

Energizer[®]

Canada Inc.

THE MARKET

Canadians are unplugged. They play, communicate, calculate and plan all with the help of portable power. Energizer batteries power the lifestyle of this on-the-go society. In fact, the average Canadian household owns more than 22 battery-operated devices. In a technological game of leapfrog, devices evolve as battery power improves, and battery power improves to make way for the next evolution of gadgets and gizmos.

More devices with added bells and whistles are certainly one trend that drives the category. Smaller devices are another. For example, music machines once the size of a small suitcase fit in the palm of your hand. This trend toward miniaturization has made AA and AAA-size batteries the workhorses of the category. Of the more than 5 billion batteries sold each year, 80 percent of them are AA or AAA sizes, according to A. C. Nielsen.

In short, there is an ever-increasing demand for reliable batteries that can keep pace with today's mobile lifestyles. Energizer continues to be the leading premium alkaline power source that keeps families going . . . and going . . . and going.

ACHIEVEMENTS

Energizer invented alkaline batteries in the late 1950s and has continued to enhance them over the years. Since 1960, the service life of an Energizer battery has improved dramatically. Anticipating the trend toward high-tech devices, Energizer led the industry, designing batteries to meet the needs of these sophisticated devices. The company continues to innovate in all segments of the battery category.



Energizer was the first company to design and introduce a super-premium Energizer e² titanium battery, harness the power of lithium in a AA and AAA cell size and revolutionize the rechargeable battery category by introducing a full line of high-powered Nickel Metal Hydride (NiMH) batteries.

Energizer is the world's largest manufacturer of batteries and portable lighting products. Energizer products are distributed to more than 160 countries. Nearly one out of three batteries sold in the world is an Energizer.

HISTORY

The country was alive with the spirit of discovery in the

1890s when Joshua Lionel Cohen began selling his latest invention, a tiny battery-and-bulb device used to illuminate flowers in a pot. Conrad Hubert, who operated a New York City restaurant, was so impressed that he quit his job to sell the devices for Cowen. When the power failed in a restaurant where Hubert had just installed the flower pots he had an inspiration: put the "flowerpot lights" in people's hands. And the seeds for the Eveready Battery Company — and portable power — were planted.

Hubert acquired the patent for the first Eveready "electric hand torch" in 1898. His first flashlights were handmade, consisting of a dry cell battery, a bulb and a rough brass reflector inside a paper tube. By 1900, his flashlights were sold in London, Montreal, Paris, Berlin and Sydney, Australia.

Hubert's company, the American Electrical Novelty and Manufacturing company, became American Ever Ready in 1905 to emphasize the dependability of its flashlight products. American Ever Ready merged in 1914 with the National Carbon Company, whose six-inch-tall Columbia battery was the first to power home telephones. The newly formed company merged with Union Carbide three years later.

Today Energizer Holdings Inc. is a publicly held company traded on the NYSE. Energizer purchased the Schick Wilkinson Sword brands of men's and women's grooming product in 2003.

THE PRODUCT

Energizer offers a unique, complete portfolio of products designed to meet the distinct needs and expectations of different consumer groups. The flagship brand, Energizer, offers premium, long-lasting battery performance fueled by continuous commitment to product improvement.

On the high end, Energizer e² Lithium batteries last seven times longer than alkaline in today's high-drain digital still cameras. Energizer e² with titanium technology and Energizer Nickel Metal Hydride batteries round out the high-performance line-up. The company also offers value brands under the Eveready name. For consumers looking for a lower price and a dependable brand name they can trust, Eveready can't be beat.

In addition to primary household batteries, Energizer manufactures miniature batteries for hearing aids, watches and other electronics.

Also they are one of the world's largest manufacturers of flashlights, including several award-winning designs.

RECENT DEVELOPMENTS

Over the course of several decades, the company continued to grow, focusing upon its strong reputation as the dependable battery that you can trust. The batteries were certainly reliable, but one young, persistent scientist knew they could be better and his work launched a new era for the company.

Assigned to an existing Eveready division in 1957, Lew Urry soon began to focus on an entirely new chemical system — a system known today as alkaline. Urry made a mock-up of an alkaline battery from an empty flashlight shaft, inserted it into a toy car and tested it on the cafeteria floor. The vice president of technology at the time brought the two flashlights to the then head of the consumer products division and asked him to leave both on overnight. One light, containing carbon-zinc batteries and the other, alkaline batteries. To their surprise, the alkaline powered flashlight was “still going” in the morning, while the carbon-zinc-powered light had gone dead. The rest, you could say, is history. Alkaline batteries now make up over 90 percent of all batteries sold in North America. And that is one of the reasons the company began using Energizer as its trade name to emphasize the alkaline focus and the flagship brand.

Lew Urry, a 40-year-veteran at Energizer, was a highly respected fellow at the company where he is still known as “the father of Alkaline.” Lew was born in Canada and graduated from the University of Toronto. He has held over 50 patents covering battery designs and systems, but his invention of the alkaline battery remains a shining success story to Energizer, which brought the first alkaline batteries to the world. Urry’s proto-



type cell is displayed at the Smithsonian Museum of Natural History.

PROMOTION

Energizer — the battery with the power to keep you going and going. This long-lasting power is embodied by the Energizer Bunny, the likeable, infamous, battery-operated toy, one of the most recognized symbols of perseverance and determination. The pink, furry Energizer Bunny with flip-flops and oversized sunglasses began marching across television screens in 1989 and drumming up quite a “bang” for Energizer batteries.

He first appeared in a parody of a competitor’s “Toys” campaign in which he not only lasted longer than toys powered by the competitor’s batteries but “kept going and going” right off the commercial set as an off-camera voice yelled “stop the Bunny!” Since that time, he has appeared in more than 110 TV spots always with an element of surprise and a message of long-lasting power. The campaign has generated billions of consumer impressions since it was introduced.

Today, the Energizer Bunny has earned pop-culture status and is a favourite character to millions. The Energizer Bunny is so popular he has been invited to appear at weddings, class reunions, birthday parties and even church services. His photo sits by the bedside of critically ill patients as a symbol of encouragement to keep going.

The Energizer Bunny’s tagline “keep going” has become so popular that it is used to describe

perennially successful sports, entertainment and political figures. The Energizer Bunny campaign itself ranks among the top 10 favourite advertising campaigns of all time.

The Energizer Bunny not only uses his notoriety to promote the brand, he also uses it to advance causes. He leads the crusade for home fire safety through the company’s “Change Your Clock, Change Your Battery” program through sales promotion and the Web, and in classrooms across the country, where he takes the message directly to children, who are five times more likely to be severely hurt in a home fire.

BRAND VALUES

Energizer has a unique approach to the marketplace. Its goal is to match consumer wants and needs with the most meaningful, reliable, long-lasting product offerings. As a result, Energizer offers the broadest product lineup in the industry.



THINGS YOU DIDN'T KNOW ABOUT ENERGIZER®

- Energizer manufactures nearly one out of every three batteries sold in the world.
- More than 25 chemical reactions take place within an Energizer battery to turn on a device and have it start working.
- The year 1999 marked the 40th anniversary of Energizer’s invention of the alkaline battery.
- Since its creation in 1989, the Energizer Bunny has appeared in more than 110 television commercials, generating more than 119 billion impressions.
- Former Prime Minister Jean Chretien compared himself the Energizer Bunny because he kept on going . . . and going . . . and going.