EVEREADY
EAST AFRICA LIMITED

ABRIDGED SHAREHOLDER CIRCULAR

THIS ABRIDGED CIRCULAR IS ISSUED BY EVEREADY EAST AFRICA LIMITED ("THE COMPANY") AND HAS BEEN PREPARED IN COMPLIANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS ACT (CAP. 485A); THE CAPITAL MARKETS (SECURITIES) (PUBLIC OFFERS, LISTING AND DISCLOSURES) REGULATIONS, 2002 AND THE NAIROBI SECURITIES EXCHANGE LISTING MANUAL. THIS IS AN ABRIDGED CIRCULAR TO SHAREHOLDERS AND MUST BE READ IN CONJUNCTION WITH THE FULL CIRCULAR TO SHAREHOLDERS DATED 1 OCTOBER, 2016 ("THE CIRCULAR") WHICH IS AVAILABLE ON THE COMPANY'S WEBSITE
www.eveready.co.ke

THIS ABRIDGED CIRCULAR IS IMPORTANT AND REQUIRES YOUR ATTENTION

PROPOSED SALE OF TITLE NO. NAKURU MUNICIPALITY BLOCK 7/554
AND
PROPOSED CHANGE OF NAME FOR THE COMPANY

The Capital Markets Authority ("CMA") has approved the issue of this Abridged Circular. As a matter of policy, neither the CMA nor the Nairobi Securities Exchange Limited ("NSE") assume any responsibility for the correctness of any statements or opinions made or reports contained in this Abridged Circular or the Circular. When considering its implications, it is recommended that you seek independent advice from your stockbroker or other professional adviser.

Introduction
The Company intends to dispose of all that piece and parcel of land comprised in Title No. Nakuru Block 7/554 and change its name to Eveready East Africa PLC in order to comply with the law and support its core business. If shareholder approval is received, the proposals will result in the following:
(i) The sale of all that piece of land situated in Title No. Nakuru Block 7/554; and

(ii) The Company will be known as Eveready East Africa PLC.

Rationale for the Proposals
(i) Sale of Nakuru Block 7/554
The Company's levels of borrowing at KShs.509m is unsustainable and continues to erode shareholder value. Liquidating the Company's credit facilities will put the Company firmly on the path to profitability and growth. The Company shut down its manufacturing facility in September 2014 thereby changing the Company's orientation to a trading organization. The Company requires capital in order to support its core distribution infrastructure and diversification plans. Part of the proceeds of sale will be utilized to acquire assets for this purpose in Nairobi or its environs. The Property represents 46% of the Company's total asset portfolio based on F2015 Audited Accounts.

(ii) Change of Name
The government passed the new Company's Act, 2015 (the "Act") in November 2015 which requires that all limited liability companies that are public in nature should adopt the use of the words "Public Limited Company" or its abbreviation "PLC" in their name in order to correctly reflect their status.

Notice of Extraordinary General Meeting ("EGM")
The Notice convening an EGM of the shareholders of the Company to be held at Merica Hotel, Kenyatta Avenue, Nakuru on 6th October 2016 for the purposes of, inter alia, considering the above resolutions and if thought fit passing the same, was published on 8 September, 2016.

1 October 2016

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