

ENERGIZER HOLDINGS INC  
Form DEF 14A  
November 29, 2007

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934**

Filed by the Registrant  x  
Filed by a Party other than the Registrant  o

Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for use of the Commission Only** (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Materials Pursuant to sec. 240.14a-11(c) or sec. 240.14a-12

**ENERGIZER HOLDINGS, INC.**

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*(Exact Name of Registrant as Specified in its Charter)*

Payment of Filing Fee (Check the appropriate box)

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.1

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
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- o Fee paid previously with preliminary materials.
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- (1) Amount Previously Paid
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:
-

**ENERGIZER HOLDINGS, INC.**  
**533 Maryville University Drive**  
**St. Louis, Missouri 63141**

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Energizer Holdings, Inc. to be held at 3:30 p.m. on Monday, January 28, 2008 at Energizer World Headquarters, 533 Maryville University Drive, St. Louis, Missouri 63141.

We hope you will attend in person. If you plan to do so, please bring the enclosed Shareholder Admittance Ticket with you.

Whether you plan to attend the meeting or not, we encourage you to read this Proxy Statement and vote your shares. You may sign, date and return the enclosed proxy as soon as possible in the postage-paid envelope provided, or you may vote by telephone or via Internet. However you decide to vote, we would appreciate your voting as soon as possible.

We look forward to seeing you at the Annual Meeting!

WARD M. KLEIN  
Chief Executive Officer

November 29, 2007

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**ENERGIZER HOLDINGS, INC.**  
**533 Maryville University Drive**  
**St. Louis, Missouri 63141**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

To the Shareholders:

The Annual Meeting of Shareholders of Energizer Holdings, Inc. will be held at 3:30 p.m. on Monday, January 28, 2008, at Energizer World Headquarters, 533 Maryville University Drive, St. Louis, Missouri 63141.

The purpose of the meeting is to elect four directors to serve three-year terms ending at the Annual Meeting held in 2011, or until their respective successors are elected and qualified, and to act upon such other matters as may properly come before the meeting.

You may vote if you are a shareholder of record on November 19, 2007. It is important that your shares be represented and voted at the Meeting. Please vote in one of these ways:

- USE THE TOLL-FREE TELEPHONE NUMBER shown on the proxy card;
- VISIT THE WEB SITE noted on the enclosed proxy card to vote via the Internet;
- MARK, SIGN, DATE AND PROMPTLY RETURN the enclosed proxy card in the postage-paid envelope; OR
- VOTE BY WRITTEN BALLOT at the Annual Meeting.

By Order of the Board of Directors,  
Timothy L. Grosch  
Secretary

November 29, 2007

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## **PROXY STATEMENT—VOTING PROCEDURES**

### **YOUR VOTE IS VERY IMPORTANT**

**The board of directors is soliciting proxies to be used at the 2008 Annual Meeting.** This proxy statement and the form of proxy will be mailed to shareholders beginning November 29, 2007.

#### **Who Can Vote**

Record holders of Energizer Holdings, Inc. common stock on November 19, 2007 may vote at the meeting. On November 19, 2007, there were 57,381,620 shares of common stock outstanding. The shares of common stock held in our treasury will not be voted.

#### **How You Can Vote**

There are four voting methods:

- **✶**Voting by Mail. If you choose to vote by mail, simply mark the enclosed proxy card, date and sign it, and return it in the postage-paid envelope provided.
- **✶**Voting by Telephone. You can vote your shares by telephone by calling the toll-free telephone number on the enclosed proxy card.
- **✶**Voting by Internet. You can also vote via the Internet. The web site for Internet voting is on the enclosed proxy card, and voting is available 24 hours a day.
- Voting by written ballot at the meeting.

If you vote by telephone or via the Internet, you should not return the proxy card.

#### **How You May Revoke or Change Your Vote**

You can revoke the proxy at any time before it is voted at the meeting by:

- sending written notice of revocation to our Secretary;
- submitting another proper proxy by telephone, Internet or paper ballot; or
- attending the annual meeting and voting in person. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor from the holder of record, to be able to vote at the meeting.

