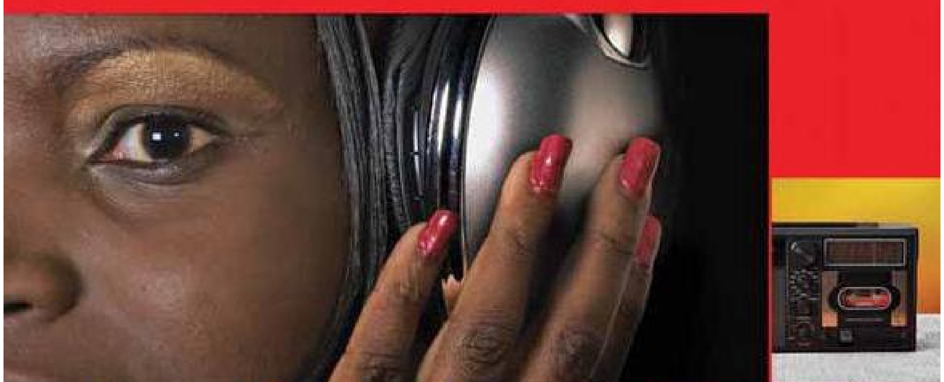
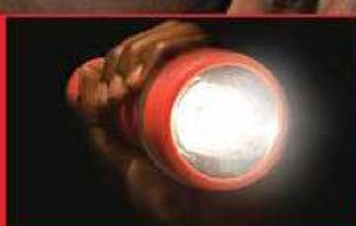
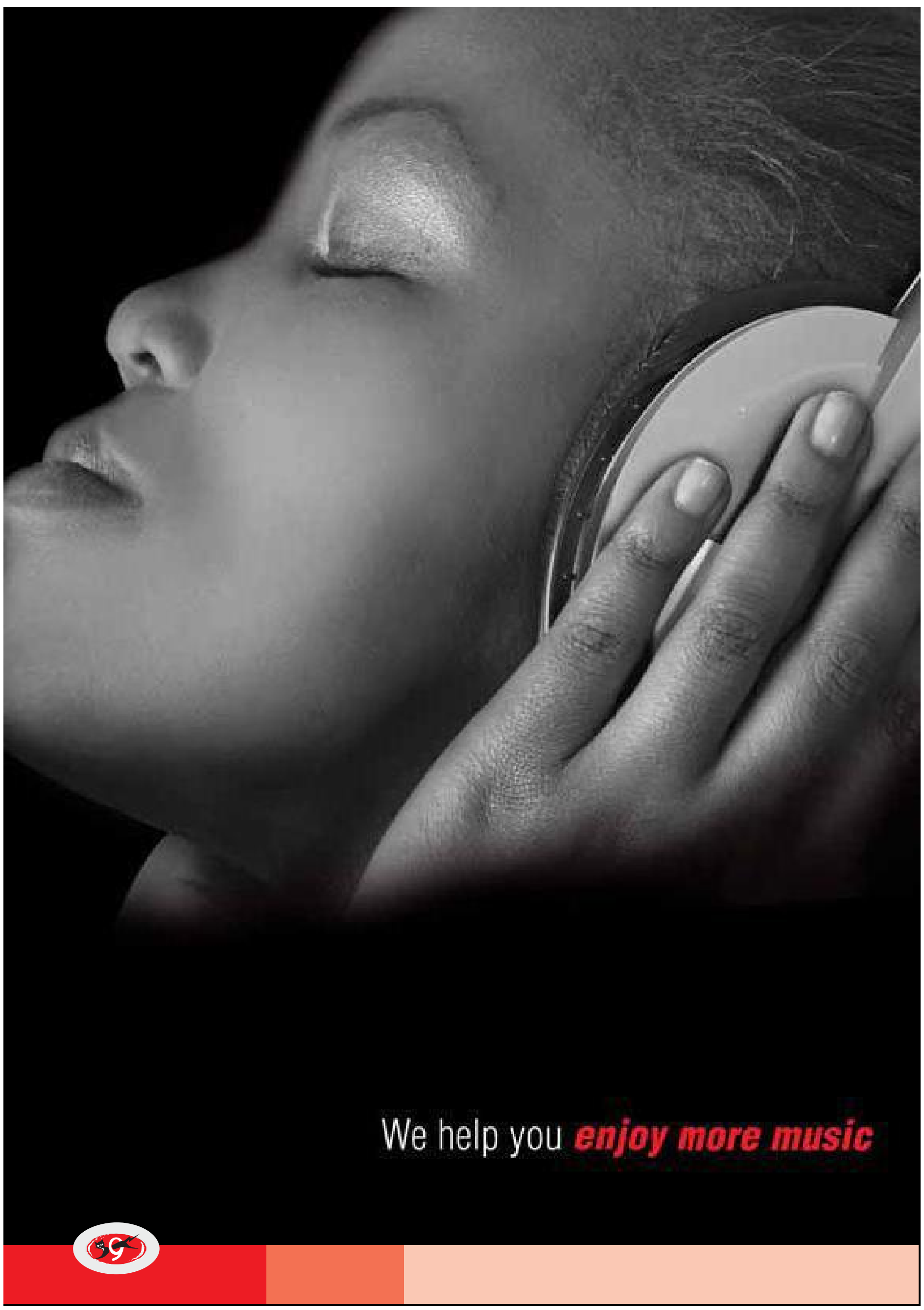
EVEREADY®
EAST AFRICA LIMITED





We help you enjoy your world

2008 ANNUAL REPORT & FINANCIAL STATEMENTS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Notice of the AGM

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

NOTICE IS HEREBY given that the 42nd Annual General Meeting of members of EVEREADY EAST AFRICA LIMITED will be held at Menengai Hall situated in Merica Hotel, Kenyatta Avenue, Nakuru on the 23rd day, April, 2009 at 11.00 a.m for the following business:-

1. To table the proxies and note the presence of a quorum.
2. To read the Notice convening the Meeting.
3. To confirm the minutes of the 41st Annual General Meeting held on March 14, 2008.
4. To receive, consider and if deemed fit, adopt the financial statements for the year ended 30th September, 2008 together with the reports thereon of the Directors and of the Auditors.
5. To elect Directors:
   (a) Mr. Akif Hamid Butt, who retires by rotation under article 91 of the Company's Articles of Association and being eligible, offers himself for re-election.
   (b) Mr. Henry Kiptiony Kiplagat, who retires by rotation under article 91 of the Company's Articles of Association and being eligible, offers himself for re-election.
6. To pass the following Ordinary Resolution:
   Special Notice pursuant to Section 142 and 186 (5) of the Kenya Companies Act having been received by the Company, of the intention to move a resolution that Hon. Arthur Athanasius Moody Awori be elected as a Director of the Company notwithstanding his having attained the age of 70 years, to consider and if thought fit, pass the following resolution as an Ordinary Resolution.

   "That pursuant to Section 186 (5) of the Kenya Companies Act, Hon. Arthur Athanasius Moody Awori who has attained the age of 70 years is hereby elected as a Director of the Company notwithstanding his having attained such age."

7. To authorize the Board to fix the renumeration of the Directors.
8. To appoint DCDM Associates as auditors for the ensuing year.
9. To authorize the Directors to fix the remuneration of the Auditors.
10. To consider, and if thought fit, pass the following resolution as a Special Resolution.
    That the Memorandum of Association of the Company be and is hereby amended by the addition of the following new sub-clause (4) (4) (A):

    "(4) (4) (A) To carry on business and act as manufacturers, merchants, traders, financiers, importers and exporters, factors, warehousemen, representatives, commission agents, forwarding agents, carriers and carriers agents, brokers, underwriters and dealers in all goods, produce, merchandise, gadgets, plant and machinery and commodities of all kinds and to import, export, buy, sell, barter, exchange, pledge, make advances upon and otherwise deal in goods, produce, merchandise, plant and machinery and commodities."

11. To transact any other business which may be properly transacted at an Annual General Meeting.

By Order of the Board
Issa Timamy, Company Secretary
January 31, 2009

Note:
A member entitled to attend and vote at this meeting and who is unable to attend is entitled to appoint a proxy to attend and vote on his/her behalf and such a proxy need not be a member of the Company. The form of proxy is attached on page 40.

Chairman's Statement

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

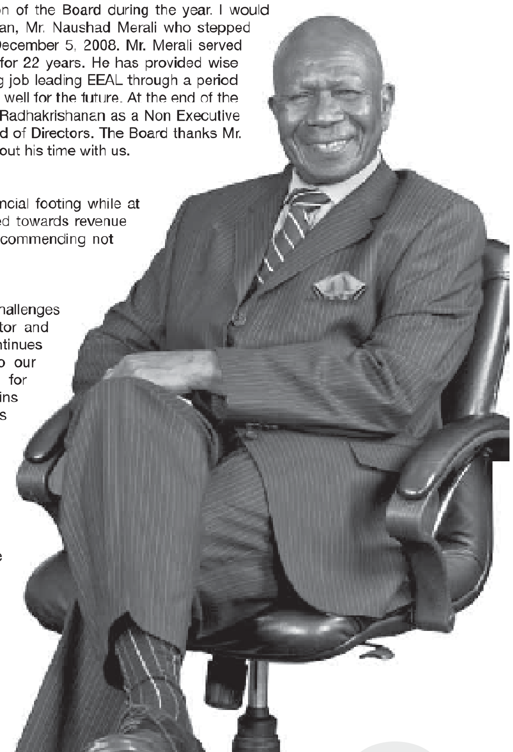
I was delighted to become a director and the Chairman of the Board of Directors and to make this inaugural report to you having taken on that role on December 5, 2008.

The year 2007/08 encompassed the most difficult trading condition for EEAL in its history. Against that backdrop we have delivered a resilient performance. The pressure of high zinc costs, the proliferation into the Kenyan market of low cost substandard batteries and the strong Kenyan shilling impacted the Company's profit performance. In addition, the post election violence in Kenya which cut us off from some of the Company's major market segments, made the year even more difficult than expected.

EEAL was compelled to drive efficiencies across the business in order to maintain profitability and the Board has been fully supportive of the programs that management has put in place to improve productivity in every area of the business. Although the profit figure of Kshs.27 million may disappoint in face of last years results and the Company's potential, these results bear testimony to the strong culture of resilience that we have fostered in this Company. On behalf of the Board, I would like to thank our colleagues and trade partners for their continued efforts for the business.

Changes to the Board

There were a number of changes to the constitution of the Board during the year. I would like to pay tribute to our immediate former Chairman, Mr. Naushad Merali who stepped down as Chairman and member of the Board on December 5, 2008. Mr. Merali served the Company as a Director and chaired the Board for 22 years. He has provided wise counsel over the years and has done an outstanding job leading EEAL through a period of change to a public limited Company. We wish him well for the future. At the end of the year, EEAL announced the resignation of Natarajan Radhakrishanan as a Non Executive Director who represented Energizer Inc. on the Board of Directors. The Board thanks Mr. Radhakrishanan for his advice and guidance throughout his time with us.



Dividend

In order to maintain the Company on a sound financial footing while at the same time implement business strategies geared towards revenue generation and market growth, the Directors are recommending not paying dividends against the FY2008 earnings.

Summary and Outlook

The business environment will continue to present challenges and the Board will work with the Managing Director and his leadership team to ensure that our business continues to adapt as needed, actively seeking solutions to our problems and taking advantage of opportunities for sustainable growth. In 2008/09 our strategy remains largely unchanged. The Board will continue to play its oversight role and continue to review key aspects of the Company's strategy and operations to ensure that the Company is properly managed. EEAL will therefore continue to meet the needs of the Kenyan consumers today by providing them with high quality products that they can rely on to help them enjoy their world while at the same time exploring other areas of growth. We thank our trade partners and our dedicated workforce who make, sell and deliver these products to the consumers and on behalf of the Board, I thank all of them for their contribution to the 2008 performance.

Hon. Moody Awori, Chairman
January 31, 2009

Taarifa Ya Mwenyekiti

KWA KIPINDI CHA MWAKA KILICHOMALIZIKIA TAREHE 30 SEPTEMBA, 2008

Nimefurahi kuwa mkurugenzi na mwenyekiti wa Halmashauri ya wakurugenzi ya Kampuni hii na kutoa taarifa hii ya kwanza kwenu baada ya kuchukua jukumu hili tarehe 5 Desemba, 2008.

