Arden, Playtex Products, Inc., Inter Parfums, Inc., Parlux Fragrances, Inc., CCA Industries, Inc., Stephan Co., Imagenetix, Inc., Oralabs Holding Corp., Scott s Liquid Gold, Inc. and Lee Pharmaceuticals.

In reviewing the companies in this sector, vFinance was unable to discern any trends from a valuation perspective. Ordinarily, one would expect that the marketplace would accord premium multiples to companies with significantly larger revenue bases, but that was not apparent in this Comparable Company Analysis. For example, even though it was excluded from vFinance s analysis due primarily to its sheer size, Proctor & Gamble is still valued by the market at a multiple of 2.49x its trailing twelve month revenues, which would fit comfortably within the range of multiples for the sample set. The sample set of sixteen (16) companies that vFinance believed fit its defined parameters were included in the comparable sample. Those parameters were defined as Consumer Products companies that either employ value-oriented or premium value pricing points or sell through national distribution channels such as Wal-Mart and their like. They range in market capitalization from just under $0.5 million to just over $29 billion, with a range of trailing twelve month revenues from $6.6 million to $10.6 billion.

Lander Co.

Comparable Public Companies

Figures in Thousands of US Dollars except for share prices

Equity Value to

Company	Ticker	Stock Price 3/5/05	% of High	Market Value	Debt to Equity	TTM Rev.	TTM EBITDA	TTM EBIT	EPS TTM	EPS 2003	EPS 2004	Net Assets
Colgate-Palmolive Company	CL	52.84	89%	29,237,456	3.0x	2.8x	11.9x	13.8x	22.7x	20.1x	18.1x	n.m.
Estee Lauder	EL	43.00	87%	9,943,136	0.3x	1.6x	11.3x	14.6x	24.6x	22.4x	19.6x	14.8
Alberto-Culver Company	ACV	51.90	92%	4,910,735	0.1x	1.5x	12.4x	14.3x	24.3x	21.1x	18.9x	4.4
Church & Dwight Co, Inc.	CHD	35.98	98%	2,502,615	1.7x	1.4x	12.5x	11.3x	23.7x	20.2x	18.0x	n.m.
Revlon, Inc.	REV	2.49	70%	921,594	n.m.	0.7x	5.6x	17.5x	n.m.	n.m.	n.m.	n.m.
Prestige Brand Holdings	PBH	17.96	96%	898,000	1.5x	3.8x	11.6x	13.7x	77.8x	n.m.	n.m.	n.m.
Elizabeth Arden	RDEN	26.13	99%	786,740	1.8x	1.0x	3.9x	10.8x	13.2x	20.3x	17.1x	n.m.
Playtex Products, Inc.	PYX	8.77	99%	536,863	17.4x	0.8x	4.9x	5.9x	31.3x	19.9x	15.7x	n.m.
InterParfums, Inc.	IPAR	15.49	46%	310,911	0.2x	1.4x	8.8x	9.7x	19.9x	20.1x	20.1x	5.9
Parlux Frangrances, Inc.	PARL	25.99	93%	240,882	0.0x	2.6x	14.2x	15.2x	27.9x	26.0x	15.1x	4.3
CCA Industries, Inc.	CAW	10.85	79%	76,430	0.0x	1.2x	7.8x	8.1x	14.5x	10.6x	10.3x	4.3
The Stephan Co.	TSC	4.55	65%	20,360	0.2x	0.8x	60.0x	109.3x	113.8x	n.m.	n.m.	1.0
Imagentix, Inc.	IAGX	2.00	97%	21,580	0.1x	3.3x	16.9x	17.4x	22.2x	n.m.	n.m.	16.8
Oralabs Holdings Corporation	OLAB	2.75	53%	13,089	0.0x	1.0x	n.m.	n.m.	n.m.	n.m.	n.m.	2.4
Scott s Liquid Gold, Inc.	SLGD	0.55	60%	5,726	0.2x	0.3x	9.8x	n.m.	n.m.	n.m.	n.m.	0.6
Lee Pharmaceuticals, Inc.	LPHM	0.12	71%	496	n.m.	0.1x	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
		High	99%		17.4x	3.8x	60.0x	109.3x	113.8x	26.0x	20.1x	16.8
		Mean	81%		1.9x	1.51x	13.7x	20.1x	34.6x	20.1x	17.0x	6.0
		Median	88%		0.2x	1.32x	11.5x	13.8x	24.0x	20.2x	18.0x	4.3
		Low	46%		0.0x	0.06x	3.9x	5.9x	13.2x	10.6x	10.3x	0.6

1 Enterprise value is calculated by adding debt, preferred stock, minority interest and subtracting cash from the adjusted market value (market cap) inclusive of dilutive securities.

Source of information: SEC Edgar Filings, Bloomberg, LP, Hoovers, Inc., and/or Market Guide, Inc.

