SHAREHOLDER ANNOUNCEMENT

EVEREADY EAST AFRICA LTD makes this announcement pursuant to Regulation 10(1) of the Nairobi Securities Exchange Listing Manual and 19(2) of the Capital Markets (Securities) (Public Offers, Listings and Disclosures) Regulations, 2002.

Eveready East Africa Ltd., (hereinafter "Eveready" or the "Company") is a consumer goods company operating regionally in the broad categories of personal care and household products.

Eveready's Personal Care Division offers a diversified range of consumer products in the wet shave category. The Company's portfolio includes well established brand names such as Schick® and Wilkinson Sword® men's and women's shaving systems and disposables. Eveready's Household Products Division offers consumers the broadest range of portable power solutions (in AA, AAA, D, button cell and 9 volt sizes), anchored by its universally recognized Energizer® and Eveready® brands. Eveready has also introduced the TURBO brand of automotive batteries to its ever expanding portfolio.

Eveready has rolled out an ambitious diversification business model as part of its strategy to increase efficiency in its business, continuously satisfy consumers evolving needs and increase shareholder value. The strategy is hinged on bolstering the businesses commercial operations and involves outsourcing its manufacturing operations, product diversification, regional expansion, reviewing its route to market programs and undertaking measures to strengthen its balance sheet.

The business is presently executing its Strategic Plan 2013-17 (the "Plan") and is on course towards achieving its objectives under the Plan. Achievement of the Plan objectives will assist Eveready build a sustainable business model for the benefit of its shareholders. You are encouraged to log on to our website www.eveready.co.ke in the Investor Relations page under Announcements to get more details on the broad areas of the Plan and our progress towards achieving our Plan strategic objectives.

One of the bold measures that we have announced to support the achievement of our diversification plans is the outsourcing of the manufacture of the D battery which has traditionally been manufactured at the Eveready Nakuru Plant. Due to the decline of the D battery market principally as a result of the continued widespread availability of irregularly imported and low priced competition it is no longer economically viable for the Company to continue its manufacturing operations in Kenya and the Company will now source the D batteries from its affiliates (Energizer Inc.) factory in Egypt. As a result of the above actions, the income for our fiscal year 2014 will be materially lower than those reported for the same period in F2013. Income from operations for FY2014 will however be at prior year levels.

The closure offers an opportunity to venture into one of Eveready's other diversification strategy planks – Real Estate. The Company set up Flamingo Properties (Kenya) Ltd to spearhead its foray into the venture and the twenty (20) acres of land in Nakuru will be one of its flagship investments. The details of the real estate investments will be announced later.

The move enhances the capability of the business to offer innovations and best in class products at an affordable price to the Kenyan and the East African consumers. Eveready will soon launch new products across its personal care line to complement what it has already launched in the energy and automotive battery categories as part of its product diversification. For more information on our progress, please review the details of the Plan on our website.

By Order of the Board

Jackson Mutua, **Managing Director**
30 September 2014

EVEREADY
EAST AFRICA LIMITED

EXTRACT OF THE EVEREADY DIVERSIFICATION STRATEGY 2013-17

Strategic Focus Areas
Eveready's Strategy 2013 to 2017 (the "Plan") revolves around the following six (6) strategic objectives:-

Strategic Objective 1: Regional Expansion
Eveready will adopt a phased out approach to its expansion strategies. Cultural barriers and economic considerations in respect of the various countries, have been factored into the decision making process. To that end, EEAL will set up operations initially in Uganda. Strategic partnerships will continue to influence our go-to-market strategies for the other East African markets although these partnerships will be built and/or be strengthened.

The Company intends to take advantage of the growing middle class and the changing lifestyles that generate extra market for its products in the region. Eveready will take advantage of the operational competencies acquired in the Kenyan market and adopt the same into these markets.

***Progress To Date*:**
- The shareholders approved the set-up of Flamingo Properties (Uganda) Ltd, Eveready's vehicle towards an efficient distribution system in Uganda. This fully owned subsidiary of Eveready is now fully operational in Uganda and has adopted the best practices presently being executed in the Kenya in the market. To this end, we have taken up category leadership positions in key segments within the major key accounts operating in Uganda; and

- as indicated, strategic partnerships continue to influence our go-to-market strategies for the other East African markets and partners have been identified to drive the Eveready business in those markets as per Plan objectives.

Strategic Objective 2: Product Diversification
Eveready will continue to expand on its range of products beyond what it is traditionally known for, that is, portable power solutions.

***Progress To Date*:**
- Two (2) new product lines have been introduced into our household category in the 2013 to 2014 plan period as projected:
  - ✓ The TURBO® brand of automotive batteries and related accessories (TURBO® water and TURBO® Acid) are now available in all Yana Tyre Centers all over the country and in all leading supermarkets and outlets; and

  - ✓ Our household category will grow by the introduction this year of an exciting new range of lighting products under our trusted EVEREADY brand name. We look forward to re-introducing you to this product range in November, 2014.

- Two new product lines in the personal care category are earmarked for introduction in the 2014-15 plan period. We are on course towards achieving this milestone with key production partnerships presently being firmed up.

- Flamingo Properties (Kenya) Limited was set up to drive and focus us on our real estate entry.

Strategic Objective 3: Customer Focus

Eveready has one of the best distribution systems in Kenya and in order to make our route to market programs even more effective and efficient, the Company committed to reviewing its trade partnerships and associated programs in the traditional trade.

Progress To Date:

This was completed in the 2013-14 plan period as projected:-

- The sales organization's structure was reviewed to ensure that we increased our feet on the ground;

- the scope, efficiency and effectiveness of our sales automation system was further enhanced in the Plan period;

- the sales force was equipped with distribution vehicles in order to ensure that optimal distribution is achieved; and

- as indicated, we have also signed up new distribution partners in the Kenyan and Tanzania markets to further increase our footprint in the region and operationalized Flamingo Properties (Uganda) Ltd.

Strategic Objective 4 – Human Capital

Eveready considers its people as its most important asset. Appropriate acquisition and retention strategies will be adopted to ensure optimal productivity and that Eveready remains an employer of choice.

***Progress To Date*:**

This is ongoing.

Successes are built around the achievement of key tenets of the plan. Eveready has worked to ensure the continuous development of its employees' professional and personal competencies. Employee satisfaction and motivation are key to increasing productivity, reducing absence, ensuring high-quality products, and retaining employees at Eveready. Consequently, employee satisfaction, engagement and motivation remain key elements of our Plan.

Strategic Objective 5: Financial Strength

EEAL will put in measures to improve its financial position in order to improve its risk profile, credit rating and reputation thereby making EEAL more attractive to its stakeholders.

***Progress To Date*:**

This is ongoing. Successes are built around the achievement of a sustainable business model being build around the key pillars.

Strategic Objective 6: Technology & Processes

Eveready committed to reviewing the technologies available in the manufacture of dry cell batteries with a view to facilitating a decision on whether to outsource manufacturing, modernize its production processes or maintain its existing production processes as is.

We also committed to work towards improving effectiveness and efficiency in operations through integration of various internal processes.

***Progress To Date*:**
This is ongoing with successes built around the specific milestones around key processes.

The outsourcing of the D battery as announced today will ensure that Eveready takes advantage of its affiliation with Energizer Inc. USA to drive value for the Eveready business. To this end we have announced that the manufacture of the D battery will be outsourced to the Energizer Egypt facility.

Egypt is presently the most viable option for the sourcing of the D battery and our partnership with Energizer Middle East & Africa Ltd will harness the value that we need for that segment of business.

End