#### **General Information on Voting**

You are entitled to cast one vote for each share of common stock you own on the record date. Shareholders do not have the right to vote cumulatively in electing directors. The election of each director nominee must be approved by a majority of shares entitled to vote and represented at the annual meeting in person or by proxy. Shares represented by a proxy marked “abstain” on any matter, or that provide that a vote be withheld with respect to the election of any one or more of the nominees for election as directors, will be considered present at the meeting for purposes of determining a quorum and for purposes of calculating the vote, but will not be considered to have voted in favor of the proposal or nominee. Therefore, any proxy marked “abstain” will have the effect of a vote against the matter. Shares represented by a proxy as to which there is a “broker non-vote” (for example, where a broker does not have discretionary authority to vote the shares), will be considered present at the meeting for purposes of determining a quorum, but will have no effect on the vote.

All shares that have been properly voted—whether by telephone, Internet or mail—and not revoked, will be voted at the annual meeting in accordance with your instructions. If you sign the enclosed proxy card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by our board of directors.

If any other matters are properly presented at the annual meeting for consideration, the persons named in the enclosed proxy card will have the discretion to vote on those matters for you. At the date this proxy statement went to press, no other matters had been raised for consideration at the annual meeting.

### **Voting By Participants in the Company's Savings Investment Plan**

If you participate in our savings investment plan and had an account in the Energizer common stock fund on November 12, 2007, the proxy will also serve as voting instructions to the trustee for that plan, Vanguard Fiduciary Trust Company, an affiliate of The Vanguard Group of Investment Companies, for the shares of common stock credited to your account on that date. If the trustee does not receive directions with respect to any shares of common stock held in the plan, it will vote those shares in the same proportion as it votes shares for which directions were received.

### **Costs of Solicitation**

We will pay for preparing, printing and mailing this proxy statement. We have engaged Georgeson & Company, Inc. to help solicit proxies from shareholders for a fee of \$11,500 plus its expenses. Proxies may also be solicited personally or by telephone by our employees without additional compensation, as well as by employees of Georgeson. We will also reimburse banks, brokers and other custodians, nominees and fiduciaries for their costs of sending the proxy materials to our beneficial owners.

## **ITEM 1. ELECTION OF DIRECTORS**

Our board of directors currently consists of twelve members and is divided into three classes, with each class currently consisting of four members, with terms of service expiring at successive annual meetings.

Four directors will be elected at the 2008 Annual Meeting to serve for a three-year term expiring at our annual meeting in the year 2011. The board has nominated Ward M. Klein, Richard A. Liddy, W. Patrick McGinnis, and Joe R. Micheletto for election as directors at this Meeting. Mr. Liddy has attained the age of 72 and, under our corporate governance principles, would not be eligible to stand for re-election unless the nominating and executive compensation committee of our board determined that he continued to meet our criteria for board service. The committee did determine that Mr. Liddy continued to meet those criteria and recommended his nomination to the board. Each nominee is currently serving as a director and has consented to serve for a new term. Each nominee elected as a director will continue in office until his successor has been elected and qualified. If any nominee is unable to serve as a director at the time of the annual meeting, your proxy may be voted for the election of another person the board may nominate in his or her place, unless you indicate otherwise.

**Vote Required.** The affirmative vote of a majority of the outstanding shares of common stock entitled to vote and represented in person or by proxy is required for the election of each director.

**The board of directors recommends a vote FOR the election of these nominees as directors of the Company.**

### **INFORMATION ABOUT NOMINEES AND OTHER DIRECTORS**

Please review the following information about the nominees and other directors continuing in office. The ages shown are as of December 31, 2007.

**WARD M. KLEIN**, Director Since 2005, Age 52  
*(Standing for election at this meeting for a term expiring in 2011)*

Mr. Klein has served as Chief Executive Officer, Energizer Holdings, Inc. since January 25, 2005. Prior to that time, he served as President and Chief Operating Officer from 2004 to 2005, as President, International from 2002 to 2004, and as Vice President, Asia Pacific and Latin America from 2000 to 2002. Also a director of Brown Shoe Company, Inc.

**RICHARD A. LIDDY**, Director Since 2000, Age 72  
*(Standing for election at this meeting for a term expiring in 2011)*

Mr. Liddy served as Chairman of the Board of GenAmerica Financial Corporation (insurance holding company) from 2000 to 2002. He also served as Chairman of the Board of the Reinsurance Group of America, Incorporated (insurance) from 1995 to 2002. Mr. Liddy is now retired. Mr. Liddy was President of GenAmerica Financial from 1988 to 2000 and Chief Executive Officer of General American Life Insurance Company from 1992 to 2000. Also a director of Ralcorp Holdings, Inc. and Ameren Corporation.