Kipindi cha mwaka 2007/2008 kilikumbwa na hali ngumu sana za kibiashara kwa Kampuni ya EVEREADY EAST AFRICA LIMITED, EEAL katika historia yake. Katika hali hii tuliweza kupata matokeo ya kuridhisha. Shinikizo la gharama ya juu ya zinc, kumiminika kwa betri za kiwango duni za gharama nafuu katika soko la humu nchini na kuimarika kwa thamani ya shilingi ya Kenya viliathiri faida ya Kampuni. Vile vile, ghasia za baada ya uchaguzi nchini zilizotuzuia kufikia masoko makuu ya Kampuni hii, zilifanya mwaka huo kuwa mgumu zaidi ya ilivyotarajiwa.

Kampuni ya EEAL ililazimika kuimarisha utendaji kazi wake katika biashara hii ili kudumisha faida na Halmashauri imeunga mkono kikamilifu miradi iliyoanzishwa na wasimamizi ili kuimarisha uzalishaji katika kila sehemu ya biashara hii.Ingawa faida ya shilingi milioni 27 huenda si ya kuridhisha ikizingatiwa matokeo ya mwaka uliopita na uwezo wa Kampuni, matokeo haya yanadhihirisha nguvu ya utamaduni tulio nao katika uwezo tuliodumisha katika Kampuni hii. Kwa niaba ya Halmashauri, Ningependa kuwashukuru wenzangu na washirika wa kibiashara kwa juhudi zao zisizo na kikomo kwa biashara hii.

Mabadiliko ya Halmashauri

Kulikuwa na mabadiliko kadhaa katika katiba ya Halmashauri mwaka huu. Ningependa kumshukuru mwenyekiti wetu wa hivi punde aliondoka, Bwana Naushad Merali aliyejiuzulu kama mwenyekiti na mwanachama wa Halmashauri tarehe 5 Desemba, 2008. Bwana Merali alihudumia Kampuni kama Mkurugenzi na akaiongoza Halmashauri hii kwa muda wa miaka 22. Ametoa ushauri wa busara katika muda wa miaka hiyo na amefanya kazi nzuri ya kuiongoza Kampuni ya EEAL kupitia kipindi cha mabadiliko hadi kuwa Kampuni ya umma. Tunamtakia mema katika siku zijazo. Mnamo mwisho wa mwaka huo, Kampuni ya EEAL ilitangaza kujiuzulu kwa Natarajan Radhakrishanan kama mkurugenzi asiye mfanyikazi aliyeiwakilisha Energizer Inc. kwenye Halmashauri ya Wakurugenzi. Halmashauri hii inamshukuru Bw. Radhakrishanan kwa ushauri wake na mwongozo katika muda aliokuwa nasi.

Mgao wa Faida

Ili kuidumisha Kampuni hii katika hali nzuri ya kifedha na wakati huo huo kutekeleza mbinu zza kibiashara za kuiwezesha kuleta mapato na kukua katika soko, Wakurugenzi wanapendekeza kutolipa mgao wa faida dhidi ya mapato ya mwaka 2008.

Mukhtasari na Mtazamo

Mzingira ya kibiashara yataendelea kuleta changamoto na Halmashauri itashirikiana na Mkurugenzi mkuu na kundi lake la uongozi kuhakikisha kwamba biashara yetu inaendelea kuafikia yanayohitajika, kwa kutafuta ifaavyo suluhu za matatizo yetu na kuchukua fursa ya nafasi zilizoko za kibiashara kupanua biashara hii. Katika kipindi cha mwaka 2008/09 mbinu zetu ziliendelea pasipo mabadiliko. Halmashauri itaendelea kutekeleza jukumu lake la kuchunguza na kuendelea kukadiria hatua muhimu za mbinu na shughuli za Kampuni ili kuhakikisha kwamba Kampuni inasimamiwa vyema. Kampuni ya EEAL hivyo basi inaendelea kutimizza mahitaji ya wateja wa humu nchini hivi leo, kwa kuwapa bidhaa bora za hali ya juu wanazoweza kutegemea ili kuwasaidia kufurahia ulimwengu wao na wakati huo huo kutafuta sehemu nyingine za ukuaji. Tunawashuruku washirika wetu wa kibiashara na wafanyikazi wetu waliojitolea wanaotengeneza, kuuza na kuwasilisha bidhaa hizi kwa wateja na kwa niaba ya Halmashauri, nawashukuru wote kwa mchango wao kwa matokeo ya mwaka 2008.

Mheshimiwa Moody Awori, Mwenyekiti
Tarehe 1, Januari, 2009

Managing Director's Statement

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

Several external factors made FY2008 a particularly challenging year for EEAL. The business was faced with arguably some of the most difficult challenges in the history of the Company. Unfortunately, these challenges were mainly precipitated by the actions of the authorities. However, notwithstanding these challenges the Company delivered a profitable result.

Financial Review

In my last report I indicated that we were investigating the presence in Kenya of very low priced 'D' size batteries which at the time we suspected were being under invoiced and were not being charged with import duty. We established subsequently that indeed, various Chinese companies were allowed by the authorities to import dry cells into the country duty free and that over 150 million pieces of cheap imported substanderd dry cells were being dumped into the market. Dry cells assembled in the Export Processing Zones (EPZ) destined for the export markets were also being offloaded into the domestic market prior to reaching their destination markets at very low prices. Matters were further compounded by the post election violence which disrupted business in key market segments of Nyanza, Coast, Western and Rift valley. Revenue generation therefore came under great pressure due to the aforementioned actions which led to a KShs.457m decline in revenues compared to the previous year and KShs.100m loss in income. The post election violence apart from disrupting business in key market segments of Nyanza, Coast, Western and Rift valley also caused the subsequent depreciation of the shilling which led to a further KShs.50m loss in income.

To ease the effects of these challenges to the business, EEAL undertook various cost cutting measures together with a redundancy exercise geared towards aligning the internal capacity to the prevailing business condition. The redundancy exercise affected 36 employees and cost EEAL KShs.36.5m which was fully absorbed in the year. Prudent working capital management led to a significant working capital release in the year which resulted in a reduction in borrowing by KShs.216m or 52% compared to FY 2007. This helped facilitate a reduction in gearing levels and eased financial pressure on EEAL. Benefits of some these measures are expected to be fully realized in FY 2009.

As a result of the challenges highlighted together with the mitigating measures put in place EEAL realized a profit before tax for FY2008 of KShs.27.9m compared to KShs.179.5m realized in the previous year.

While the shilling is depreciating leading to an increase in cost of importing materials, the price of zinc has dropped by about 70% and this has helped mitigate the cost increase. EEAL has also been reliably informed that in June 2008, the Kenya Revenue Authority (KRA) revoked the zero duty access granted to companies importing dry cell batteries from China, and at the same time published minimum duty values for all imported dry cells. The KRA has also at the same time imposed cash bonds on companies operating within the EPZ zones in an effort to ensure that goods intended for export reach the country of destination. Also, the Kenya Bureau of Standards (KBS) has now acquired a dry cell battery testing equipment which will enable them enforce minimum performance standards for all dry cells sold in the local market. EEAL is well positioned to take advantage of the above measures to regain its share of the mass market while at the same time continuing to venture into other markets and to diversify its product portfolio.

Manufacturing Review

We continue to pursue lean manufacturing and improving operational efficiency in our manufacturing operations through the maintenance and upgrade of our equipment,

Managing Director's Statement

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

effective plant utilization and continuous training of our worker force. We spent KShs.36.8 on efficiency improvements in our operations in FY2008 under the factory refurbishment program which commenced in 2005 and we anticipate spending a further KShs.50m on the same actions in FY 2009 which we expect will result in further reductions in cost.

In the course of the year, we continuously adjusted our operations and adopted other miscellaneous cost management initiatives in order to align our internal manufacturing capacities to the market demand. As a result we were able to retain the unit cost of production at last year's level despite the reduction in production volumes. The cost reduction programs initiated in the year are beginning to register positive returns as seen in Q1 of FY 2009.

We look forward to implementing a New Paste Project in FY 2009 as this initiative will not only reduce the impact to the environment of our manufacturing operations but also assist us reduce the cost of managing our waste.

Safety remains the highest of priority across EEAL. In 2007/08 EEAL's safety performance as measured by on the job injury rate and percent hours lost, continued to improve. We had one on - the - job injury and we remain focused on eliminating all accidents, particularly serious workplace accidents that could risk the lives of employees and contractors.

EEAL's Safety Health and Environment department conducts the Sustainable Development Program throughout our business. Our aim is to reduce the environmental impact of our manufacturing operations by focusing on energy reduction, waste reduction, wastewater reduction and reduction in green house gasses emission (through reduction of use of diesel and gas). The success of the program led the Kenya National Cleaner production Centre (established by the United Nations Development Program (UNDP) and the Government of Kenya through Kenya Industrial Research and Development Institute (KIRDI)) to declare us 1st runners up in Solid Waste Reduction, 1st Runners up in Occupational Health and Safety, and as overall winners in the Waste Water Reduction categories in the National Cleaner Production Awards held in 2008.

Sales & Marketing Review

The 'D' battery is our most dominant product and is sold mostly in the low income market segment. Therefore, the proliferation of substandard, duty free and therefore very low priced 'D' size batteries from China and the dumped product from the EPZ zones seriously affected our ability to compete in this market. The Chinese made batteries were imported into Kenya duty free and retailed at prices below EEAL's cost of production. This situation persisted throughout the year and exposed the Company to unfair competition which affected the Company's ability to sell its products in the Kenyan market. Further, EEAL despite being faced with escalating cost of production could not effect any price increases on its 'D' battery products as this would further alienate it from its consumers who were already exposed to much lower priced competition. This situation impacted negatively on the EEAL's ability to generate revenues and improve its margins.

The situation was exacerbated in the second quarter by the post election violence that rocked the country in late December and early January which rendered the EEAL's markets in the Rift Valley, Coast, Western and Nairobi provinces inaccessible. We projected that there would be a significant decline in our full year earnings and issued a profit warning announcement in our second quarter. By midyear our concerns were realized when we published our half year earnings and reported a 91% drop in earnings compared to the prior year.

In strategic terms, EEAL has budgeted to carry out a countrywide consumer promotion at a cost of KShs.36m during the first half of FY 2009 mainly focusing on re-connecting the EVEREADY brand to the consumer thereby enhancing its visibility and top of the mind awareness. EEAL is also pursuing opportunities in markets in and around the East African region. We recognize that some of the problems we face in this market will be replicated in those regions and therefore, in order to effectively deal with those challenges and therefore fully realize and exploit the potential of the region EEAL has reviewed its personnel needs and restructured its sales and marketing department to make it more focused and responsive to market needs. These changes involved separating marketing from sales and introducing a dedicated export manager to tackle growing business opportunities in East Africa. These actions are in line with EEAL's vision to exploit all available opportunities to expand its market and its reach into the East African region.

EEAL continues to pursue strategies that will grow the business and in that regard will move forward to expand its product mix by rolling out new high margin product lines. It is expected that these changes will significantly improve EEAL's returns. In that regard, we anticipate to introduce into this market the Playtex brand in the coming year. EEAL encourages its members to vote for the amendment of the Company's objects as outlined in the Special Notice contained in the Notice of the 41st Annual General Meeting of the Company so that EEAL may take advantage of this and other existing and new business opportunities in Kenya and the region.

Managing Director's Statement

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

Human Resources Review

EEAL had 338 employees as of the end of FY 2008. We aim to deliver tools, techniques and awareness and share best practice directly to colleagues in order to continuously improve their technical capacities and collaborative capabilities. We therefore continuously offer training opportunities to our employees both locally and in other Eveready Batteries Corporation (EBC) locations around the world. We continue to draw on our relationship with EBC which continues to provide us with technical expertise to assist in transferring best practices to our operations.

The Company's employee satisfaction survey indicated an overall improvement in employee satisfaction across all areas of the study and a significant enhancement in the quality of leadership in the business. We also continue to manage our people appropriately in order to ensure improved productivity. The challenges experienced in the business in the last year required difficult decisions. We restructured the business in light of our business performance leading to 36 job losses. But painful as these decisions have been, they were the right ones for the long-term health of the business. The Company will continue to adjust personnel requirements to reflect market conditions and improved performance arising out of its programs.