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Having reviewed the operating demographics of this sample set and determining that Lander fell within the operating parameters of this group, vFinance determined that it would derive multiples based on Trailing Twelve Month Revenue and EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) and compare them to the sample set s Enterprise and Equity values. These multiples, once derived from its sample set, would be the Market Multiples that would be applied against Lander s operating statistics to impute a range of values. These multiples, which vFinance applied to Lander s statistics, yield an Equity Value of Lander ranging from $50.2 million to $676.5 million, with a mean of $195.5 million. The Enterprise Value ranges from $54.2 million to $672.6 million, with a mean value of $191.5 million.

Lander Co.

Valuation Based on Public Trading Multiples

Figures in Thousands of US Dollars

Valuation Based on Mean Multiples

	Data	**Enterprise Multiples**		**Enterprise Value**	**Cash**	**Debt**	**Equity Value [1]**	**Applied Weights**
TTM Revenue	$101,500.0	1.87	x	$190,301.90	$	$3,980.07	$ 186,321.84	*50.0* %
Net Assets	(3,509.0)	6.0	x	(20,959.58)		3,980.07	(24,939.64)	*0.0* %
TTM EBITDA	12,800.0	15.7	x	$200,675.15		3,980.07	196,695.08	*50.0* %
								100.0 %
	Weighted Equity Valuation			$195,488.53	Weighted Enterprise Valuation		$ 191,508.46	

Valuation Based on High Multiples

	Data	**Enterprise Multiples**		**Enterprise Value**	**Cash**	**Debt**	**Equity Value [1]**	**Applied Weights**
TTM Revenue	$101,500.0	5.54	x	$561,804.03	$	$3,980.07	$ 557,823.97	*50.0* %
Net Assets	(3,509.0)	16.3	x	(57,320.15)		3,980.07	(61,300.21)	*0.0* %
TTM EBITDA	12,800.0	61.8	x	$791,256.96		3,980.07	787,276.90	*50.0* %
								100.0 %
	Weighted Equity Valuation			$676,530.50	Weighted Enterprise Valuation		$ 672,550.43	

Valuation Based on Low Multiples

	Data	Enterprise Multiples		Enterprise Value	Cash	Debt	Equity Value [1]	Applied Weights	
TTM Revenue	$101,500.0	0.26	x	$26,640.57	$	$3,980.07	$ 30,620.63	*50.0*	%
Net Assets	(3,509.0)	0.6	x	(2,207.29)		3,980.07	1,772.77	*0.0*	%
TTM EBITDA	12,800.0	5.8	x	$73,780.28		3,980.07	77,760.35	*50.0*	%
								100.0	%
	Weighted Equity Valuation			$50,210.43	Weighted Enterprise Valuation		$ 54,190.49		

1 Enterprise value is calculated by adding debt and subtracting cash to the Equity Value.

Discounted Cash Flow Analysis. vFinance examined the cash flows derived from the operations of Lander for the trailing twelve month (TTM) period, and the corresponding projections for Lander s fiscal years (FY) 2006 through 2008, in order to derive a valuation based upon Lander s ability to generate cash. In so doing, vFinance relied on data provided by the management of Lander, which reflected certain assumptions that the Lander management deemed reasonable regarding business growth rates and the capital expenditure (CAPEX) requirements for the applicable periods. The estimated projections of EBITDA and CAPEX (the projections) presented below have been prepared by, and are the responsibility of, the Company s management. The projections have been prepared in a manner consistent with the accounting policies in the historical financial statements. The projections were prepared in good faith at the time they were made, however, actual results may differ from the projected results. While these projections were not prepared with a view toward compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants (AICPA) for preparation and presentation of prospective financial information, under the AICPA guidelines the omission of a summary of significant assumptions causes the presentation to be deficient. Accordingly, investors are cautioned not to place reliance on such projections unless they have an understanding of the underlying assumptions.

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Using the trailing twelve month actual values and the estimates of EBITDA and CAPEX furnished by Lander management, vFinance calculated the free cash flows (cash flows from operations less CAPEX) for Lander for the trailing twelve months and for the fiscal years 2006 through 2008. These data yielded a compound annual growth rate (CAGR) for free cash flow of 7.7 percent. vFinance then calculated a terminal value by multiplying the projected free cash flow for FY 2008 by the CAGR. The resulting figure was then divided by the difference between vFinance s estimated cost of capital (13.5 percent) and the CAGR (7.7 percent).

To determine the current value of the projected future free cash flows, vFinance applied a discount rate that combined a risk-free rate with a risk premium. The risk-free rate used by vFinance, 3.5 percent, approximated the then-prevailing Treasury Bill rate. For the risk premium, which was intended to reflect the risk that the business would not yield the free cash flows projected in the financial model, vFinance made three alternative assumptions, 10 percent, 12 percent and 14 percent. These rates were selected by vFinance as appropriate for Lander, given the current stage in its business life-cycle.

This discounted cash flow analysis yielded a High value of $174.4 million (using the 10 percent risk premium), a Mean value of $161.4 million (using the 12 percent risk premium) and a Low value of $149.5 million (using the 14 percent risk premium).

The results of this analysis are shown the following table. The term NPV-Merged refers to the net present value of a merged Cenuco/Hermes entity, and shows the High, Mean and Low values calculated as described above.

Lander Co.

