



DON'T FORGET THE BATTERIES

ALREADY AVAILABLE AT HUNDREDS OF THOUSANDS OF RETAILERS AROUND THE WORLD, ENERGIZER® BATTERIES CAN ALSO BE ORDERED CONVENIENTLY ONLINE FROM A GROWING NUMBER OF NATIONAL RETAILER WEB SITES.

GLOBAL PRESENCE

Production Complex To support its worldwide sales and distribution, Energizer operates a global production complex that includes 22 manufacturing plants in 15 countries on four continents. These strategically situated facilities, including five geographically dispersed alkaline production plants, produce approximately 6 billion battery cells each year. Restructured to reflect the global shift in preference for alkaline batteries over carbon zinc batteries, our combined manufacturing capacity is adequate for current requirements as well as anticipated future growth.

Customers Energizer distributes its products to consumers through a broad range of retailers including mass merchandisers, warehouse clubs and dollar stores; supermarkets, drugstores and convenience stores; hardware and home centers; department, toy and electronic specialty stores; and military exchanges. We have the capability to deliver an array of products to any customer anywhere in the world – from a sidewalk stand in China to a hypermarket in Europe.

Beyond its comprehensive product offerings, the company seeks to develop and solidify relationships with major retailer customers by supplying solutions to boost sales, increase margins and improve supply chain efficiencies. Our industry-leading customer support includes planning and consultation, joint promotional and advertising efforts, in-store merchandising, inventory management and integrated category management.

E-Commerce As an extension of its strong customer network, Energizer is tapping the potential of e-commerce as part of its distribution strategy. Our products are currently sold by a number of leading online merchants – from battery-specific retailers such as Batteries.com and Batteriesdirect.com to recognized retailers such as Amazon.com, Bestbuy.com, HomeDepot.com, Officedepot.com, ToysRUs.com and Walmart.com.

Research and Development Bolstering our manufacturing operations is a long-standing commitment to continued technological improvement and product innovation. Beginning with the introduction of the first dry cell battery for consumer use in 1896, this commitment has given birth to the world's first alkaline zinc manganese dioxide cylindrical batteries, the first miniature silver oxide batteries, the first lithium iron disulfide button cell and the first on-label tester for alkaline batteries. Our leadership in innovation is reflected as well by the more than 800 U.S. and foreign patents owned by Energizer and the more than 800 patent applications currently pending.

We have significantly increased spending on research and development in recent years, reaching \$50 million in fiscal 2000. The development of Energizer® e²™, for example, represents an investment in technology of more than \$50 million. To leverage our internal resources, we have expanded our collaborative alliances with leading technological organizations and key developers of new technology including universities, government laboratories, private research companies, small technology start-ups and raw material suppliers.

Future Outlook Energizer is well positioned and aggressively poised for growth: a strategic product portfolio anchored by strong world-class brands; a global production complex with sufficient capacity; significant market share worldwide and in key geographic markets; strong established alliances with retailer customers; undisputed leadership in R&D and technology innovation; and a workforce of motivated, enthusiastic associates.

RETAILER SUPPORT

TOTAL CATEGORY MANAGEMENT

ENERGIZER PROVIDES RETAILER CUSTOMERS WITH A COMPLETE PRODUCT PORTFOLIO BACKED BY TOTAL CATEGORY MANAGEMENT SUPPORT TO HELP ENHANCE THE OVERALL BATTERY CATEGORY. THE PORTABLE e² MERCHANDISER ENABLES RETAILERS TO POSITION THIS HIGH-PROFIT PRODUCT IN A HIGH TRAFFIC AREA FOR OPTIMUM SALES.