Negotiations with the Trade Union for a new Collective Bargaining Agreement commenced in July 2008 and is currently ongoing.

Corporate Social Responsibility Review

We aim to grow our business in a responsible and sustainable way. In FY 2008, EEAL spent slightly over Kshs.2.8 million on charitable projects. The key criteria for these projects are that they impact positively on the upliftment of the historically disadvantaged, with an emphasis on children and women, and that they are visible, measurable and ultimately self-sustainable. EEAL remains committed to making a real difference in the community in which it operates and carries on business.

Corporate Governance & Regulatory Affairs Review

The Board supports the Guidelines on Corporate Governance Practices by Public Listed Companies in Kenya issued by the Capital Markets Authority (CMA) and confirms that EEAL complied with the code during FY 2008.

The Board has overall responsibility to shareholders for the management of the Company. Decisions on operational matters are delegated to senior management and the Board receives presentations from the managers on specific issues. The audit firm of KPMG act as EEAL's internal auditors and meets with the Audit Committee at least 4 times a year. The Chairman of the Board meets separately with the Managing Director regularly and other informal meetings and discussions take place between directors as appropriate. The Board has four (4) scheduled meetings per annum and meetings may be convened at other times as and when necessary. Details of individual attendance by directors at Board meetings and committee meetings are set out below.

Directors	Board	Audit Committee	Renumeration & Nominations Committee	Finance & Risk Committee
Hon. Moody Awori (Chairman)[1]	0 (of 4)	-	-	-
Steven Smith	4 (of 4)	4 (of 4)	3 (of 3)	3 (of 3)
Akif Butt	4 (of 4)	4 (of 4)	-	-
ICDC (Alt - Isaac Mogaka)	4 (of 4)	-	3 (of 3)	2 (of 3)
Susan Mudhune	4 (of 4)	2 (of 4)	3 (of 3)	-
Henry Kiplagat	4 (of 4)	-	-	3 (of 3)
Naushad Merali[2]	4 (of 4)	-	-	-
Centum Inv. Ltd (Alt - Peter Mwangi)[3]	2 (of 4)	2 (of 4)	-	-
Natarajan Radhakrishanan[4]	2 (of 4)	-	-	2 (of 3)
Centum inv. Ltd (Alt - Isaac Owino)[5]	2 (of 4)	1 (of 4)	-	-
Fauzia Shah	4 (of 4)	-	3 (of 3)	-
Centum Inv. Ltd (Alt - James Mworia)[6]	0 (of 4)	-	-	-

1 *Appointed December 5, 2008*
2 *Resigned on December 5, 2008*
3 *Resigned as alternate to Centum on October 15, 2008*
4 *Resigned on September 30, 2008*
5 *Appointed as alternate to Centum on October 15, 2008*
6 *Appointed as alternate to Centum on December 15, 2008*

Managing Director's Statement

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

In accordance with the CMA guidelines on price-sensitive information, EEAL has adopted a policy on information determined to be price-sensitive, confidentiality undertakings and discussions with the press, institutional investors and analysts. EEAL follows a "closed period" principle, during which period employees and directors are prohibited from dealing in EEAL's shares. The closed period includes the period between the end of the month of each interim and financial year-end and the publication of the results for such periods. Where appropriate, dealing in EEAL's shares is also restricted during sensitive periods when major transactions are being negotiated and a public announcement is imminent.

Non-Executive Directors are paid Director's fees quarterly after approval is given during the Annual General Meeting. The Directors are paid sitting allowance for every meeting attended and the Company meets the Directors' travel and accommodation expenses while on Company duty. EEAL does not grant personal loans or guarantees to its directors. We are committed to regular and timely dispatch of information to our shareholders. EEAL publishes its interim and annual results in local newspapers. The annual report and financial accounts are posted and e-mailed to all shareholders on an annual basis at least 21 days before the Annual General Meeting. The EEAL website also gives shareholders quick access to corporate information.

Board Changes

Following Mr. Naushad Merali's retirement as Director and Chairman after 22 years, we have welcomed to the Board Hon. Moody Awori who was appointed Director and Chairman of the EEAL in FY 2009. We are naturally delighted to have secured the services of Hon. Awori, a truly inspirational leader and we look to him for wise judgement and leadership. Hon. Awori brings in valuable additional expertise to the Board obtained from his service in other Boards and his years of service in the public service and we are confident that he will be of great value to us as we continue to pursue our strategy for growth and leadership in our industry.

It has been my privilege to have worked closely with Mr. Merali for the last 22 years. His natural leadership qualities and strategic thinking have all been key to EEAL's success over the years and I would like to thank him for the tremendous contribution he has made to EEAL and wish him all the best for the future. We thank him most sincerely.

Conclusion and Outlook

Some of the challenges that we faced in 2007/2008 will stay with us in 2008/2009. Whilst we cannot predict with precision what the next year will look like for our business, we do know that the environment in which we operate will continue to present new challenges and opportunities. Despite the short-term imperative to streamline the business to reduce costs and minimize the impacts of the downturn, we continue to manage the business for the longer term. EEAL will leverage its strengths in order to regain and sustain its share of the mass market, while at the same time continuing to venture into other markets and to diversify its products to guard against over reliance on the 'D' battery.

We are investing to grow our market leading position and we expect to see benefits continue to come through in the future. While it is too soon to suggest that this performance will continue for the full year, we are confident that 2008/09 will be a stronger year for EEAL. It seems likely that 2008-2009 will be a difficult year for large parts of the worlds economy, however provided that there is no major disruption of the trading environment, we look forward to a year of progress for the Company. I am confident that EEAL has the strategy, skills and resources that will enable us to anticipate and adapt quickly and effectively to the changes that our business faces. Above all, our determination to succeed will ensure that we will continue to stay focused on our mission to help you enjoy your world by delivering great products to our consumers and achieving business performance that creates enduring value for our shareholders. I commend the focus and hard work of EEAL's management, trade partners and employees, particularly their commitment and persistence in challenging the times.

Steven George Smith, Managing Director
January 31, 2009

Cautionary Statement

Some of the statements contained in this document constitute forward-looking statements. These statements involve risks and uncertainties that could cause actual results to differ materially from those described in such statements. Although EEAL believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Important factors, including changes in general economic, political and business conditions, actions of current and potential competitors, ability to attract new and retain existing customers, and other factors could cause actual results to differ materially from EEAL's expectations and these forward-looking statements.

Taarifa ya Mkurugenzi Mkuu

KWA KIPINDI CHA MWAKA KILICHOMALIZIKIA TAREHE 30 SEPTEMBA, 2008

Mswala kadha kutoka nje yaliufanya mwaka 2008 kuwa mwaka uliokuwa na changamoto nyingi kwa Kampuni ya EEAL. Biashara ilikabiliwa na baadhi ya changamoto kali zaidi katika historia ya Kampuni. Kwa bahati mbaya, changamoto hizi zilisababishwa na serikali. Hata hivyo, bila kujali changamoto hizi Kampuni iliwasilisha matokeo bora.

Fedha

Katika taarifa yangu ya mwisho nilisema kwamba tunachunguza kuwepo humu nchini kwa betri za kiwango cha 'D' za bei nafuu ambazo kufikia wakati tuliposhuku zilikuwa zinauzwa kwa bei ya chini na bila kulipiwa ushuru wa kuingizwa humu nchini. Tuligundua vile vile kwamba ni kweli Kampuni kadhaa za China ziliruhusiwa na serikali kuleta betri nchini bila kulipa ushuru na kwamba zaidi ya betri milioni 150 za bei rahisi ambazo ni za kiwango duni zilirundikwa katika soko la humu nchini. Betri zilizotengenezewa katika eneo la kutayarisha bidhaa za kuuzwa nje EPZ zilizonuiwa kuuzwa kwenye masoko ya nje pia zilijaa katika soko la humu nchini kabla ya kufikishwa kwenye masoko yaliyokusudiwa na kuuzwa kwa bei ya chini sana. Hali ilizidi kuwa mbaya zaidi kufuatia ghasia za baada ya uchaguzi zilizotatiza biashara katika maeneo makuu ya masoko ya Nyanza, Pwani, Magharibi na Rift Valley. Ukusanyaji mapato hivyo basi ulikabiliwa na shinikizo kali kutokana na vitendo nilivyovitaja vilivyosababisha kupungua kwa shilingi milioni Kshs. 457 katika mapato ikilinganishwa na mwaka uliotangulia na hasara ya shilingi milioni Kshs. 100 katika mapato. Ghasia za baada ya uchaguzi mbali na kutatiza biashara yetu katika masoko makuu ya Nyanza, Pwani, Magharibi na Rift Valley pia zilisababisha kupungua kwa thamani ya shilingi na kusababisha hasara zaidi ya shilingi milioni Kshs. 50 katika mapato.

Ili kupunguza athari za changamoto hizi katika biashara, Kampuni ya EEAL ilichukua hatua kadha za kupunguza gharama pamoja na kusimamisha baadhi ya shughuli zetu katika hatua ya kuratibu uwezo wetu katika hali ilivyo ya kibiashara. Hatua ya kusimamisha baadhi ya shughuli zetu iliwaathiri wafanykazi 36 waliostaafishwa na kuigharimu Kampuni ya EEAL shilingi milioni 36.5 mwaka huo. Usimamizi bora wa kikazi wa kuleta mapato kwa Kampuni uliwezesha kupatikana kwa mapato ya kuridhisha na kupunguza uombaji mikopo kwa shilingi milioni 216 sawa na asilimia 52 ikilinganishwa na mwaka 2007. Hii ilisaidia kurahisisha kupunguzwa kwa viwango vya matumizi na kupunguza shinikizzo za kifedha kwa Kampuni ya EEAL. Manufaa ya baadhi ya hatua hizi yanatarajiwa kupatikana mwaka 2009.

Kutokana na changamoto zilizoangaziwa pamoja na hatua zilizochukuliwa Kampuni ya EEAL ilipata faida ya shilingi milioni 27.9 kabla ya kutowa ushuru mwaka wa 2008 ikilinganishwa na shilingi milioni 179.5 mwaka uliotangulia.

Huku shilingi ikiendelea kupungua thamani na kusababisha ongezeko la gharama ya kuagiza bidhaa, bei ya zinc imepungua kwa asilimia 70 na hii imesaidia kupunguza ongezoko la gharama. Kampuni ya EEAL pia imefahamishwa kwamba mnamo mwezi Juni mwaka 2008, Halmashauri ya Ukusanyaji Ushuru nchini KRA ilifutilia mbali hatua ya kuzipatia idhini Kampuni za China kuleta betri humu nchini bila ya kutozwa ushuru, na wakati huo huo kuchapisha kiwango cha chini ya ushuru kwa betri zote zinazoletwa kutoka nje. KRA pia wakati huo huo ikaweka kiwango cha dhamana ya pesa kwa Kampuni zinazohudumu katika maeneo ya kutayarisha bidhaa za kuuzwa nje EPZ katika juhudi za kuhakikisha kwamba bidhaa zinazonuiwa kuuzwa nje zinafikishwa katika nchi zilizokusudiwa. Pia Halmashauri ya ukadiriaji Ubora wa bidhaa KEBS sasa imepata mtambo wa kukagua betri utakaowezesha kutambua viwango vya betri zote zinazouzwa katika soko la humu nchini. Kampuni ya EEAL ina nafasi nzuri ya kuchukua fursa ya hatua nilizogusia kupata nafasi yake ya soko na wakati huo huo kuendelea kutafuta masoko mengine na kuimarisha bidhaa mbali mbali.

Utengenezaji bidhaa

Tunaendelea kufuatilia shughuli ndogo za utengenezaji bidhaa na kuimarisha utendaji kazi kwa njia ifaayo katika shughuli zetu za utengenezaji bidhaa kupitia udumishaji na uboreshaji wa mitambo yetu, kutumia vifaa tulivyo navyo na kuendelea kuwapa mafunzo wafanyikazi wetu. Tulitumia shilingi milioni 36.8 kwa uimarishaji wa shughuli za utendaji kazi mwaka wa 2008 chini ya mradi wa kuboresha Kampuni ulioanza mwaka 2005 na tunatarajia kutumia shilingi milioni 50 zaidi kwa shughuli kama hizo mwaka 2009 ili kupunguza gharama zaidi.