Valuation Based on Discounted Cash Flow

Figures in Thousands of US Dollars

	TTM	**2006 E**	**2007 E**	**2008 E**	**Perpetuity**	**CAGR**
Revenues	$101,500.0	$110,500.0	$113,800.0	$117,200.0		*3.7* %
EBITDA	12,800.0	13,400.0	14,300.0	15,600.0		*6.8* %
Net Earnings	1,900.0	4,300.0	4,697.0	4,893.9		*37.1* %
CAPEX	(1,500.0)	(1,500.0)	(1,500.0)	(1,500.0)		
OCF Minus CAPEX	11,300.0	11,900.0	12,800.0	14,100.0	29,845.5	*7.7* %
Financing Requirement (Debt)						
CF	11,300.0	11,900.0	12,800.0	14,100.0	29,845.5	
NPV - Merged	174,398.0	161,351.3	149,542.0			
Discount Rate	13.5 %	15.5 %	17.5 %			
Risk free rate	3.5 %	3.5 %	3.5 %			
Business risk premium	10.0 %	12.0 %	14.0 %			
Catch-all risk premium	0.0 %	0.0 %	0.0 %			

Neither of KPMG LLP nor BDO Seidman, LLP has either examined or compiled the accompanying prospective financial information and, accordingly, neither of KPMG LLP nor BDO Seidman, LLP expresses an opinion or any form of assurance with respect thereto. The reports of KPMG LLP and BDO Seidman, LLP included in this proxy statement relate to the Company s historical financial information. They do not extend to the projections and should not be read to do so.

Comparable Transaction Analysis. vFinance examined a number of merger/purchase transactions within the Consumer Goods and Products sector by both operating companies and private equity firms to examine the multiples being paid.

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Lander Co.

Valuation Comparisons of Recent Transactions

Buyer	Target	Date of Transaction	Transaction Value (000)	Target Revenues (000)	TTM Revenue Multiple	Target EBITDA (000)	TTM EBITDA Multiple
Procter & Gamble Co.	The Gillette Co.	27-Jan-05	$57,000,000	$9,991,000	5.71 x	$2,965,000	19.22 x
Kelso & Company	Del Laboratories, Inc.	27-Jan-05	$480,000	$408,300	1.18 x	$49,900	9.62 x
Onex Partners	Cosmetic Essence, Inc.	01-Jan-05	$245,000	$206,000	1.32 x	$30,000	9.07 x
Prestige Brands, Inc.	Vetco, Inc.	07-Oct-04	$50,649	$14,500	3.49 x	$5,600	9.04 x
Harvest Partners	Evenflo Co.	01-Jul-04	$	$300,000	n.m.	n.a.	n.m.
Colgate-Palmolive	GABA International	01-Jun-04	$630,000	$300,000	2.10 x	n.a.	n.m.
Church & Dwight	Armkel	28-May-04	$254,000	$410,694	1.24 x	$106,608	4.77 x
Berkshire Partners	MD Beauty	05-May-04	$225,000	$100,000	2.25 x	n.a.	n.m.
Prestige Brands, Inc.	Bonita Bay Holdings	06-Apr-04	$210,000	$140,000	1.50 x	$32,564	6.45 x
Henkel	Dial	29-Mar-04	$2,825,719	$1,344,858	2.10 x	$280,105	10.09 x
Prestige Brands, Inc.	The Spic and Span Company	05-Mar-04	$30,268	$20,173	1.50 x	$79	n.m.
Prestige Brands, Inc.	Medtech and Denorex	06-Feb-04	$244,270	$69,059	3.54 x	$8,575	28.49 x
GTCR Golder Rauner	Prestige Brands International	01-Feb-04	$550,000	$271,280	2.03 x	$60,000	9.17 x
Church & Dwight	Unilever Oral Care	20-Oct-03	$116,000	$134,964	0.86 x	$42,046	2.76 x
Tchibo Holding AG	Beiersdorf AG	17-Oct-03	$5,400,000	$4,200,000	3.21 x	n.a.	n.m.
Clearlight Partners	BLI Holdings Corp.		$100,000	$100,000	1.00 x	n.a.	n.m.
Procter & Gamble Co.	Wella AG	10-Sep-03	$5,090,000	$3,486,301	1.46 x	n.a.	n.m.
Procter & Gamble Co.	Clairol	16-Nov-01	$4,600,000	$1,600,000	2.88 x	$287,500	16.00 x
L Oreal SA	Matrix Essentials	01-Apr-00	$600,000	n.a.	n.m	$54,545	11.00 x
				High	5.71 x	High	28.49 x
				Mean	2.20 x	Mean	11.31 x
				Low	0.86 x	Low	2.76 x

While all valuation methodologies received equal weight in vFinance s valuation, vFinance tends to favor transaction-oriented multiples as more indicative of the true multiple to be assigned. As indicated earlier in the analysis, there were no discernible trends in the multiples assigned by the marketplace to either the larger or smaller companies competing within the sector, and the transaction multiple ranges continue to bear this out. The mean

multiple of transaction price to revenue multiple is approximately 2.2x revenue, and the mean of EBITDA multiples is 11.3x EBITDA. Applying these multiples to Lander s operating statistics yields a range of $87.2 million to $579.1 million, with a mean of $223.0 million, on the purchase price to revenue multiple. Examining the purchase price to EBITDA multiples yields a range of $35.3 million to $364.6 million, with a mean of $144.7 million.