**W. PATRICK MCGINNIS**, Director Since 2002, Age 60  
*(Standing for election at this meeting for a term expiring in 2011)*

Mr. McGinnis has served as Chief Executive Officer and President, Nestlé Purina PetCare Company (pet foods and related products) since 2001. From 1999 to 2001, he served as Chief Executive Officer and President, Ralston Purina Company. Also a director of Brown Shoe Company, Inc.

**JOE R. MICHELETTO**, Director Since 2000, Age 71  
*(Standing for election at this meeting for a term expiring in 2011)*

Mr. Micheletto served as Chief Executive Officer and President, Ralcorp Holdings, Inc. (food products) from 1996 to 2003. He is now retired. Also a director of Ralcorp Holdings, Inc. and Vail Resorts, Inc.

**R. DAVID HOOVER**, Director Since 2000, Age 62  
*(Continuing in Office—Term expiring in 2010)*

Mr. Hoover has served as Chairman, President and Chief Executive Officer, Ball Corporation (beverage and food packaging and aerospace products and services) since 2002. Prior to that, he served as President and Chief Executive Officer from 2001 to 2002, and as Vice Chairman, President and Chief Operating Officer from April 2000 to 2001. Also a director of Ball Corporation, Irwin Financial Corporation and Qwest Communications International, Inc.

**JOHN C. HUNTER**, Director Since 2005, Age 60  
*(Continuing in Office—Term expiring in 2010)*

Mr. Hunter served as Chairman, President and Chief Executive Officer of Solutia, Inc. (chemical products) from 1999 to 2004. He is now retired. On December 17, 2003, while Mr. Hunter served as President and Chief Executive Officer, Solutia, Inc. and fourteen of its U.S. subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code. Also a director of Penford Corporation and Hercules, Inc.

**JOHN E. KLEIN**, Director Since 2003, Age 62  
*(Continuing in Office—Term expiring in 2010)*

Mr. Klein has served as President of Randolph College (education) since August 2007. Prior to that, Mr. Klein served as Executive Vice Chancellor for Administration, Washington University in St. Louis (education) from 2004 to August 2007. From 1985 to 2004, he served as President and Chief Executive Officer, Bunge North America, Inc. (agribusiness).

**JOHN R. ROBERTS**, Director Since 2003, Age 66  
*(Continuing in Office—Term expiring in 2010)*

Mr. Roberts served as Executive Director, Civic Progress St. Louis (civic organization) from 2001 through 2006. He is now retired. From 1993 to 1998, he served as Managing Partner, Mid-South Region, Arthur Andersen LLP (public accountancy). Also a director of Regions Financial Corporation and Centene Corporation.

**BILL G. ARMSTRONG**, Director Since 2005, Age 59  
*(Continuing in Office—Term expiring in 2009)*

Mr. Armstrong served as Executive Vice President and Chief Operating Officer, Cargill Animal Nutrition (animal feed products), from 2001 to 2004. He is now retired. Prior to that, Mr. Armstrong served as Chief Operating Officer, Agribands International, Inc. (animal feed products) from 1998 to 2001. Also a director of Ralcorp Holdings, Inc.

**J. PATRICK MULCAHY**, Director Since 2000, Age 63  
*(Continuing in Office—Term expiring in 2009)*

Mr. Mulcahy has served as Chairman of the Board of Energizer Holdings, Inc. since January 2007. Mr. Mulcahy served as Vice Chairman of the Board from January 2005 to January 2007, and prior to that time served as Chief Executive Officer, Energizer Holdings, Inc. from 2000 to 2005, and as Chairman of the Board and Chief Executive Officer of Eveready Battery Company, Inc. from 1987 to 2005. He is now retired. Also a director of Solutia, Inc., Ralcorp Holdings, Inc. and Hanesbrands, Inc.

**PAMELA M. NICHOLSON**, Director Since 2002, Age 48  
*(Continuing in Office—Term expiring in 2009)*

Ms. Nicholson has served as Executive Vice President and Chief Operating Officer, Enterprise Rent-A-Car (auto leasing) since 2004. She served as Senior Vice President, North American Operations for Enterprise from 1999 to 2004.