Katika mwaka huo tuliendelea kurekebisha shughuli zetu na kupata gharama nyingine za shughuli za usimamizi ili kuratibu uwezo wetu wa utengenezaji bidhaa na kutimiza mahitaji ya soko letu. Kutokana na hayo tuliweza kudumisha gharama ya uzalishaji bidhaa katika kipindi cha mwaka uliopita licha ya kupungua kwa viwango vya uzalishaji bidhaa. Miradi ya kupunguza gharama iliyoanzishwa mwaka huo imeanza kuleta mafanikio kama ilivyoonekana mwanzo wa mwaka 2009.

Tunatazamia kutekeleza mradi mpya wa Patse mwaka 2009 kwani mradi huu hautapunguza tu athari za mazingira ya utendaji kazi wetu bali pia utasaidia kupunguza gharama za usimamizi wa mabaki ya bidhaa zetu.

Usalama ni muhimu sana katika Kampuni ya EEAL. Katika kipindi cha mwaka 2007/08 kiwango cha usalama kama ilivyokadiriwa kwa wafanyikazi na asilimia ya masaa yaliyopotezwa kiliendelea kuimarika. Tulikuwa na ajali moja kazini na

Taarifa ya Mkurugenzi Mkuu

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tunaendelea kuzingatia kuepusha ajali zote hasa ajali mbaya kazini ambazo huenda zikahatarisha maisha ya wafanyikazi na wanakandarasi.

Idara ya usalama wa afya na mazingira ya Kampuni ya EEAL huongoza mradi wa kudumisha maendeleo kote katika biashara yetu. Lengo letu ni kupunguza athari za kimazingira za shughuli zetu za utendaji kazi kwa kuzingatia kupunguza kawi, taka ngumu, maji taka na kupunguza gesi ya viwandani kwa kupunguza matumizi ya mafuta ya dizel na gesi. Kufaulu kwa mradi huu kuliwezesha kituo cha kitaifa cha usafi nchini kilichobuniwa na shirika la maendeleo la Umoja wa Mataifa UNDP na serikali kupitia Taasisi ya utafiti wa Viwandani na Maendeleo KIRDI kutuchagua kuwa washindi katika kupunguza taka ngumu, washindi katika afya na usalama kazini na vile vile kuwa washindi katika kupunguza maji taka kwenye Tuzo za kitaifa za usafi wa Kampuni za mwaka 2008.

Uuzaji na Masoko

Betri za kiwango cha 'D' ndizo bidhaa yetu inayonunuliwa sana na huuzwa katika masoko ya wateja wenye mapato ya chini na hivyo basi kuingizwa kwa bidhaa za hali duni zisizolipiwa ushuru kutoka China na bidhaa zinazotengenezwa kwenye maeneo ya EPZ ziliathiri uwezo wetu wa mashindano katika soko hili. Betri hizo zinazotengenezewa nchini China ziliitwa humu nchini bila kulipiwa ushuru na kuuzwa kwa bei ya chini kuliko gharama ya utengenezaji bidhaa ya Kampuni ya EEAL. Hali hii iliendelea kwa mwaka mzima na kuifanya Kampuni kukabiliwa na mashindano yasiyofaa yaliyoathiri uwezo wa kuuza bidhaa zake katika soko la humu nchini. Kadhalika, Kampuni ya EEAL licha ya kukabiliwa na ongezeko la gharama za uzalishaji bidhaa haikuongeza bei ya betri za kiwango cha 'D' kwani kufanya hivyo kungewafanya wateja kuepuka bidhaa hizo huku wakipata bidhaa duni za bei rahisi. Hali hii iliathiri mno uwezo wa Kampuni ya EEAL kupata mapato na kuimarisha uzalishaji wake. Hali hii ilizidishwa katika robo ya pili na ghasia za baada ya uchaguzi zilizokumba nchi hii mwisho wa mwezi Desemba na mapema mwezi Januari zilizosababisha masoko ya Kampuni ya EEAL katika mikoa ya Rift Valley, Pwani, Magharibi na Nairobi kutoweza kufikika. Tulitarajia kwamba kungekuwa na upungufu mkubwa kwenye mapato yetu ya mwaka na tukatoa tangazo la onyo kuhusu faida kwenye robo yetu ya pili. Kufikia kati kati ya mwaka, wasi wasi wetu ulidhihirika wakati tulipochapisha mapato ya nusu mwaka na kutangaza kupungua kwa asilimia 91 ya mapato ikilinganishwa na mwaka uliotangulia.

Katika kuzingatia mbinu maalum, Kampuni ya EEAL imefanya bajeti ya kuimarisha kampeni za matangazo kote nchini kwa gharama ya shilingi milioni 36 wakati wa nusu ya kwanza ya mwaka 2009 hasa kwa kuzingatia kuunganisha bidhaa za EVERAEDY kwa wateja, hivyo basi kuimarisha kuwepo kwake na kuzidisha ufahamu. Kampuni ya EEAL pia inatafuta nafasi katika masoko ndani na nje ya eneo la Afrika Mashariki. Tunatambua kwamba baadhi ya matatizo yanayotukabili katika soko hili yatajitokeza katika maeneo hayo na hivyo basi ili kukabiliana ipasavyo na changamoto hizo na kutambua na kutumia uwezo tulio nao katika eneo hili, Kampuni ya EEAL imechunguza mahitaji ya wafanyikazi wake na kuratibu idara ya uuzaji na masoko ili kuwa na mwelekeo zaidi na kuwajibikia mahitaji ya masoko. Mabadiliko haya yalihusisha kutenganishwa kwa masoko kutokana na uuzaji na kumteua meneja wa uuzaji aliyejitolea kutafuta nafasi zote zilizoko ili kupanua soko lake na kufikia eneo zima la Afrika Mashariki.

Kampuni ya EEAL inaendelea kufuatilia mbinu zitakazopanua biashara na kuhusiana na hayo itaendelea mbele kupanua bidhaa zake kwa kuanzisha laini mpya za uzalishaji bidhaa za hali ya juu. Inatarajiwa kwamba mabadiliko haya yataimarisha mno mapato ya Kampuni ya EEAL. Kuhusiana na hayo tunatarajia kuleta katika soko hili bidhaa mpya ya Platex mwaka ujao. Kampuni ya EEAL inawahimiza wanachama wake kupigia kura marekebisho ya bidhaa za Kampuni kama inavyoelezwa kwenye Ilani maalum iliyoko kwenye Ilani ya mkutano mkuu wa 41 wa kila mwaka wa Kampuni ili EEAL ichukue fursa hii na nyingine zilizoko kupata nafasi mpya za kibiashara humu nchini na katika eneo hili.

Wafanyikazi

Kampuni ya EEAL ilikuwa na wafanyikazi 338 kufikia mwisho wa mwaka 2008. Tunanuia kuwasilisha vifaa, mbinu na ufahamu na kuwapa ujuzi moja kwa moja wafanyikazi wenzetu ili kuendelea kuimarisha uwezo wao wa kiufundi na uwezo wa ushirikiano. Hivyo basi tunaendelea kutoa nafasi za mafunzo kwa wafanyikazi wetu humu nchini na katika maeneo mengine ya Kampuni ya Eveready Batteries Corporation EBC kote duniani. Tunaendelea kuwa na uhusiano na EBC inayoendelea kutupatia utaalam wa kiufundi ili kusaidia kuhamisha utaalam bora katika shughuli zetu.

Uchunguzi juu ya kuridhika kwa wafanyikazi unaonyesha kuimarika kwa hali hiyo katika sehemu zote zilizofanyiwa uchunguzi huo na kudhihirisha usimamizi bora wa hali ya juu katika biashara hiyo. Pia tunaendelea kuwasimamia wetu wetu ifaavyo ili kuhakikisha kuweko kwa uzalishaji wa kutosha. Changamoto zilizoshuhudiwa katika biashara hii mwaka uliopita zilihitaji uamuzi mgumu kufanywa. Tulirekebisha shughuli zetu kuambatana na hali ya biashara iliyokuweko iliyosababisha wafanyikazi 36 kustaafishwa. Lakini uamuzi huu mgumu ndio uliofaa kwa manufaa ya muda mrefu ya biashara hii. Kampuni itaendelea kuchunguza mahitaji ya wafanyikazi ili kudhihirisha hali ya soko na kuimarisha uzalishaji kutokana na miradi yake.

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Mashauri na chama hicho kwa mkataba mpya yalianza mwezi Julai mwaka huo na kwa wakati huu yanaendelea.

Jukumu la Kampuni kwa Jamii

Tunanuia kupanua biashara yetu kwa njia ya kuwajibika na kutegemewa. Mnamo mwaka 2008, Kampuni ya EEAL ilitumia zaidi ya shilingi milioni 2.8 kwa miradi ya kusaidia jamii. Kigezo muhimu kwa miradi hii ni kuwa inasaidia sana kuinua hali ya maisha ya wasio-bahatika katika jamii kwa kutilia mkazo watoto na kinamama na kwamba inaonekana, ina kipimo na inaweza kudumishwa. Kampuni ya EEAL inaendelea kujitolea kuleta mabadiliko katika jamii inayohudumia na kuendelea na shughuli zake.

Usimamizi na Maswala ya Kampuni

Halmashauri inaunga mkono mwongozo wa usimamizi wa Kampuni chini ya sheria ya Kampuni za umma humu nchini iliyotolewa na Halmashauri ya masoko ya Hisa CMA na inathibitisha kwamba Kampuni ya EEAL ilizingatia sheria hiyo mwaka wa 2006.

Halmashauri ina jukumu kwa wenye hisa kuisimamia vyema Kampuni. Uamuzi kuhusu maswala ya shughuli za Kampuni huwasilishwa kwa wasimamizi wakuu na Halmashauri hupokea taarifa zilizowasilishwa kutoka kwa Mameneja kuhusu maswala maalum. Kampuni ya ukaguzi wa hesabu ya KPMG huwa kama mkaguzi wa ndani wa hesabu wa Kampuni ya EEAL na hukutana na kamati ya ukaguzi wa hesabu mara nne kwa mwaka. Mwenyekiti wa Halmashauri hufanya mikutano tofauti na Mkurugenzi Mkuu kila mara na mikutano mingine isiyo rasmi na majadiliano hufanywa kati ya wakurugenzi kama inavyohitajika. Halmashauri hufanya mikutano minne kila mwaka na mikutano huenda ikaitishwa nyakati nyingine ikiwa muhimu. Maelezo zaidi kuhusu wakurugenzi wanaohudhuria mikutano ya Halmashauri na ile ya kamati ni kama ifuatavyo hapo chini.

Wakurugenzi	Halmashauri	Ukaguzi	Marupurupu na Uteuzi	Fedha na Hatari
Mhe. Moody Awori (Mwenyekiti)1	0 (ya 4)	-	-	-
Steven G. Smith	4 (ya 4)	4 (ya 4)	3 (ya 3)	3 (ya 3)
Akif H. Butt	4 (ya 4)	4 (ya 4)	-	-
ICDC (Isaac Mogaka)	4 (ya 4)	-	3 (ya 3)	2 (ya 3)
Susan Mudhune	4 (ya 4)	2 (ya 4)	3 (ya 3)	-
Henry Kiplagat	4 (ya 4)	-	-	-
Naushad Merali 2	4 (ya 4)	-	-	-
Centum Inv. Ltd (Peter Mwangi)3	2 (ya 4)	2 (ya 4)	-	-
Natarajan Radhakrishanan 4	2 (ya 4)	-	-	2 (ya 3)
Centum Inv. Ltd (Isaac Owino) 5	2 (ya 4)	1 (ya 4)	-	-
Fauzia Shah	4 (ya 4)	-	3 (ya 3)	-
Centum Inv. Ltd (James Mworia) 6	0 (ya 4)	-	-	-

1 *Aliteuliwa tarehe 5 Desemba 2008*
2 *Alijiuzulu tarehe 5 Desemba 2008*
3 *Alijiuzulu kwa zamu kwa Centum tarehe 15 Oktoba 2008*
4 *Alijiuzulu kwa zamu tarehe 30 Septemba 2008*
5 *Aliteuliwa kwa zamu kwa Centum tarehe 15 Oktoba 2008*
6 *Aliteuliwa kwa zamu kwa Centum tarehe 15 Desemba 2008*

Kuambatana na mwongozo wa Halmashauri ya CMA kuhusu habari muhimu za bei, Kampuni ya EEAL imefikia sera kuhusu habari za uhamasishaji juu ya bei, usiri unaozingatiwa na majadiliano na wanahabari, wawekezaji wa kitaasisi na wachanganuzi wa mambo. Kampuni ya EEAL inafuatilia kipindi maalum ambacho wafanyikazi na wakurugenzi hawaruhusiwi kujihusisha na hisa za Kampuni ya EEAL. Kipindi hicho maalum kinahusisha kipindi kati ya mwisho wa mwezi wa kila kipindi cha muda na kipindi cha matumizi ya pesa kinachomalizika na kuchapishwa kwa matokeo kwa vipindi kama hivyo. Pale inapofaa, kushughulikia hisa za Kampuni ya EEAL pia hakukubaliwi wakati wa vipindi hivyo maalum wakati shughuli kubwa zinapojadiliwa na tangazo kwa uuma kutarajiwa.

