

PROFIT WARNING ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2010

This announcement is made by EVEREADY[®] East Africa Ltd (“EVEREADY[®]” or the “Company”) pursuant to Rule G.05 (1)(f) & (2) of the Nairobi Stock Exchange Listing Manual and the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002.

The Board wishes to inform the shareholders of the Company and potential investors that the Company’s financial results for the year ended September 30, 2010 are expected to be lower than the profit for the same period in 2009. Whereas volumes for FY 2010 are expected to remain largely at last year’s levels, the impact of the continued presence in the market of illicit dry cell batteries continued to affect the Company’s growth projections.

The main contributors to the reduction in profitability levels in the period were the impacts of:

- 1) The increase in global metal prices. The Company could not pass on these increases to its consumers, and
- 2) The increase in finance costs as a result of the depreciation of the Kenya shilling.

The Company’s financial results for the year ended September 30, 2010 have not yet been finalized as at the date of this announcement. This profit warning announcement is only based on management accounts of the Company and a preliminary assessment made by the Board with reference to the figures and information currently available and is not based on any audited figures or information. It is expected that the Company will announce its audited financial results for the year ended September 30, 2010 in or about December, 2010 and the related 2009/2010 Annual Report will be published thereafter.

Issa Timamy, Company Secretary
November 29, 2010