Conclusion. The average amounts derived from these methodologies range from approximately $75.3 million to $493.4 million, with a mean value of $169.7 million. Based on these figures and the above-referenced analyses, vFinance rendered its opinion that, as of the date of the Fairness Opinion, and based upon and subject to the assumptions, limitations and qualifications set forth above and in the Fairness Opinion, that the consideration to be paid in the Merger was fair, from a financial point of view, to Cenuco s stockholders.

While some of the individual analyses produced wide ranges, vFinance utilized an average of analytical techniques to derive the values of the range ultimately used to determine the fairness of the transaction. In addition, on both the Comparable Company analysis and Comparable Transaction analysis, vFinance noted a significant clustering of observations within a couple of standard deviations of the mean of each sample set, with a couple of outlier observations on either end of the range. This clustering has the effect of establishing the validity of using the mean of the sample set for this purpose, rather than assuming that the mean is unduly influenced by outlier observations and should be considered a test at best.

vFinance did not assign a value to the consideration paid to the former members of Hermes in the Merger; rather vFinance provided a value range that should be considered fair to the stockholders of Cenuco, which was nominally based upon the terms of the Merger Agreement providing for Cenuco to issue 25,324,104 of its shares of common stock in exchange for the outstanding membership interests of Hermes. This equated to a post-Merger ownership split of 65% to the members of Hermes and 35% for existing Cenuco stockholders. Final values were not specifically defined as there were adjustment provisions to the final transaction documents regarding outstanding warrants and options that could not be quantified at the time of the issuance of the opinion, as they related to how proceeds would be allocated upon exercise of said warrants and options. The closing price of Cenuco common stock on the American Stock Exchange on March 8, 2005, the last trading day prior to the date that vFinance delivered its fairness opinion to Cenuco, was $5.41 and the market capitalization of Cenuco common stock based upon that stock price was $73.8 million.

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This summary does not purport to be a complete description of the analyses or data presented by vFinance. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. vFinance believes that one must consider the Fairness Opinion, this summary and its analyses as a whole. Selecting portions of this summary and these analyses, without considering the analyses as a whole, would create an incomplete view of the processes underlying the analyses and opinion. In arriving at its opinion, vFinance considered the results of all of the analyses as a whole. No single factor or analysis was determinative of vFinance s fairness determination. Rather, the totality of the factors considered and analyses performed operated collectively to support its determination. vFinance based the analyses on assumptions that it deemed reasonable, including assumptions concerning general business and economic conditions that impact the companies growth rates, labor costs and price competition and industry-specific factors. This summary sets forth under the description of each analysis the other principal assumptions upon which vFinance based that analysis. vFinance s analyses are not necessarily indicative of actual values or actual future results that either company or the combined company might achieve, which values may be higher or lower than those indicated. Analyses based upon forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties and their advisors. Accordingly, these forecasts and analyses are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by those analyses. Therefore, none of Cenuco, Hermes, vFinance or any other person assumes responsibility if future results are materially different from those forecasted. Moreover, vFinance s analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold.

As a part of its investment banking business, vFinance and its affiliates are continually engaged in the valuation of businesses and their securities for mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, and valuations for estate, corporate and other purposes. Cenuco selected vFinance to deliver a fairness opinion to Cenuco s Board of Directors on the basis of its experience and familiarity with Cenuco and Lander. In addition, as noted under the heading *Background of the Merger,* Cenuco s Board of Directors concluded that vFinance was prepared to dedicate more time, effort and expertise to serving as Cenuco s financial advisor in the transaction than had the other investment banking firm that was interviewed and that the fees to be paid to vFinance in connection with the financial advisory services were less than the other firm interviewed.

For delivering its opinion, Cenuco paid vFinance a fee of approximately $35,709. This fee was negotiated by Cenuco and vFinance. In addition, Cenuco also agreed to reimburse vFinance for the reasonable fees and disbursements of counsel incurred in connection with delivering its opinion, and will indemnify vFinance against various liabilities, including liabilities arising under the federal securities laws.

vFinance and its affiliates provide commercial banking, investment banking and asset management services to Cenuco for which they receive customary fees. During the two year period prior to delivery of the fairness opinion, fees for services rendered to Cenuco by vFinance and its affiliates totaled $47,424 in the aggregate. In the ordinary course of their businesses, vFinance and its affiliates may actively trade the equity securities of the Company for their own accounts or for the accounts of customers. Accordingly, they may hold long and/or short positions in those securities at any given time.

What Stockholders and Members Received in the Merger

Cenuco Stockholders

Shares of common stock held by Cenuco s stockholders immediately prior to the Merger continued to remain outstanding after the Merger and represented an equal number of shares of common stock of the combined company.

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Hermes Members

As a result of the Merger, the Hermes Members received in exchange for their membership interests in Hermes, an aggregate of 2,553.6746 shares of Cenuco s Series A Preferred Stock, representing 65% of the combined outstanding voting power of all classes of the Company s capital stock immediately following the Merger.