Wakurugenzi wasiokuwa wafanyikazi hulipwa ada za wakurugenzi kila robo mwaka baada ya idhini kutolewa wakati wa mkutano mkuu wa kila mwaka. Wakurugenzi hulipwa marupuru ya vikao kwa kila mkutano waliohudhuria na vile vile Kampuni hugharamia usafiri na malazi wanapohudumia Kampuni. Kampuni ya EEAL haitoi mikopo wala udhamini kwa wakurugenzi wake.

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Tumejitolea kutoa habari kila mara na kwa wakati ufaao kwa wenye hisa wetu. Kampuni ya EEAL huchapisha matokeo yake ya muda na kila mwaka katika magazeti ya humu nchini. Taarifa ya kila mwaka na ya uhasibu wa pesa hutumwa kwa barua na barua pepe kwa wenye hisa wote kila mwaka katika siku 21 kabla ya mkutano mkuu wa kila mwaka. Tovuti ya Kampuni ya EEAL pia huwapa wenye hisa fursa ya kupata habari kuhusu Kampuni.

Mabadiliko ya Wakurugenzi

Kufuatia kujiuzulu kwa Bw. Naushad Merali kama mkurugenzi na mwenyekiti baada ya kuhudumu kwa miaka 22, tumemkaribisha kwenye Halmashauri Mhe. Moody Awori aliyeteuliwa kuwa Mkurugenzi na Mwenyekiti wa Kampuni ya EEAL mwaka 2009.Tunafurahia kupata huduma za Mhe. Moody Awori, aliye kiongozi wa kuigwa na wengi na tunatarajia uamuzi na uongozi wa busara kutoka kwake. Mhe. Moody Awori ataongezea utaalam muhimu kwa Halmashauri aliopata kutokana na huduma zake katika Halmashauri nyingine na miaka ya kuhudumu kwake katika utumishi wa umma na tuna imani kwamba atakuwa wa thamani kubwa kwetu tunapoendelea kufuatilia maono yetu ya ukuaji na uongozi katika sekta yetu.

Imekuwa fursa kubwa kwangu kufanya kazi kwa karibu na Bw. Merali kwa muda wa miaka 22. Ujuzi wa uongozi alio nao na mawazo ya kimaono yamekuwa mambo muhimu kwa ufanisi wa Kampuni ya EEAL katika miaka iliyopita na ningependa kumshukuru kwa mchango wake mkubwa aliofanywa kwa Kampuni hii na namtakia mema kwa siku zijazo. Tunamshukuru kwa dhati.

Mwisho na Mtazamo

Baadhi ya changamoto tulizokumbana nazo katika kipindi cha mwaka 2007/2008 tutaendelea kuwa nazo katika kipindi cha mwaka 2008/2009. Huku ikiwa hatuwezi kutabiri hali itakavyokuwa mwaka ujao katika biashara yetu, tunafahamu kwamba mazingira tunayofanyakazi yataendelea kuwakilisha changamoto na nafasi mpya za kibiashara. Licha ya hatua za muda mfupi za kuratibu biashara yetu ili kupunguza gharama na athari za kuzorota kwa biashara, tunaendelea kusimamia biashara hii kwa muda mrefu. Kampuni ya EEAL itapima uwezo wake ili kurejesha na kudumisha nafasi yake katika soko na wakati huo huo, kuendelea kutafuta masoko mengine na kuimarisha bidhaa nyingine zaidi ili kuondoa utegemeaji wa betri za kiwango cha 'D'.

Tunawekeza ili kukuza kiwango cha biashara yetu na tunatarajia kuona manufaa yakiendelea kuja katika siku zijazo. Huku ikiwa ni mapema mno kupendekeza kwamba matokeo haya yataendelea kwa mwaka mzima, tuna imani kwamba kipindi cha mwaka 2008/2009 kitakuwa chenye nguvu kwa Kampuni ya EEAL. Inaonekana kwamba kipindi cha mwaka 2008/2009 kitakuwa kigumu kwa chumi za nchi nyingi duniani, hata hivyo ikizingatiwa kwamba hakuna msukosuko wa mazingira ya kibiashara, hivyo basi tunatazamia mwaka wa mafanikio kwa Kampuni. Nina imani kwamba Kampuni ya EEAL ina mbinu, ujuzi na rasilmali zitakazotuwezesha kutarajia na kufikia haraka na ifaavyo mabadiliko yanayokabili biashara yetu. Kwa hayo yote, ari yetu ya kufaulu itahakikisha kwamba tunaendelea kuzingatia maono yetu ili kukusaidia ufurahie ulimwengu wako kwa kuwapa wateja wetu bidhaa bora za hali ya juu na kufikia matokeo bora zaidi ya kibiashara yatakayoleta thamani kwa wenye hisa wetu. Ninapongeza maono na bidii ya wasimamizi wa Kampuni ya EEAL, washirika wa kibiashara na wafanyikazi hasa kwa kujitolea kwao na ukakamavu wakati wa hali ngumu.

Steven George Smith, Mkurugenzi Mkuu
Tarehe 31 Januari 2008.

Onyo

Baadhi ya taarifa zilizomo kwenye stakabadhi hii zinajumuisha taarifa za mtazamo wa siku zijazo. Taarifa hizi zinahusu hatari na hali inayoweza kusababisha matokeo halisi na kuwa tofuati kabisa na hali zilizotajwa kwenye taarifa kama hizo. Ingawa Kampuni ya EEAL inaamini kwamba matarajio yaliyoelezewa katika taarifa hizo za mtazamo wa siku zijazo yana umuhimu, haiwezi kutoa hakikisho kwamba matarajio hayo yatathibitisha kuwa ukweli. Maswala muhimu ni pamoja na mabadiliko ya ujumla ya kiuchumi, kisiasa na hali ya kibiashara, hatua za wakati huu na washindani muhimu, uwezo wa kuvutia wateja wapya na kudumisha walioko, na maswala mengine huenda yakasababisha matokea hayo kutofautiana na matarajio ya Kampuni ya EEAL na taarifa hizi za mtazamo wa siku zijazo.

Board of Directors

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From left to right:

James Mworia
Mr. Mworia is the Chief Executive Officer of Centum Investment Company Limited (Centum) and represents the interests of Centum in the Board. James is a private equity investment management professional and prior to joining Centum he was the Head of Investments at TransCentury Limited. He is a CFA Charter holder, an Advocate of the High Court of Kenya, a Certified Public Accountant and a Chartered Management Accountant. He is a member of the CFA institute, Institute of Certified Public Accountants of Kenya, Law Society of Kenya and the Chartered Institute of Management Accountants. **30**

Fauzia B. Shah
Ms. Shah holds a Bachelor of Laws Degree and is an advocate of the High Court of Kenya with over 20 years experience in corporate and commercial matters. Fauzia is also a Certified Public Secretary with over 15 years experience in Company secretarial matters. She is currently employed by the Sameer Group as Company Secretary and in-house Counsel. **45**

Isaac B. Mogaka
Mr. Mogaka represents Industrial & Commercial Development Corporation (ICDC) in the Board. He holds a Bachelor of Laws degree from the University of Nairobi. Isaac is an Advocate of the High Court of Kenya, a member of the Institute of Certified Public Secretaries (K) and an Associate Member of the Chartered Institute of Arbitrators. Isaac is currently the Executive Director of ICDC. Prior to his appointment as the Executive Director, he served as the Corporation Secretary of ICDC for 12 years and as the Company Secretary of several ICDC subsidiary/associate Companies. **51**

Moody A. Awori - Board Chairman
Hon. Awori has had a distinguished career in both government and the private sector. He was the immediate former Vice President of Kenya and a Minister for Home Affairs in President Kibaki's government and also served as a member

Board of Directors

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of parliament for Funyula Constituency in Western Kenya. Hon. Awori is renowned for his passionate involvement in social and security work in Kenya for over 40 years. He is the current Chairman of the Association for the Physically Disabled of Kenya, a position he has held for the last 41 years. He is the Chairman of various well known companies including Macmillan Publishers, Securicor, Marena Tiles, Mocian, The Da Gama Rose Group and others. **81**

Steven G. Smith - Managing Director
Mr. Smith holds a Bachelor of Science degree in Industrial Technology from East Carolina University, Greenvile, North Carolina, USA. Steven has over 35 years experience in the Eveready Battery Company (EBC) starting as a production supervisor and rising through various managerial position. Steven has worked with EEAL since 1998 as the Managing Director. **57**

Henry K. Kiplangat
Mr. Kiplagat holds a Bachelor of Arts degree and a Master of Arts degree in Education from the University of Lancaster, United Kingdom. Henry currently serves as the Chief Principal of Moi High School, Kabarak and is also the Chairman of Moi Primary School, Kabarak. Henry is a member of the Kabarak University Governing Council and a Trainer of trainers at the Kenya Education Staff Institute (KESI). Henry is a recipient of the Order of the Grand Warrior which was awarded to him by the Retired President Daniel Arap Moi in recognition of his service in the education sector in Kenya. **41**

Susan Mudhune
Ms. Mudhune holds a Bachelor of Arts degree and an MBA from the University of Nairobi. She is a member of the Kenya Institute of Directors and the immediate former Chairman of the Kenya Commercial Bank (KCB) Group. Prior to joining KCB, Susan worked in various management positions in the local banking industry for over 20 years. In addition, she serves as the National Chairman of the Kenya Girl Guides Association. In recognition of her outstanding achievements, the Kenya Institute of Bankers (KIB) awarded her Fellow of the Institute of Kenyan bankers in December 2003. **58**

Akif H. Butt
Mr. Butt is a fellow of the Association of Chartered Certified Accountants (ACCA) and a Certified Public Accountant (CPA) and has over 25 years experience in financial management, corporate planning and strategic management. Akif initially trained and worked with PricewaterhouseCoopers in Kenya and the East African Region, Liberia and England. He joined the Sameer Group in 1989 and currently holds the position of Finance Director. He represents the interests of the Sameer Group on the board of various companies. **50**

Executive Team

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

From left to right:

Jackson Mutua, *Head of Finance*
Narmin Kassam, *Head of Human Resources & Administration*
David Kinuthia, *Export Sales Manager*
Steven Smith, *Managing Director*
Fattah Bahig, *Plant Manager*
Anthony Muhindi, *Head of Domestic Sales*
Margaret Odhiambo, *Legal Relations Manager*

Shareholding Structure

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

Top 10 Shareholders

Shareholder	No. of Shares	% Shareholding
East Africa Batteries Limited	73,806,929	35.15
Industrial and Commercial Development Cooperation	36,583,575	17.42
Energizer International Inc.	22,061,559	10.51
Stanbic Nominees Kenya Ltd A/C ICDCI	8,419,023	4.01
CFCFS Nominees Ltd A/C 210	1,101,800	0.52
Kibirichia Stores Limited	860,100	0.41
Secumatt A/C Eveready	567,900	0.27
Denroma Investment Limited	413,600	0.20
Johnson Mwangi Gitari	365,300	0.17
Amirali Husenalli Nathu	302,100	0.14
Others	65,518,114	31.20
Total	**210,000,000**	**100**

There were no holders of any other class of shares other than ordinary shares of the Company listed above in the period under review.