**WILLIAM P. STIRITZ**, Director Since 2000, Age 73  
*(Continuing in Office—Term expiring in 2009)*

Mr. Stiritz has served as Chairman Emeritus of the Board of Energizer Holdings, Inc. since January 2007, and served as Chairman of the Board from 2000 to January 2007. He was employed as chair of our employee Management Strategy and Finance Committee from 2000 to 2005. He is now retired. Mr. Stiritz served as Chairman of the Board, Chief Executive Officer and President of Agribands International (animal feed products) from 1998 to 2001. He also served as Chairman of the Board of Ralston Purina Company from 1982 to 2001. Also a director of Ralcorp

Holdings, Inc., Vail Resorts, Inc. and Federated Department Stores, Inc.

**BOARD OF DIRECTORS STANDING COMMITTEES**

<b>Board Member</b>	<b>Board</b>	<b>Audit</b>	<b>Executive</b>	<b>Nominating and Executive Compensation</b>	<b>Finance and Oversight</b>
Bill G. Armstrong	ü	ü		ü	
R. David Hoover	ü				
John C. Hunter	ü			ü	
John E. Klein	ü	ü		ü*	
Ward M. Klein	ü		ü		ü
Richard A. Liddy	ü	ü	ü	ü	
W. Patrick McGinnis	ü		ü	ü	
Joe R. Micheletto	ü	ü	ü		
J. Patrick Mulcahy	ü*		ü*		ü
Pamela M. Nicholson	ü	ü	ü	ü	
John R. Roberts	ü	ü*	ü	ü	
William P. Stiritz	ü		ü		ü*
Meetings held in 2007	9	7	0	5	8

\* Chairperson

**Audit:** Reviews auditing, accounting, financial reporting and internal control functions. Responsible for engaging and supervising our independent accountants, resolving differences between management and our independent accountants regarding financial reporting, pre-approving all audit and non-audit services provided by our independent accountants, and establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters. Our board has determined that all members are independent and financially literate in accordance with the criteria established by the Securities and Exchange Commission and the New York Stock Exchange. Our board has elected John R. Roberts as chair of the audit committee, and has determined that he is both independent and an audit committee financial expert, as defined by Securities and Exchange Commission guidelines.

**Executive:** May act on behalf of the Board in the intervals between Board meetings.

**Nominating and Executive Compensation:** Sets compensation of our executive officers, approves deferrals under our deferred compensation plan, administers our 2000 incentive stock plan and grants equity-based awards, including performance-based awards, under that plan. Administers and approves performance-based awards under our executive officer bonus plan. Establishes performance criteria for performance-based awards and certifies as to their achievement. Monitors management compensation and benefit programs, and reviews principal employee relations policies. Recommends nominees for election as directors or executive officers to the board. Recommends committee memberships and compensation and benefits for directors. Also responsible for conducting the annual self-assessment process of the board and its committees, and regular review and updating of our corporate governance principles. Our board has determined that all members are non-employee directors, and are independent, as defined in the listing standards of the New York Stock Exchange.

**Finance and Oversight:** Reviews our financial condition, objectives and strategies, and acquisitions and other major transactions, and makes recommendations to the board concerning financing requirements, our stock repurchase program and dividend policy, foreign currency management and pension fund performance.



During fiscal year 2007, all directors attended 75% or more of the board meetings and committee meetings on which they served during their period of service. Each director is encouraged to attend our annual meeting of shareholders each year. All directors attended the 2007 annual meeting.

### **Compensation Committee Interlocks and Insider Participation**

No member of the nominating and executive compensation committee is or has been an officer or employee of the Company or any of its subsidiaries. In addition, no member of the committee had any relationships with the Company or any other entity that require disclosure under the proxy rules and regulations promulgated by the U.S. Securities and Exchange Commission.

### **Committee Charters, Governance and Codes of Conduct**

The charters of the committees of our board of directors, and our corporate governance principles, have been posted on our website at [www.energizer.com](http://www.energizer.com), under "About Energizer: Corporate Governance". Our code of business conduct and ethics applicable to the members of the board of directors, as well as the code applicable to the officers and employees, have each been posted on our website as well, under "—Codes of Conduct."

Copies of the committee charters, the corporate governance principles, and the codes of conduct will be provided without charge to any shareholder upon request directed in writing to the Secretary, Energizer Holdings, Inc., 533 Maryville University Drive, St. Louis, Missouri 63141.