Material Terms of the Merger and Merger Agreement

The following summary of the Merger and the Merger Agreement is qualified by reference to the complete text of the Merger Agreement, which has been filed with the SEC on Current Reports on Form 8-K dated March 16, 2005 and May 10, 2005. However, it should be noted that there may be risks for investors associated with relying on representations, warranties, covenants, and agreements contained in the Merger Agreement. The representations and warranties in the Merger Agreement may be qualified by disclosure schedules that have not been filed with the SEC, may be qualified by materiality standards that differ from what may be viewed as material for securities law purposes, or may represent an allocation of risk as between the parties as part of the transaction reflected in the Merger Agreement. Moreover, the representations and warranties may have become incorrect after the date of the Merger Agreement, and changes, if any, may not be reflected in the Company s public disclosures. The covenants and agreements contained in the Merger Agreement are solely for the benefit of Cenuco and Hermes, and compliance with each covenant and agreement may be waived, and the time for performance under each covenant and agreement may be extended, by the party entitled to the benefit of the covenant or agreement.

The Merger Agreement provides, among other things:

- a newly formed wholly owned subsidiary of the Company is merged with and into Hermes; as a result of the Merger, which was completed on May 20, 2005, Hermes became a direct wholly owned subsidiary of the Company;
- upon the completion of the Merger, the former members of Hermes received shares of the Company s Series A Junior Participating Preferred Stock which, in the aggregate, represented 65% of the voting power of the then outstanding shares of the Company s capital stock;
- following the completion of the Merger, the Company agreed to convene a special meeting of the Company s stockholders that would, among other things, increase the number of authorized shares of common stock of the Company and approve the conversion of the Company s Series A Junior Participating Preferred Stock into shares of common stock of the Company representing 65% of the outstanding shares; the special meeting of stockholders held on May 3, 2006 and this annual meeting of stockholders are intended to satisfy that obligation of the Company and if Proposal Three is approved at this annual meeting, the outstanding shares of Series A Junior Participating Preferred Stock of the Company will automatically convert into shares of common stock of the Company representing 65% of the outstanding shares in the aggregate;
- upon the completion of the Merger, all outstanding options to purchase common stock of the Company were immediately vested and remained outstanding without any other change in the terms or conditions thereof;
- the closing of the Merger was conditioned upon, among other things, the Company obtaining a fairness opinion that the Merger is fair to the Company s stockholders from a financial point of view and the Company having cash and cash equivalents on hand at closing of approximately $6 million, subject to no liens;
- the Company was required to pay Hermes a termination fee in the amount of $500,000 if Hermes terminated the Merger Agreement because of the Company s material breach of any representation, warranty, covenant or agreement contained in the Merger Agreement or if Hermes determined that any reports filed by the Company with the SEC contained an untrue statement of a material fact or omitted a

material fact; and

the Company was not permitted to solicit, initiate or encourage any inquiry, proposal or offer with respect to a third party tender offer, merger, consolidation, business combination or similar transaction involving any assets or class of capital stock of the Company.

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Shares of Stock Issued/ Issuable in Connection with the Merger

In connection with the Merger consummated on May 20, 2005, each one percent (1%) interest in Hermes outstanding immediately prior to the effective time of the Merger was converted into 25.536746 shares of Series A Preferred Stock. Accordingly, we issued 2,553.6746 shares of our Series A Preferred Stock to the Hermes Members in return for their equity interests in Hermes. This represented 65% of the combined outstanding voting power of all classes of the Company s capital stock as of the date that the Merger was completed.

Under the Securities Purchase Agreement with Prentice in the Financing Transaction, the Company became obligated to use a portion of the proceeds of the sale of its senior secured convertible notes to redeem a total of 205.9 shares of the Series A Perferred Stock held by MarNan and Dana Holdings. Dana Holdings is a limited liability company, 50 percent of the ownership interests in which are owned by Joseph A. Falsetti, the Chief Executive Officer of the Company and the Chairman of its Board of Directors, and 50% of the ownership interests in which are owned by Mark I. Massad, as custodian for Dana Falsettit, the daughter of Joseph A. Falsetti. The aggregate redemption consideration of $3,645,833 corresponds to $1.75 per share for each share of common stock into which the Series A Preferred Stock to be redeemed would be convertible, if such conversion had occurred on August 32, 2006 (a Series A Conversion Share), based upon the conversion ratio of 10,118.1774 shares of common stock per share of Series A Preferred Stock in effect as of such date, resulting in a total of 2,083,333 Series A Conversion Shares. In connection with the amendment and restatement of certain agreements entered into by the Company on October 1 and November 15, 2005, including specifically the Company s agreement to redeem 205.9 shares of Series A Preferred Stock owned by Dana and MarNan, MarNan and Prencen terminated an agreement dated October 10, 2005 obligating Prencen to purchase from MarNan shares of the Series A Preferred Stock corresponding to 2,083,333 Series A Conversion Shares, for an aggregate consideration of $5 million, corresponding to a price of $2.40 per Series A Conversion Share.