Distribution of Shareholding

Shareholding	No. of Shareholders	No. of Shares Held	Percentage Shareholding
No. of Shares			
Below 500	124,523	26,103,119	12.43
501 - 5,000	12,374	17,711,350	8.43
5,001 – 10,000	719	5,119,733	2.44
10,001 – 50,000	466	8,570,712	4.08
50,001 – 100,000	49	3,474,100	1.65
100,001 – 1,000,000	33	7,048,100	3.36
Above 1,000,000	5	141,972,886	67.61
Total	**138,169**	**210,000,000**	**100**

Based on the share register as at January 13, 2009

Corporate Information

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

DIRECTORS
Mr. N. Merali - Chairman (resigned on December 5, 2008)
Mr. S.G. Smith - Managing Director
Mr. A. H. Butt
Mr. N. Radhakrishnan (resigned on September 30, 2008)
Industrial & Commercial Development
Corporation (ICDC)
Centum Investment Company Limited
Ms. S. Mudhune
Mr. H. K. Kiplangat
Ms. F. B. Shah

SHARE REGISTRARS
Image Registrars
Transnational House, Mama Ngina Street
P.O. Box 9287-00100
Nairobi

AUDIT COMMITTEE
Mr. P. Mwangi (Alternate Centum) - Chair
Ms. S. Mudhune
Mr. A. H. Butt

ADVOCATES
Kaplan & Stratton, Advocates
Williamson House, Ngong Avenue
P.O. Box 40111-00100
Nairobi

Mukite Musangi & Company, Advocates
Seguton Building, Kenyatta Avenue
P.O. Box 149-20100
Nakuru

REMUNERATION AND NOMINATION COMMITTEE
Ms. S. Mudhune - Chair
Mr. I. Mogaka - (Alternate ICDC)
Ms. F. B. Shah

FINANCE AND RISK COMMITTEE
Mr. N. Radhakrishnan - Chair
Mr. I. Mogaka - (Alternate ICDC)
Mr. H. Kiplangat

SECRETARY & Company REGISTERED OFFICE
Mr. I. A. Timamy
Standard Building, Wabera Street
P.O. Box 44765-00100
Nairobi

AUDITORS & TAX ADVISORS
DCDM Associates
Certified Public Accountants
P. O. Box 10032-00100
Nairobi

BANKERS
Commercial Bank of Africa Limited
Barclays Bank of Kenya Limited
CITIBANK N.A

Report of the Directors

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

The directors submit their report together with the audited financial statements for the year ended September 30, 2008, which disclose the state of affairs of the Company.

PRINCIPAL ACTIVITIES

The principal activities of the Company are manufacturing and selling of Eveready dry cells "D" size batteries in East Africa and trading in an assortment of imported Eveready flashlights, batteries, razors and accessories.

RESULTS AND DIVIDEND

The net profit for the year of KShs.17,840,000 (2007: KShs. 126,408,000) has been added to retained earnings. A final dividend for 2007 amounting to KShs.94,500,000 was paid during the year (2007: KShs. 126.000,000).

DIRECTORS

The present membership of the board is set out on Page 13 and 14.

AUDITORS

The Company's auditors, DCDM Associates, express their willingness to continue in office in accordance with Section 159(2) of the Companies Act.

By order of the Board

Issa Timamy, Company Secretary
December 9, 2008

Statement of Directors' Responsibilities

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

The Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Steven G. Smith, Director
December 9, 2008

Akif H. Butt, Director
December 9, 2008

Report of the Independent Auditors

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

DCDM Associates

This report is made solely to the members of EVEREADY EAST AFRICA LIMITED (the "Company"), as a body, in accordance with Section 159 of the Companies Act (CAP 486). Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of EVEREADY EAST AFRICA LIMITED set out on pages 21 to 39 which comprise the balance sheet at September 30, 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

1. Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Kenyan Companies Act. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

2. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Opinion

In our opinion, the financial statements on pages 21 to 39 give a true and fair view of the financial position of the Company at September 30, 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Kenyan Companies Act.

4. Report on Other Legal and Regulatory Requirements

As required by the Kenyan Companies Act we report to you, based on our audit, that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and

iii) the financial statements of the Company are in agreement with the books of account.

DCDM Associates, Certified Public Accountants
December 9, 2008

Income Statement

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

	Notes	2008	2007
		Shs'000	Shs'000
Sales		1,774,675	2,232,143
Cost of sales		(1,336,590)	(1,669,303)
Gross profit		438,085	562,840
Other operating income		5,396	8,285
Selling expenses		(80,510)	(94,822)
Other expenses		(287,954)	(288,323)
Operating profit	6	75,017	187,980
Finance costs	8	(47,162)	(8,475)
Profit before income tax		27,855	179,505
Income tax expense	9	(10,015)	(53,097)
Profit for the year		17,840	126,408
Earnings per Share attributable to the equity holders of the Company (Shs. per share)			
Basic	10	0.085	0.602
Diluted	10	0.085	0.602
Dividends:			
Interim dividend paid	11	-	-
Final dividend proposed	11	-	94,500
		-	94,500

Balance Sheet

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

	Notes	2008	2007
		Shs'000	Shs'000
CAPITAL EMPLOYED			
Share capital	12	210,000	210,000
Retained earnings		156,425	138,585
Proposed dividends	11	-	94,500
Shareholders' funds		366,425	443,085
Non-current liabilities			
Provision for liabilities and charges	22	82,800	92,900
Hire purchase liabilities	13	3,965	8,857
		86,765	101,757
		453,190	544,842
REPRESENTED BY			
Non-current assets			
Property, plant and equipment	16	180,837	162,234
Prepaid operating lease rentals	17	219	223
Deferred tax	14	14,222	15,438
Retirement benefit asset	15	3,937	6,143
		199,215	184,038
Current assets			
Inventories	18	400,049	793,647
Receivables	19	189,050	174,769
Current income tax receivable	9	13,184	21,974
Cash and bank balances	20	35,831	14,889
		638,114	1,005,279
Current liabilities			
Payables and accrued expenses	21	183,766	228,165
Borrowings	13	195,487	411,970
Hire purchase liabilities	13	4,886	4,340
		384,139	644,475
Net current assets		253,975	360,804
		453,190	544,842

The financial statements on pages 21 to 39 were approved for issue by the Board of Directors on December 5, 2008 and signed on its behalf by:

Steven G. Smith, Director **Akif H. Butt,** Director

Statement of Changes in Equity

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

	Notes	Share capital	Retained earnings	Dividends	Total
		Shs'000	Shs'000	Shs'000	Shs'000
Year ended 30 September 2007					
At start of period		210,000	106,677	126,000	**442,677**
Profit for the period		-	126,408	-	**126,408**
Dividend proposed	11	-	(94,500)	94,500	**-**
Dividends paid in the year	11	-	-	(126,000)	**(126,000)**
At end of year		**210,000**	**138,585**	**94,500**	**443,085**
Year ended 30 September 2008					
At start of period		210,000	138,585	94,500	**443,085**
Profit for the period		-	17,840	-	**17,840**
Dividends paid in the year	11	-	-	(94,500)	**(94,500)**
At end of year		**210,000**	**156,425**	**-**	**366,425**

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

	Notes	2008	2007
		Shs'000	**Shs'000**
Operating activities			
Cash generated from/ (utilised in) operations	25	**410,945**	(37,334)
Interest received		**64**	138
Interest paid		**(34,892)**	(30,020)
Income tax paid		**(9)**	(65,086)
Net cash generated from operating activities		**376,108**	(132,302)
Investing activities			
Purchase of property, plant and equipment	16	**(44,044)**	(45,478)
Proceeds from disposal of property, plant and equipment		**4,207**	6,969
Net cash used in investing activities		**(39,837)**	(38,509)
Financing activities			
Proceeds from borrowings		**-**	14,047
Repayments of borrowings		**(4,346)**	(850)
Dividends paid		**(94,500)**	(126,000)
Net cash used in financing activities		**(98,846)**	(112,803)
Increase/(decrease) in cash and cash equivalents		**237,425**	(283,614)
Movement in cash and cash equivalents			
At start of year		**(397,081)**	(113,467)
Increase/(decrease)		**237,425**	(283,614)
At end of year	20	**(159,656)**	(397,081)

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

1 General information

Eveready East Africa Limited is incorporated in Kenya under the Companies Act and is domiciled in Kenya. The financial statements were authorised for issue by the board of directors on December 5, 2008.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS). The financial statements arepresentedin the functional currency, Kenya Shillings (Shs), rounded to the nearest thousand, and prepared under the historical cost convention as modified bythe revaluation of certain property and equipment.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or whereassumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Interpretations effective in 2008 but not relevant to the Company

The following interpretations to accounting standards became effective in 2008, but are not relevant to the Company's operations
~ IFRIC 12 - Service Concession Arrangements
~ IFRIC,13 - Customer Loyalty Programmes
~ IFRIC,16 - Hedges of a Net Investment in a Foreign Operation

Standards, interpretations and amendments to published standards that are not yet effective

There are a number of amendments to existing standards, new standards and interpretations that will be mandatory for the Company's accounting periods beginning on or after 1 January 2008, but which the Company has elected not to adopt early.

The Directors have assessed the relevance of these amendments and interpretations with respect to the Company's operations and concluded that they are not relevant to the Company except for the following, which will be adopted in accordance with the stipulated effective dates:
~ IFRIC 14 - IAS 19 - The limit on a defined benefit asset - for annual periods starting on or after 1 January 2008
~ IAS 23 - Borrowing Costs (revised) - from 1 January, 2009
~ IAS 36 - Impairment of assets - from 1 January 2009
~ IAS 38 - Intangible assets - from 1 January 2009

(b) Revenue recognition

Sales of goods are recognised in the period in which the Company delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

Revenue represents the fair value of the consideration receivable for sales of goods and services, and is stated net of value - added tax (VAT), rebates and discounts.

Interest income is recognised as it accrues, unless collectibility is in doubt.

(c) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into the functional currency, Kenya Shillings, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

(d) Property, plant and equipment

All categories of property, plant and equipment are recorded at historical cost less depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight line method to write down their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	25 - 30 years
Plant and machinery	15 years
Motor vehicles	3 years
Computers	3 years
Furniture and fittings	6 years

Freehold land is not depreciated as it is deemed to have an indefinite life

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

(e) Accounting for leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where the Company bears substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) method for manufactured goods and weighted average for imported finished goods. The cost of manufactured finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(g) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the present value of expected cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit and loss account.

(h) Employee benefits

(i) Retirement benefit obligations

The Company operates a defined benefit scheme for the majority of its non-unionised employees and a defined contribution retirement benefit scheme for the rest of its non unionised employees. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity.

The assets of both schemes are held in separate trustee administered funds, which are funded by contributions from both the Company and employees. The Company and all its employees also contribute to the National Social Security Fund, which is a defined contribution scheme.

For the defined benefit scheme, the pension costs are assessed using the "Projected Unit Credit" method. Under this method, the cost of providing pensions is charged to the profit and loss account so as to spread the regular cost over the service lives of the employees. This is done based on advice received from the actuaries who carry out a full valuation of the plan every three years. The Company's contributions to the defined contribution scheme are charged to the profit and loss account in the year to which they relate. The Company has no further obligation once the contributions have been paid.

The liability recognised in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses are recognised over the remaining service lives of the employees.

(ii) Other entitlements

The Company operates an unfunded gratuity scheme for its unionised employees, under which lump sum payments are paid on retirement due to age, medical, termination of service and redundancy. The gratuity payable is dependent on the number of completed years of service by the employee.

The liability recognised in the balance sheet and the Company contributions are assessed using the projected unit credit method. The notional contributions are charged to the profit and loss account in the year to which they relate.

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognised as an expense accrual.

(i) Income tax

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Kenyan Income Tax Act.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates enacted or substantively enacted at the balance sheetdate and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

(j) Dividends
Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

(k) Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(l) Segment reporting
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operatingin other economic environments.

3 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks, including credit risk and the effects of foreign currency exchange rates and interest rates. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Finance department identifies, evaluates and hedges financial risks.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Market risk

(i) Foreign exchange risk

The Company closely monitors foreign exchange rates. Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant foreign currencies. Foreign currency letters of credit facilities are also used to manage foreign currency fluctuations. Management also considers whether foreign exchange hedges should be undertaken when exchange rate fluctuations are more volatile than normal.

The Company's main currency risk arises from a depreciation of the Kenya Shilling against the US Dollar or the Euro since the Company has significant liabilities that are denominated in US Dollars or Euros.

For the year ended 30 September 2008, if the Kenya Shilling weakened/(strengthened) by 1% against the US Dollar or the Euro, with all other variables held constant, the post-tax profit for the year would have been lower (higher) as stated below, mainly as a result of foreign currency purchases and creditors.