### **Director Independence**

Our corporate governance principles, adopted by our board, provide that a majority of the board, and the entire membership of the audit and the nominating and executive compensation committees of the board, shall consist of independent, non-management directors who meet the criteria for independence required by the New York Stock Exchange. A director will be considered independent if he or she does not have a material relationship with us, as determined by our board. To that end, the board, in the corporate governance principles, has established the following guidelines for determining whether a director is independent, consistent with the listing standards of the New York Stock Exchange: a director will not be considered independent if, within the last three years (i) the director or an immediate family member was employed by the Company or a subsidiary as an executive officer, (ii) the director or an immediate family member was employed in a professional capacity by the Company's external auditor, or in the Company's internal audit department, or (iii) any of our present executive officers serve on the compensation committee of another company that employs the director or an immediate family member of the director as an executive officer.

The following relationships will be considered material, which would also impact independence: (i) a director or an immediate family member is an executive officer, or the director is an employee, of another company which does business with the Company and the payments to, or amounts received from, that other company exceed the greater of \$1 million, or 2% of such other company's consolidated gross revenues; (ii) a director or an immediate family member, within the last three years, received more than \$100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); (iii) a director is an executive officer of a charitable organization and our annual charitable contributions to the organization (exclusive of gift-match payments) exceed the greater of \$100,000 or 2% of the organization's total annual charitable receipts; (iv) a director is a partner of or of counsel to a law firm that performs substantial legal services for us on a regular basis; or (v) a director is a partner, officer or employee of an investment bank or consulting firm that performs substantial services for us on a regular basis. For other significant relationships not specifically covered, a majority of our independent directors, after considering all of the relevant circumstances, may make a determination whether or not such relationship is material and whether the director may therefore be considered independent under the New York Stock Exchange listing

standards.

Director affiliations and transactions are regularly reviewed to ensure that there are no conflicts or relationships with the Company that might impair a director's independence. Every year, we submit a questionnaire to each director and executive officer, and conduct our own internal review, for the purpose of identifying all transactions or relationships between each director, or any member of his or her immediate family, and the Company, its senior management and its independent auditor. Pursuant to that review, the Board has considered the independence of W. Patrick McGinnis and Joe R. Micheletto in light of the fact that we jointly own three corporate aircraft with Nestle Purina Petcare Company, for which Mr. McGinnis serves as chief executive officer and president, and Ralcorp Holdings, Inc., for which Mr. Micheletto serves as vice chairman of the board. (Mr. Stiritz also serves as chairman of the board of Ralcorp Holdings, Inc., but because of his former employment with us, he is not deemed independent at the current time.) The aircraft are jointly owned in order to share the fixed costs associated with ownership which do not change based on usage, such as pilots' salaries, aircraft acquisition expenses, and non-trip related maintenance and hangar fees. The aircraft are maintained and operated by employees of Nestle, and a pro rata portion of the fixed expenses are reimbursed to Nestle by the other owners based upon their respective percentages of ownership. Each owner is also assessed a charge per flight hour to cover all variable operating costs. No additional margin or operating fee is paid to Nestle. The independent members of the board determined that neither Mr. McGinnis nor Mr. Micheletto have any direct or indirect financial or other interests in our reimbursement of our aircraft expenses, or our continued ownership of our share of the aircraft, and consequently determined that the independence of Mr. McGinnis and Mr. Micheletto was not impacted.

Accordingly, based on the responses to the 2007 questionnaire and the results of its review, the board has affirmatively determined that the following nine non-employee directors are independent from management: Bill G. Armstrong, R. David Hoover, John C. Hunter, John E. Klein, Richard A. Liddy, W. Patrick McGinnis, Joe R. Micheletto, Pamela M. Nicholson, and John R. Roberts.

### **Director Nominations**

The nominating and executive compensation committee is responsible for recommending candidates for election to our board of directors, consistent with the requirements for membership set forth in our corporate governance principles. Those requirements include integrity, independence, energy, forthrightness, analytical skills and a willingness to challenge and stimulate management, and the ability to work as part of a team in an environment of trust. The principles also indicate the board's belief that each director should have a basic understanding of (i) our principal operational and financial objectives and plans and strategies, (ii) our results of operations and financial condition, and (iii) the relative standing of the Company and our business segments in relation to our competitors. In addition to those standards, the committee seeks directors who will represent the diverse interests of our shareholders, and who bring to the board a breadth of experience from a variety of industries and professional disciplines. The committee is also responsible for articulating and refining specific criteria for board and committee membership to supplement, as appropriate, the more general criteria set forth in the principles.