If the issuance of common stock upon conversion of the Series A Preferred Stock is approved by our stockholders at the Meeting (Proposal Three), then each share of Series A Preferred Stock will be automatically converted into a number of shares of common stock (the Exchange Ratio) that in the aggregate represents approximately 63% of the outstanding shares of common stock as of the date of conversion, after accounting for the August 2, 2006 redemption described above. Based upon the 13,944,056 shares of common stock outstanding as of the record date for the Meeting, the Exchange Ratio would be 10,118.9046.

No fractional shares of our common stock will be issued. Instead, cash adjustments will be paid to the Hermes Members with respect to any fractional share of our common stock that would otherwise be issuable. We did not issue shares of our Series A Preferred Stock to any Hermes Member until we received a written instrument from such owner reflecting the surrender of such owner s interests in Hermes.

The number of shares of our common stock to be issued in connection with the conversion is subject to increase if certain anti-dilution rights are triggered. In the event that, prior to the conversion of the Series A Preferred Stock, we declare or effect a stock split, reverse stock split, stock dividend or stock distribution, reorganization, recapitalization, reclassification or similar event, the Exchange Ratio shall be adjusted to fully reflect the effect of such events.

In addition, in the event that, prior to the conversion of the Series A Preferred Stock, any warrants, options or other rights to purchase our common stock that were issued and outstanding as of the effective time of the Merger are exercised, and the Company is required to issue additional shares of our common stock to the holder or holders of such rights, the Exchange Ratio shall be adjusted to reflect such issuances so that the applicable ratio is maintained.

The shares of Series A Preferred Stock were, and the shares of common stock issuable upon conversion thereof will be, issued to the Hermes Members pursuant to an exemption from registration under Section 4(2) of the Securities Act of 1933, as amended (the Securities Act), and the rules and regulations promulgated thereunder. Each of the Hermes

Members has represented to us that such owner will acquire the shares of stock for such owner s own account and not with a view to, or for resale in connection with, any distribution or public offering. In addition, each owner has agreed that the shares stock to be issued in connection with the Merger will be restricted securities under the Securities Act and may not be transferred or resold without (i) registration under the Securities Act and compliance with applicable state securities laws, or (ii) an exemption from the registration requirements of the Securities Act and applicable state securities laws.

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Other Agreements of the Parties

The Merger Agreement obligates the Company, as promptly as practicable after the date of Merger Agreement, to prepare and file with the SEC a proxy statement covering, among other things, (a) the approval of the issuance of shares of our common stock that may be issued upon conversion of the Series A Preferred Stock, (b) the approval of an amendment to the Company s Restated Certificate of Incorporation to change the corporate name of the Company to Lander Co., Inc. or another name designated by Hermes and to increase the number of authorized shares of the Company s common stock to not less than the greater of (x) 100,000,000 shares or (y) the number of shares of common stock that may be issued upon conversion of the Series A Preferred Stock plus any other shares of common stock that may be issued pursuant to the plan of merger, and (c) the approval of the issuance of an aggregate of 34,000 shares of the Company s common stock to Robert Picow and Doug McMillen and (d) such other matters as are appropriate and necessary to consummate the transactions contemplated by the Merger Agreement. Because of delays in the preparation of audited financial statements of Hermes that arose because of a time period prior to Hermes acquisition of the Lander business for which audited financial statements had never been prepared, and because of the need to assemble further information regarding the historical operation of Lander that was not available until recently, a preliminary proxy statement satisfying this requirement was not filed with the SEC until December XX, 2006. The Company believes that this filing satisfies the Company s obligations under the Merger Agreement to file the proxy statement as promptly as practicable and that Cenuco is not subject to any damages of any kind for any delays in such filing. In connection with the proxy statement, the Company is further obligated to respond to any comments of the SEC and use its reasonable best efforts to have the proxy statement cleared by the SEC as promptly as practicable after such filing and to cause the proxy statement to be mailed to the Company s stockholders at the earliest practicable time.

The Merger Agreement prohibits Hermes, from and after the effective time of the Merger and prior to the earlier of (x) December 31, 2005 and (y) the date the Series A Preferred Stock is converted to common stock, from causing the Company, by acting through the Company s Board of Directors or otherwise, to: (i) declare any dividends or distributions on any capital stock of the Company prior to March 31, 2006, (ii) cause any default or breach under the terms of the certificate of designation of the Series A Preferred Stock; (iii) cause the liquidation (voluntary or otherwise), dissolution or winding up of the Company; (iv) enter into any consolidation, merger, combination or other similar transaction in which issued and outstanding shares of the Company s common stock are exchanged for or changed into other stock or securities, cash and/or any other property; or (v) otherwise alter or change in any material respect the powers, preferences or special rights of the Series A Preferred Stock.

The Company and Hermes agreed to work together in good faith and use their respective reasonable best efforts to (a) list the shares of common stock issued to the Hermes Members in connection with the Merger (if any), and the shares of common stock issuable upon conversion of the Series A Preferred Stock shares, on the American Stock Exchange, subject to official notice of issuance, and (b) maintain the listing of the Company s common stock on the American Stock Exchange for so long as the Board of Directors shall determine in its good faith business judgment that it is in the best interests of the Company and its stockholders to maintain such listing.