US Dollar	~ Shs. 1,760,525 lower/(higher)	(2007: Shs. 1,899,361 lower/(higher))
Euro	~ Shs. 136,465 lower/(higher)	(2007: Shs. 245,467 lower/(higher))
GB Pound	~ Shs. 116,332 lower/(higher)	(2007: Shs. 163,589 lower/(higher))

(ii) Cash flow and fair value interest rate risk

As the Company has no significant interest bearing assets, its income and operating cash flows are independent of changes in market interest rates.

The Company's interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

At 30 September 2008, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been Shs. 244,240 (2007: Shs. 210,140) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

The Company monitors its interest rate exposure regularly, taking into account alternative financing options to ensure that optimum interest rates are obtained and that the risk borne is reasonable.

Notes to the Financial Statements

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, as well as trade and other receivables. The Company does not have any significant concentrations of credit risk. The Company's customers comprise mainly of contracted distributors and the main retail supermarkets. The Company's policies require that each customer's credit limit be supported by a bank guarantee; any excesses above the credit limit are assessed on a case by case basis, and usually requires approval by the Managing Director. Individual risk limits are set based on a customer's financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and the current economic environment.

The amount that best represents the Company's exposure to credit risk as at 30 September 2008 is madeup as follows:

	2008 Shs'000	2007 Shs'000
Cash and cash equivalents	**35,831**	14,889
Trade receivables	**168,096**	160,973
Other receivables	**20,954**	13,796
	224,881	189,658

No collateral is held for any of the above assets. All receivables that are neither past due or impaired are within their approved credit limits, and no such receivables have had their terms renegotiated.

None of the above assets are past due or impaired except for the following amounts in trade receivables (which are due within 30 days of the end of the month in which they are invoiced):

	2008 Shs'000	2007 Shs'000
Past due but not impaired:		
~ by up to 30 days	**118,077**	134,696
~ by 31 to 60 days	**41,574**	20,292
~ by 61 to 90 days	**12,934**	11,770
Total past due but not impaired	**172,585**	166,758
Impaired	**4,489**	5,785

All receivables past due by more than 90 days are considered to be impaired, and are carried at their estimated recoverable value.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the Company's business, the finance department maintains flexibility in funding by maintaining availability under committed credit lines.Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cashflows.

The table below analyses the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

	Less than 1 year Shs'000	Between 1 & 2 years Shs'000	Between 2 & 5 years Shs'000	Over 5 years Shs'000
At 30 September 2008:				
Borrowings	200,373	3,965	-	-
Trade & other payables	183,766	-	-	-
Gratuity payable	-	-	-	82,800
	384,139	3,965	-	82,800
At 30 September 2007:				
Borrowings	416,310	8,857	-	-
Trade & other payables	228,165	-	-	-
Gratuity payable	-	-	-	92,900
	644,475	8,857	-	92,900

(d) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structureto reduce the cost of capital.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

The gearing ratios at 30 September 2008 and 2007 were as follows:

	2008 Shs'000	2007 Shs'000
Total borrowings	**204,338**	425,167
Less: cash & cash equivalents	**(35,831)**	(14,889)
Net debt	**168,507**	410,278
Total equity	**366,425**	443,085
Total capital	**534,932**	853,363
Gearing ratio	**32%**	**48%**

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

Retirement benefit obligations

Critical assumptions are made by the actuary in determining the present value of retirement benefit obligations These assumptions are set out in Note 15 and 22.

Property, plant and equipment

Critical estimates are made by the directors in determining depreciation rates for property, plant and equipment. The rates used are set out in Note 2(d) above.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

Income taxes
Significant judgement is required in determining the Company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(ii) Critical judgements in applying the entity's accounting policies
In the process of applying the Company's accounting policies, management has made judgements in determining:
~ the classification of leases
~ the useful lives of, or expected pattern of consumption of the future economic benefits embodied in depreciable assets
~ whether assets are impaired
~ the value of deferred tax asset recognised
~ provision for bad and doubtful debts
~ provision for stock obsolescence

5. Segmental information

The directors regard all Company activities as relating to the manufacture and sale of dry cell "D-size"batteries and related imported products in East Africa. Sales outside of Kenya form less than 20% of the total sales. Segmental reporting is therefore not considered to be of material value to the financial statement users.

6. Operating profit

	2008 Shs'000	2007 Shs'000
The following items have been charged/(credited) in arriving at operating profit:		
Depreciation on owned property, plant and equipment (Note 16)	**20,400**	21,037
Depreciation on assets held under finance lease (Note 16)	**4,682**	1,159
Operating lease rentals expensed	**3,469**	3,395
Employee benefits expense (Note 7)	**351,477**	364,314
Profit on sale of plant and equipment	**(3,847)**	(6,674)
Amortisation of prepaid lease rentals	**4**	4
Auditors' remuneration:		
~ year end audit	**650**	650

The decline in operating profit is attributable mainly to external factors. Both the effect of the post election violence and unfair competition from Chinese imports were contributory factors.

7. Employee benefits expense

	2008 Shs'000	2007 Shs'000
The following items are included within employee benefits expense:		
Retirement benefits costs:		
- Defined contribution scheme	**7,470**	7,003
- Defined benefit scheme (Note 15)	**379**	429
- National Social Security Fund	**871**	1,194

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

8. Finance costs

	2008 Shs'000	2007 Shs'000
Interest expense	(34,892)	(30,020)
Interest income	64	138
Net foreign exchange (losses)/ gains	(12,334)	21,407
	(12,270)	21,545
Net finance costs	(47,162)	(8,475)

9. Income tax

Balance sheet:

	2008 Shs'000	2007 Shs'000
Balance at October 1	21,974	1,050
Corporation tax charge for the year	(9,003)	(44,206)
Over provision in prior year	204	43
Payment of instalment taxes during the year	9	65,087
Balance at December 31	13,184	21,974

	2008 Shs'000	2007 Shs'000
Income statement		
Current income tax	9,003	44,206
Deferred income tax (Note 14)	1,216	8,934
Over provision of current income tax in the prior years	(204)	(43)
Income tax expense	10,015	53,097

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2008 Shs'000	2007 Shs'000
Profit before income tax	27,855	179,505
Tax calculated at the statutory income tax rate of 25% (2007 - 25%)	6,964	44,876
Tax effect of:		
Income not subject to tax	(2,582)	(1,723)
Expenses not deductible for tax purposes	5,429	9,987
Over provision of current tax in prior year	204	(43)
Income tax expense	10,015	53,097

10. Earnings per share (basic and diluted)

Basic earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, in accordance with IAS 33, Earnings per share.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

	2008	2007
Profit attributable to equity holders of the Company(Shs '000)	**17,840**	126,408
Weighted average number of ordinary shares in issue (thousands)	**210,000**	210,000
Basic EPS (Shs per share)	**0.085**	0.602
Diluted EPS	**0.085**	0.602

11. Dividends per share

No final dividend is proposed for the year ended 30 September 2008 (2007: 45 cents per share amounting to a total of Shs. 94,500,000). No interim dividend was paid during the year (2007: Nil).

Proposed dividends are accounted for as a separate component of equity until they have been ratified at an annual general meeting.

Payment of dividends is subject to withholding tax at a rate of 10% for non-resident shareholders. No withholding tax is charged to local shareholders consisting of companies that hold more than 12.5% of the total shareholding or are exempt.

12. Share capital

	Number of shares (Thousands)	Par Value Shs	Ordinary shares Shs'000
Authorised, issued and fully paid up ordinary share capital			
Balance at 1 October 2007	210,000	1	**210,000**
Balance at 30 September 2008	210,000	1	**210,000**

13. Borrowings

	2008 Shs'000	2007 Shs'000
a) Short term bank loans and bank overdrafts		
Short-term bank loans	**-**	139,027
Bank overdrafts	**195,487**	272,943
	195,487	411,970

Borrowings are secured by a debenture over all the assets of the Company. The weighted average effective interest rate on the short-term loans and bank overdraft at the period end was 11.09% (2007: 9.73%). The borrowing facilities are renewable annually. They expire within 1 year and are subject to review at various dates during the year 2008.

b) Hire purchase liabilities	2008 Principal Shs'000	2008 Gross (including interest) Shs'000	2007 Principal Shs'000	2007 Gross (including interest) Shs'000
HP Liability				
Current : Due within one year	**4 ,886**	**5,629**	4 ,340	5 ,790
Non - Current : Due after more than one year	**3 ,965**	**4,235**	8 ,857	9 ,864
	8,851	**9,864**	13,197	15,654

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

The hire purchase facilities were obtained for the purchase of motor vehicles. They have fixed repayment terms and are secured by a charge over the asset financed. The average interest charged on these facilities is 6.8% per annum.

14. Deferred income tax

Deferred income tax is calculated using the enacted income tax rate of 25% (2007: 25%). The movement on the deferred income tax account is as follows:

	2008 Shs'000	2007 Shs'000
At start of year	**15,438**	24,372
Charge to profit and loss account (Note 9)	**(1,216)**	(8,934)
At end of year	**14,222**	15,438

Deferred income tax assets and liabilities, deferred income tax charge/(credit) in the profit and loss account, and deferred income tax charge/(credit) in equity are attributable to the following items:

	Oct 1, 2007 Shs'000	Charged/ (credited) to P/L Shs'000	Sep 30,2008 Shs'000
Deferred income tax liabilities			
Property, plant and equipment	11,972	(1,363)	**10,609**
	11,972	(1,363)	**10,609**
Deferred income tax assets			
Provisions	(27,403)	3,136	**(24,267)**
Unrealised exchange (losses)	(7)	(557)	**(564)**
	(27,410)	2,579	**(24,831)**
Net deferred income tax asset	(15,438)	1,216	**(14,222)**

15. Retirement benefit obligations

(i) Defined benefit scheme

The amounts recognised in the balance sheet are determined as follows:

	2008 Shs'000	2007 Shs'000
Present value of funded obligations	(91,512)	(91,738)
Fair value of scheme assets	78,501	63,897
Net under funding	(13,011)	(27,841)
Unrecognised actuarial gains	16,948	33,984
Asset in the balance sheet	3,937	6,143

The defined benefit scheme has been closed to future accrual of benefits with effect from 1 October 2006 for members except those within 5 years of retirement. Past service benefits remain intact with the Company meeting any under funding through either cash injection and better investment returns on the scheme assets, over a period of 3 years commencing 1 October 2006. Future service benefits for all nonunionised employees will be through the defined contribution scheme.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

The amounts recognised in the income statement for the year are as follows:

	2008 Shs'000	2007 Shs'000
Current service cost	218	68
Interest cost	8,788	9,364
Expected return on scheme assets	(7,331)	(7,164)
Net actuarial losses recognised in the year	774	1,411
Gain on curtailments and settlements	-	(660)
Underprovision in prior year	-	2,129
Net charge for the year included in staff costs	2,449	5,148
Movement in the asset in the balance sheet	2,206	5,478

The actual return on scheme assets was Shs. 9,032,000 (2007: Shs 7,345,000).
The principal actuarial assumptions used were as follows:

	2008	2007
- discount rate	10%	10%
- expected rate of return on scheme assets	10%	10%
- future salary increases	7%	7%
- future pension increases	0%	0%

(ii) Defined contribution scheme

Following the closure of the defined benefit scheme (note 15 (i)) the Company commenced contributions to a defined contribution scheme for all its non-unionised employees recruited from 1 October 2005. With effect from 1 October 2006, other non-unionised employees from the defined benefit scheme except those within 5 years of retirement have migrated to the defined contribution scheme. For the year ended 30 September 2008, the Company contributed Shs 7,470,000 (2007: Shs 7,003,000), which has been charged to the profit and loss account.