The committee expects a high level of commitment from board members and evaluates each candidate's leadership and experience, skills, expertise and character traits, including the candidate's ability to devote sufficient time to board and committee meetings in light of other professional commitments. The committee also reviews whether a potential candidate meets board and/or committee membership requirements, as set forth in our corporate governance principles, determines whether a potential candidate is independent according to the board's established criteria, and evaluates the potential for a conflict of interest between the director and the Company.

Historically, when vacancies have occurred, or when our board determined that increasing its size was appropriate, candidates have been recommended to the committee by other board members or the chief executive officer. The committee, however, will consider and evaluate any shareholder-recommended candidates by applying the same criteria used to evaluate candidates recommended by directors or management. The committee also has authority to

retain a recruitment firm if it deems it advisable. Shareholders who wish to suggest an individual for consideration for election to the board of directors may submit a written nomination to the Secretary of the Company, 533 Maryville University Drive, St. Louis, Missouri 63141, along with the shareholder's name, address and number of shares of common stock beneficially owned; the name of the individual being nominated and number of shares of common stock beneficially owned; the candidate's biographical information, including age, business and residential address, and principal occupation for the previous 5 years, and the nominee's consent to being named as a nominee and to serving on the board. A description of factors qualifying or recommending the nominee for service on the board would also be helpful to the committee in its consideration. To assist in the evaluation of shareholder-recommended candidates, the committee may request that the shareholder provide certain additional information required to be disclosed in our proxy statement under Regulation 14A of the Securities Exchange Act of 1934. If the committee determines a candidate, however proposed, is suitable for board membership, it will make a recommendation to the board for its consideration.

Under our bylaws, shareholders may also nominate a candidate for election at an annual meeting of shareholders. See "Shareholder Proposals for 2009 Annual Meeting" for details regarding the procedures and timing for the submission of such nominations. Director nominees submitted through this process will be eligible for election at the annual meeting, but will not be included in proxy material sent to shareholders prior to the meeting, except as described in that section.

### **Communicating Concerns to the Board**

We have established several means for shareholders or others to communicate their concerns to our board. If the concern relates to our financial statements, business ethics, corporate conduct, accounting practices or internal controls, the concern should be submitted in writing to Mr. John R. Roberts, the chairman of the audit committee, in care of the Secretary of the Company, whose address is 533 Maryville University Drive, St. Louis, Missouri 63141. If the concern relates to our governance practices, the concern may be submitted in writing to Mr. John Klein, the chairman of the nominating and executive compensation committee, in care of the Secretary of the Company. Executive sessions without management directors present are scheduled at each board meeting, and are chaired by Mr. J. Patrick Mulcahy, the chairman of the board. Concerns may be raised with the non-management directors by written communication to Mr. Mulcahy, in care of the Secretary of the Company. If the shareholder is unsure as to which category his or her concern relates, he or she may communicate it to any one of the independent directors in care of the Secretary of the Company.

Our "whistleblower" policy prohibits the Company or any of its employees from retaliating or taking any adverse action against anyone for raising a concern. If a shareholder or employee nonetheless prefers to raise his or her concern in a confidential or anonymous manner, he or she may call Global Compliance Services' AlertLine, our outside service provider, toll-free at 877-521-5625, or leave a message at our confidential web address: <https://energizer.alertline.com>. Confidential letters may be sent to any independent director at:

AlertLine  
PMB 3767  
13950 Ballantyne Corporate Place  
Charlotte, North Carolina 28273  
U.S.A.

### **DIRECTOR COMPENSATION**

We provided several elements of compensation to our directors for service on our board during fiscal year 2007:

#### **Retainers and Meeting Fees**

All directors, other than Mr. Ward Klein, received the following fees for serving on the board or its committees. Mr. Klein receives no compensation other than his normal salary for his service on the board and its committees.

Annual Retainer.....	\$ 40,000
fee for each board meeting.....	\$ 1,000
fee for each committee meeting.....	\$ 1,000

The chairpersons of the committees also receive an additional annual retainer of \$10,000 for each committee that they chair, and the chairman of the board (but not the chairman emeritus) receives the same additional annual retainer for his services as chairman.