The Merger Agreement provides that three of the four directors of Cenuco, and each of the directors and officers of Hermes Holding Company, Inc., would resign at the effective time of the Merger. The three directors of Cenuco who resigned were Steven M. Bettinger, Andrew Lockwood and Jack Phelan. Robert Picow, a then currently serving Cenuco director, continued to serve as a director. Following the Merger, Mr. Picow appointed three new directors, Joseph A. Falsetti, Kenneth D. Taylor and Edward J. Doyle, all of whom were designees of Hermes, to fill the newly created vacancies. The four directors then appointed a fifth director, Francis Ziegler, to the Board. Steven M. Bettinger, the previous Chief Executive Officer and President of Cenuco, Jordan Serlin, the previous Chief Operating Officer of Cenuco, and Adam Wasserman, the previous Chief Financial Officer of Cenuco, also resigned their positions at the effective time of the Merger. Following the Merger and until his resignation as an officer and

employee of the Company on July 2, 2006, Mr. Bettinger served as Vice President of Corporate Development and Investor Relations of the Company. Following the Merger, Messrs. Picow, Serlin and Wasserman have served as officers of the Company s wireless technology subsidiary, positions they also held immediately prior to the Merger. Joseph A. Falsetti was appointed as the new President and Chief Executive Officer of the Company, Brian J. Geiger was appointed as the new Chief Financial Officer of the Company, William B. Acheson was appointed as the new Vice President of Global Sales, and Franco Pettinato was appointed as the new Senior Vice President of Production. Mr. Geiger retired in August 16, 2006 and John D. Wille was subsequently appointed as the Chief Financial Officer of the Company For information relating to these new directors and the officers, see the section of this proxy statement entitled, *Management of the Combined Company*.

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The parties to the Merger Agreement also agreed, as conditions to the consummation of the Merger, to enter into voting agreements, employment agreements and indemnification agreements with certain executives and stockholders of the Company, the terms of which are described elsewhere in this proxy statement in the sections entitled, *The Merger Material Terms of the Voting Agreements*, and *Executive Compensation Employment and Indemnification Agreements*.

Material Terms of the Voting Agreements

In connection with the Merger Agreement, Steven Bettinger, our former President and Chief Executive Officer and director, entered into a voting agreement with Hermes on March 16, 2005, which agreement was amended on May 10, 2005. Pursuant to the terms of the voting agreement, Mr. Bettinger agreed to vote the shares of common stock beneficially owned by him, representing approximately 27.5% of the outstanding shares of common stock on the record date, at any meeting or written consent of the stockholders to consider the Merger and related matters, in favor of approving the transactions contemplated by the Merger Agreement, including, without limitation:

- the charter amendment proposals providing for amendments to the Company s Restated Certificate of Incorporation, to change the name of the combined company to Lander Co., Inc. or such other name designated by Hermes and to increase the number of authorized shares of our common stock; and
- the proposal regarding the issuance of shares of common stock upon conversion of the Series A Preferred Stock (Proposal Three).

On August 3, 2006, Mr. Bettinger sold 3,322,482 shares of the Company s common stock to Prencen. Prencen has advised the Company that it intends to vote the shares of common stock that it owns in favor of Proposal Three. However, the shares of the Company s common stock sold by Mr. Bettinger to Prencen are no longer subject to the voting agreement.

Each of Edward Berzak, Warren Gilbert, Gilder Funding Corp., Jay Haft, Irvin Joseph, Irving J. Denmark Trust, Fred Mack, Robert Picow and Stanley Snyder, stockholders of the Company owning an aggregate of 4,014,302 shares of common stock (representing approximately 28.8% of the outstanding shares of common stock on the record date), entered into voting agreements to the same effect and such voting agreements remain in effect with respect to all such shares.

Mr. Bettinger and such other stockholders granted Hermes, and any individual designated by Hermes, an irrevocable proxy to vote their beneficially owned shares of our common stock at the Meeting in favor of the proposals relating to the Merger Agreement and the transactions contemplated thereby. Mr. Bettinger and the other stockholders also agreed to use their best efforts to encourage other stockholders of the Company to vote to approve the transactions contemplated thereby.

The voting agreements further:

- prohibit Mr. Bettinger and the other stockholders from selling or transferring the shares of Company common stock beneficially owned by them other than in certain permitted circumstances, which provision was waived in connection with the Financing Transaction and the sale of shares of the Company s common stock by Mr. Bettinger to Prencen;
- contain customary representations regarding the beneficial ownership of our common stock by Mr. Bettinger and such stockholder; and
- will terminate upon the earlier of December 31, 2006 or the day following the stockholder meeting to consider the proposals contemplated by the Merger Agreement (unless terminated earlier by mutual consent of the parties).

Copies of the voting agreements have been filed with the SEC as exhibits to a Schedule 13D that was filed by Hermes on March 30, 2005 and amended on May 16, 2005, and an amendment to a Schedule 13D that was filed by Steven Bettinger on April 8, 2005 and an amendment to a Schedule 13D that was filed by Fredric Mack on March 6, 2006.