The Company also makes contribution to a statutory provident fund, the National Social Security Fund. Contributions are determined by local statutes and are shared between the employer and employee. For the year ended 30 September 2008, the Company contributed Shs 256,000 (2007: Shs 1,194,000), which has been charged to the profit and loss account.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

16. Property, plant and equipment

	Buildings & freehold land Shs'000	Plant & machinery Shs'000	Vehicles & equipment Shs'000	Capital work -in-progress Shs'000	Total Shs'000
At 30 September 2006					
Cost	30,938	202,199	179,853	41,392	**454,382**
Accumulated depreciation	(21,864)	(151,851)	(141,419)	-	**(315,134)**
Net book amount	9 ,074	50,348	3 8,434	41,392	**139,248**
Year ended 30 September 2007					
Opening net book amount	9,074	50,348	38,434	41,392	**139,248**
Transfers from capital work in progress	4,642	23,843	-	(28,485)	**-**
Additions	7,164	11,847	15,780	10,687	**45,478**
Disposals	-	(21)	(36,004)	-	**(36,025)**
Depreciation charge	(895)	(9,030)	(12,271)	-	**(22,196)**
Depreciation on disposal	-	21	35,708	-	**35,729**
Closing net book amount	19,985	77,008	41,647	23,594	**162,234**
At 30 September 2007					
Cost	42,744	237,868	159,629	23,594 4	**63,835**
Accumulated depreciation	(22,759)	(160,860)	(117,982)	-	**(301,601)**
Net book amount	19,985	77,008	41,647	23,594	**162,234**
Year ended 30 September 2008					
Opening net book amount	19,985	77,008	41,647	23,594 1	**62,234**
Reclassification between asset categories	-	1 0,260	(10,260)	-	**-**
Transfers from capital work in progress	-	1 ,926	2,424	(4,350)	**-**
Additions	-	-	-	44,044	**44,044**
Disposals	-	-	(12,950)	-	**(12,950)**
Depreciation charge	(1,399)	(10,142)	(13,540)	-	**(25,081)**
Depreciation on disposal	-	-	12,590	-	**12,590**
Closing net book amount	**18,586**	**79,052**	**19,911**	**63,288**	**180,837**
At 30 September 2008					
Cost	42,744	239,794	149,103	63,288	**494,929**
Reclassification between asset categories	-	1 0,260	(10,260)	-	**-**
Accumulated depreciation	(24,158)	(171,002)	(118,932)	-	**(314,092)**
Net book amount	**18,586**	**79,052**	**19,911**	**63,288**	**180,837**

The Company's property, plant and equipment has been pledged as security under floating charge in respect of short term bank borrowings (see Note 13).

During the year, the Company acquired a number of vehicles under hire purchase agreements. The net book amount of such motor vehicles at September 30, 2008, amounting to Shs. 9,365,000 (2007: Shs.12,889,000), is included in vehicles and equipment.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

17. Prepaid operating lease rentals

	2008 Shs'000	2007 Shs'000
At start of period	**223**	227
Amortisation for the period	**(4)**	(4)
At end of period	**219**	223

18. Inventories

	2008 Shs'000	2007 Shs'000
Raw materials	**170,499**	385,456
Work in progress	**35,932**	95,196
Finished goods	**122,769**	260,349
Maintenance stock	**70,849**	52,646
	400,049	793,647

19. Receivables and prepayments

	2008 Shs'000	2007 Shs'000
Trade receivables	**172,585**	166,758
Less: Provision for impairment losses	**(4,489)**	(5,785)
	168,096	160,973
Amounts due from related parties (Note 26)	**372**	553
Prepayments	**13,539**	5,132
Other receivables	**7,043**	8,111
	189,050	174,769

The fair values of current receivables approximate to their carrying amount.

20. Cash and cash equivalents

	2008 Shs'000	2007 Shs'000
Cash at bank and in hand	**35,831**	14,889
Bank overdraft and short-term bank loans (Note 13)	**(195,487)**	(411,970)
	(159,656)	(397,081)

21. Payables and accrued expenses

	2008	2007
Trade payables	**86,008**	117,177
Amounts due to related companies (Note 26)	**57,486**	53,952
Accrued expenses	**31,455**	45,350
Other payables	**8,817**	11,686
	183,766	228,165

22. Provisions for liabilities and charges

Service gratuity

	2008	2007
At start of period	**92,900**	82,900
(Credit)/charge to profit and loss account	**(10,100)**	10,000
At end of period	**82,800**	92,900

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

In accordance with IAS 19, an actuarial valuation was carried out to determine the present value of the defined benefit obligation for gratuity. According to the valuation report, the Company's obligation at 30 September 2008 amounted to Shs 82,800,000, resulting in a credit of Kshs. 10,100,000 to the income statement during the year.

The principal actuarial assumptions used were as follows:

- Discount rate	10% p.a.
- Future salary increase	9% p.a. for the next 1 year and 7% p.a. thereafter
- Retirement age	60 years

23. Contingent liabilities

The Company has contingent liabilities arising from various legal claims. The directors, having taken appropriate legal advice, do not anticipate that material liabilities will arise from the pending litigations against the Company. Outflows of resources are also expected to arise from the disposal of waste matter that results from the battery production process. A quantification of such costs at this stage is difficult as the Company has not received approval from the relevant authorities as regards the most suitable methods for the disposal of such waste.

24. Commitments

Capital commitments

Capital expenditure committed but not contracted for at the balance sheet date and therefore not recognised in the financial statements is as follows:

	2008 Shs'000	2007 Shs'000
Property, plant and equipment	58,591	2,143

Operating lease commitments	2008 Shs'000	2007 Shs'000
Not later than 1 year	3,442	3,423
Later than 1 year and not later than 5 years	1,968	4,877
	5,410	8,300

25. Cash generated from operations

	2008 Shs'000	2007 Shs'000
Profit before income tax	27,855	179,505
Adjustments for:		
Interest income (Note 8)	(64)	(138)
Interest expense (Note 8)	34,892	30,020
Depreciation (Note 16)	25,081	22,196
Amortisation of prepaid operating lease rentals (Note 17)	4	4
Profit on sale of property, plant and equipment	(3,847)	(6,674)
Retirement benefit obligations	2,206	5,478
Changes in working capital		
- receivables and prepayments	(14,281)	(11,335)
- inventories	393,598	(292,889)
- payables and accrued expenses	(44,399)	26,499
- provision for liabilities and charges	(10,100)	10,000
Cash generated from/(utilised in) operations	410,945	(37,334)

26. Related party transactions

The immediate parent Company is East Africa Batteries Limited incorporated in Kenya. The Company has other related parties by virtue of common directorships or common shareholdings.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

The following transactions were carried out with related parties:

i) Banking arrangements
The Company shares common directors with one of its main bankers, Commercial Bank of Africa Limited, and with Equatorial Bank Ltd, with whom the Company has a finance lease facility.

	2008 Shs'000	2007 Shs'000
ii) Purchase of goods and services	**156,618**	362,705

Purchases from related parties were mercial terms and conditions.

iii) Sale of goods	**1,000**	2,311

Sales to related parties were made on commercial terms and conditions.

iv) Technical services and trade mark fees

The Company has a technical service and trademark agreement with Eveready Battery Company Inc, USA. Technical service and trademark fees are based on sales of Eveready branded products during the year.

The charges for the year were as follows:	2008 Shs'000	2007 Shs'000
Technical fees	**72,802**	92,397
Trademark fees	**14,560**	18,480
	87,362	110,877

v) Outstanding balances arising from purchase of goods and services, and commissions

	2008 Shs'000	2007 Shs'000
Payables to related parties	**57,486**	53,952
Finance lease from related party	**6,212**	9,209
	63,698	63,161
vi) Outstanding balances arising sale of goods		
Receivables from related parties	**372**	553
(vii) Key management compensation		
- Salaries and other short term employment benefits	**62,239**	61,951
- Post employment benefits	**1,243**	1,249
	63,482	63,200
(viii) Directors' remuneration		
- fees for services as a director	**6,458**	5,956
- other emoluments (included in key management compensation above)	**27,639**	25,553

Proxy Form

FOR THE YEAR ENDED 30 SEPTEMBER, 2008

The Company Secretary

Eveready East Africa Limited

Standard Building, 5th Floor

Wabera Street

P. O. Box 44765 – 00100,

Nairobi, Kenya

I, We ____ of P.O Box ______________________________ being (a) member/s of Eveready East Africa Limited, do hereby appoint ____ ______ or failing him/her, the duly appointed Chairman of the meeting to be my/our Proxy, to vote for me/us at the Annual General Meeting of the Company to be held at Menengai Hall situated in Merica Hotel, Kenyatta Avenue, Nakuru, on 23rd day of April, 2009 and at any adjournment thereof.

As witness my/our hand(s) this ______________________ day of _________________________________ 2009

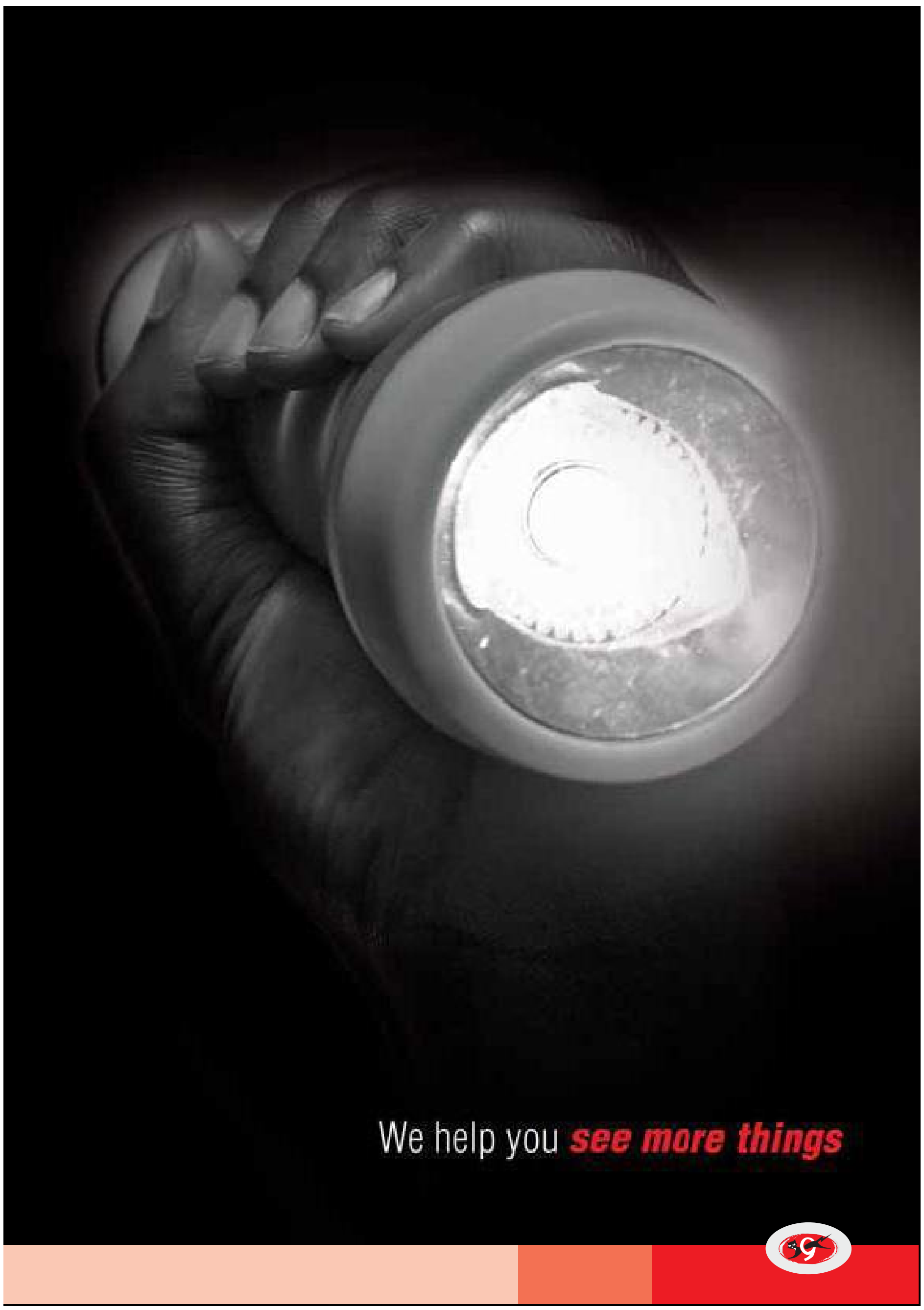
Signature/s ____

Unless otherwise indicated, the Proxy will vote as he/she thinks fit.

Notes:

1. *To be valid this proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time appointed for holding the meeting.*

2. *If the appointer is a corporation, the proxy must be executed under its common seal or under the hands of an officer or Attorney duly authorised in writing.*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