

Key Events of Fiscal 2000 Without question, successfully executing the spin-off of our company from Ralston Purina was fiscal 2000's major milestone – but certainly not the only one. We introduced Energizer® e2™, the first super premium battery, and selectively launched Eveready® Alkaline to customers seeking to carry a value brand. Additionally, we continued to upgrade our lighting products and miniature battery lines with new products such as the Energizer® Arc White™ Hi Intensity Fluorescent flashlight and *Energizer e2* Photo Lithium batteries.

Strategic Organization With the addition of *Energizer e2* and *Eveready* Alkaline to our portfolio of other *Energizer* and *Eveready* products, we now have the most complete array of batteries and flashlights to meet any customer's needs in any market throughout the world.

To strengthen this leadership position, we have organized Energizer into three broad functions: "Makers," "Sellers" and "Servers." Dividing global operating responsibilities among highly experienced and capable executives allows them to focus on specific regions and businesses. Pat Mannix, President, leads the "Makers" organization with responsibility for Operations and Specialty Businesses, overseeing technology development and manufacturing operations worldwide.

Leading the "Sellers" organization is Randy Rose, President and Chief Operating Officer, North America and Europe, and Ward Klein, President and Chief Operating Officer, Asia Pacific and Latin America. As retailers increasingly strive to build unique customer bases, the "Sellers" organization is charged with creating customer-specific solutions to grow sales.

Our "Servers" provide vital support in the areas of Human Resources, Legal, and Finance and Control.

While our focal points may differ, together we are team Energizer, collectively striving to deliver the highest service and quality product offerings to our customers.

Results and Future Outlook Driven both by the Y2K effect and the launch of *Energizer e2*, fiscal 2000 sales climbed 2 percent to \$1,914.3 million, and pro forma earnings per share excluding unusual items increased 39 percent to \$1.69.

Looking ahead, the general outlook for our business is favorable, fueled by positive trends in battery-powered devices. In the near term, however, we expect sales to be significantly lower in the first quarter compared to our extraordinary performance in the first quarter of fiscal 2000. In addition, the competitive environment is intensifying. We remain firmly focused on meeting both consumer and customer needs – and as a result, gaining increased shares of the battery and flashlight markets.

As a global organization, we face ever-changing challenges of competitive sets, retail formats, currency fluctuations, and shifting economic and political environments. As a free-standing company, we now have an organization totally focused on primary batteries and flashlights ... a structure more flexible than our competition to capitalize on emerging opportunities ... and more nimble to respond to and solve problems.



J. Patrick Mulcahy

Chief Executive Officer
Energizer Holdings, Inc.
November 20, 2000