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Other Related Agreements

In consideration for introducing Cenuco to Hermes, the Company and Hermes have paid Tuyen Do an aggregate success fee of $375,000 and warrants to purchase 500,000 shares of the Company s common stock, at an exercise price of $6.00 per share, which are immediately exercisable and will expire after five years. The success fee is the sole compensation for Mr. Do s services in connection with the Merger. The companies also agreed to indemnify Mr. Do from any and all losses, damages or claims incurred in connection with the Merger.

Mr. Do previously served as a member of our Board of Directors until his resignation in September 2004.

Interests of Officers and Directors of the Company in the Merger-Related Proposals

When our stockholders consider the Board of Directors recommendation that our stockholders vote in favor of the proposals relating to Merger or transactions contemplated by the Merger Agreement, namely the issuance of common stock upon conversion Series A Preferred Stock and the issuance of common stock to Messrs. Picow and McMillen (Proposals Three and Four), our stockholders should be aware that a number of our officers and directors may have interests in the proposals that may be different from, or in addition to, theirs. See *Executive Compensation Employment and Indemnification Agreements* and the descriptions of Proposals Three and Four.

Accounting Treatment of the Merger

For financial reporting purposes, the Merger was treated as a recapitalization of Hermes followed by the reverse acquisition of Cenuco by Hermes for a purchase price equivalent to the total market value of Cenuco stock outstanding prior to the Merger, plus the fair value of the options that automatically vested on the date of the Merger (approximately $45.3 million). Consistent with the accounting and presentation for reverse acquisitions, the historical financial statements of the Company prior to the date of the Merger reflect the financial position and results of operations of Hermes, with the results of operations of Cenuco being included commencing on May 20, 2005. Effective with the completion of the Merger, the Company changed its fiscal year end to be the last day of February, consistent with Hermes prior fiscal year.

Certain Federal Income Tax Consequences

The Merger is intended to qualify as a tax-free reorganization for the Company and its stockholders. We do not anticipate that the Merger will have any material tax implication to the Company.

No Appraisal Rights

Under Delaware law, stockholders were not entitled to the opportunity to dissent from the actions described in this proxy statement or to receive an agreed or judicially appraised value for their shares.

Management of the Combined Company

As a result of the Merger, certain of our officers resigned from their positions prior to the Merger, but retained their positions as officers of the Company s Florida subsidiary, Cenuco Wireless, through which the Company is engaged in the wireless data products and technology business.

In addition, the following persons are now principal members of our management team:

Joseph A. Falsetti, 50 - President & Chief Executive Officer. Mr. Falsetti has served as Chairman and Chief Executive Officer of the Company since June 13, 2003. Mr. Falsetti has an extensive entrepreneurial background, having established several consumer product companies. He was the founder and former Chairman and CEO of RomTech, a NASDAQ-listed consumer product entertainment company, which grew to become the highest volume distributor/publisher of value software in mass merchant retail, initiating value branding within the category. He also founded and was President and CEO of Galaxy Software, where he developed several leading brands including Picture It , which was sold to Microsoft Corporation and remains Microsoft s leading consumer application within the category. Prior to founding these companies, Mr. Falsetti worked for Unisys Corporation, rising to the position of Director of Desktop PCs, responsible for operations of the personal computing hardware, peripherals and related software applications with $200 million in annual sales. He received his BSME and BSEE degrees from The College Of New Jersey.

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William C. Acheson, 57 - Executive Vice President, Global Sales. Mr. Acheson has served as Vice President, Global Sales of the Company since June 13, 2003. Prior to joining the Company, Mr. Acheson was Vice President of Business Development for eGames, joining the company in January 1997. Previous to joining eGames he served as Senior Vice President, Mass Cosmetics Division at Revlon, Inc. where he was responsible for the development and effectiveness of all Revlon and Almay marketing programs, leading to achievement of an annual sales volume plan in excess of $700 million. Mr. Acheson joined Revlon in 1982 as a National Account Manager and he distinguished himself by achieving increasing positions of responsibility during his tenure at Revlon. From 1976 to 1982, Mr. Acheson served as a Key Account Manager for McNeil Consumer Products Company. From 1973 to 1976, Mr. Acheson held sales management positions at Cash Register Service Company and Proctor and Gamble. He holds a Bachelor of Arts degree from Valparaiso University in Valparaiso, Indiana with a major in political science and completed an Overseas Study Program in Cambridge, England.

Franco S. Pettinato, 41 - Senior Vice President, Operations. Mr. Pettinato has served as Senior Vice President of Operations for the Company since June 13, 2003. He has been a Senior Executive, consultant and entrepreneur in diverse industries for over 18 years and brings to the Company wide experience in management, information technology, operations and business process. Previously, he served as Vice President of Delivery at Vis.align LLC, leading operations for the $60 million, northeast based IT consulting company that provides application development, infrastructure and outsourced managed services. He was co-founder and President of The Standing Stone Group L.L.C., an Internet engineering company that Vis.alig