

EVEREADY EAST AFRICA LTD (“Eveready”) makes this announcement pursuant to the Nairobi Securities Exchange Listing Manual and the Capital Markets (Securities) (Public Offers, Listings and Disclosures) Regulations, 2002.

Reference is made to the Cautionary Announcement dated 17 October 2016 in respect of the Distribution Agreement dated 1 October 2011 between Eveready East Africa PLC and Energizer Middle East & Africa Limited (“EMAL”).

Eveready would like to announce that negotiations with EMAL on the future relationship of the parties which revolved around the distribution of Energizer Inc.’s brands in East Africa has come to an end.

The Board would like to announce that in exercise of its strategic mandate and in line with the Company’s mission, the Board made the decision not to take up the new distribution agreement with EMAL under the terms offered to it as doing so would not have been in the best interests of the Company.

The Board has instead implemented key elements of the Company’s Strategic Plan 2013-17 (the “Plan”) under the diversification and technology and processes pillars in order to address key business risks and ensure the long term sustainability of the business.

Consequently, the Board of Directors are pleased to announce the introduction of Eveready’s own brand of portable power solutions under the TURBO® brand name. The TURBO® range of portable power products comprises dry cell batteries (in AA, AAA, D and 9 volt sizes - in both Alkaline and Carbon Zinc constructions), portable flashlights (both rechargeable and non-rechargeable constructions), bulbs and car batteries. These products are now available to our consumers at your all retail outlets and will offer a natural fit to Eveready’s other brands.

Shareholders are referred to our announcement of 30 September 2014 in which we adopted a fully trading business model bolstered by our strong retail infrastructure developed over 49 years. This model will greatly facilitate the entry and success of our TURBO® brand of portable power products into the market. Also, the disposal of our Nakuru property, which is ongoing, will ensure that the business is adequately funded in order to ensure the continued success of our Plan.

This natural extension to Eveready’s TURBO® brand is an exciting milestone for Eveready achieved under its Plan objectives and is expected to enable Eveready satisfy its consumers evolving needs by availing high quality products under an own brand arrangement. This action not only supports Eveready’s ambitious diversification agenda by giving Eveready the much needed independence and creative control over its supply chain and the products that it offers to its consumers in this critical segment of its business but also enables Eveready deal conclusively with a significant risk to its business by enabling the Company invest in building equity in its own brand.

We do not expect a material adverse impact to our business beyond our internal projections on revenue for our business under brand TURBO®. However, in the event that there is competitive pressure by the introduction of product into the market by Energizer through any of its agents and/or affiliate companies to include EMAL, then we project that there will be material adverse impact on our revenue and profitability which we cannot estimate with certainty at this time - we cannot hypothesize on the turnaround time for the business should this risk materialize. Eveready’s will however work to mitigate this risk to its business and the Company’s present and intended engagement with Energizer (and EMAL) is geared towards eliminating this risk. EMAL is a subsidiary of Energizer Inc. which as of the date of this announcement owns 10.5% of Eveready’s issued share capital.

Looking ahead, we will continue to prioritize and drive Eveready’s strategic focus on consumer needs, transforming the business as we progress on our journey to become a ‘partner of choice in the provision of lifestyle products’ for our suppliers, investors, customers and consumers regionally.

By Order of the Board,

Jackson Mutua, **Managing Director**
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