### Deferred Compensation Plan

Directors are permitted to defer all or a portion of their retainers and fees under the terms of our deferred compensation plan. Deferrals may be made into: the Energizer common stock unit fund, which tracks the value of our common stock; the prime rate option, under which deferrals are credited with interest at Morgan Guaranty Trust Company of New York's prime rate, an above-market rate; or any of the twenty-one measurement fund options which track the performance of the Vanguard investment funds offered under our savings investment plan, a 401(k) savings plan available generally to our salaried U.S. employees. Deferrals in the deferred compensation plan are paid out in a lump sum in cash within 60 days following the director's termination of service on the board.

*Company Matching Contributions.* Deferrals of retainers and fees into the Energizer common stock unit fund of the deferred compensation plan receive a 33 1/3% Company match at the end of each calendar year, which match is immediately vested. However, these Company matches must be retained in the Energizer common stock unit fund for a period of 36 months from the date of crediting.

*Additional Contribution.* On December 31<sup>st</sup> of each year, each director, other than Mr. Ward Klein, is also credited with a number of stock equivalents in the Energizer common stock unit fund of the deferred compensation plan. The value of these equivalents (which do not receive an additional Company match) is currently \$57,000. These equivalents are vested at grant, and may be transferred to any other fund of the plan.

The nominating and executive compensation committee, which makes recommendations to the full board regarding director compensation, strives to set director compensation at the 50<sup>th</sup> percentile of the peer group selected for purposes of evaluating our executive compensation, based on market data provided by the committee's independent consultant, Hewitt Associates. The committee reviewed director compensation at its November, 2007 meeting, and based on that review recommended that the annual retainer for each non-management director should be increased to \$50,000, effective as of October 1, 2007, in order to maintain the targeted 50<sup>th</sup> percentile level. The board approved the recommended increase at its November 5, 2007 meeting.

### Restricted Stock Equivalents

Each non-employee director appointed to the board between April 1, 2000 and October 1, 2003 was granted a restricted stock equivalent award, under which the director was credited with a restricted stock equivalent for each share of our common stock he or she acquired within two years of the date of grant, up to a limit per individual. This program was discontinued in 2003. As of September 30, 2007, all outstanding equivalents granted under these awards have vested, and each director has elected to defer receipt until termination of service on our board. The number of vested equivalents credited to each director is set forth in footnote (3) to the Director Compensation table below. The FAS 123R expense associated with unvested stock equivalents during fiscal year 2007 is included in the Stock

Awards column of the Director Compensation table below.

### **Special Restricted Stock Equivalent Award**

In January, 2005, upon his retirement as our chief executive officer, Mr. Mulcahy was granted 10,000 restricted stock equivalents as consideration for an agreement not to compete with us. These equivalents will vest in January, 2010 provided that Mr. Mulcahy does not violate the terms of the non-compete agreement prior to that time. The equivalents will also accelerate and vest upon Mr. Mulcahy's death or declaration of total and permanent disability, or upon a change in control of the Company. They will not accelerate upon his retirement or resignation from the board, if he leaves board service before January, 2010.

### **Non-Qualified Stock Options**

Each new director appointed to the board between April 1, 2000 and 2005 also received a non-qualified stock option to purchase 10,000 shares on the date of his or her appointment to the board. (Mr. Stiritz and Mr. Mulcahy, as officers of the Company at the time of their initial appointment to the board, received options to purchase 500,000 shares each upon the same terms.) These options, which were granted under our 2000 incentive stock plan and have a ten year term, have an exercise price equal to the closing price, as of the date of grant, of our common stock on the New York Stock Exchange composite index, and are exercisable at the rate of 20% per year, beginning on the first anniversary of the date of grant. They are exercisable prior to that date upon the director's death, declaration of total and permanent disability, retirement or resignation from the board, or upon a change in control of the Company. The FAS 123R expense associated with unvested stock options during fiscal year 2007 is included in the Option Awards column of the Director Compensation table below, and the current number of vested and unvested stock options held by each director is set forth in the Common Stock Ownership of Directors and Executive Officers table below.

At its November 5, 2007 meeting, the board also approved suspending the option grant for new directors that may be appointed or elected in the future, and replacing it with a grant of restricted stock equivalents with a grant-date value of \$100,000, which equivalents would vest three years from the date of grant.

### **Personal Use of Company-Owned Aircraft**

On May 2, 2005, the board approved a resolution authorizing Mr. Stiritz and Mr. Mulcahy, the chairman emeritus, and chairman, respectively, and Mr. Ward Klein, the chief executive officer and a member of the board, to use our aircraft for personal travel for up to 30 flight hours per year, per individual, when the aircraft are not being used on business related trips. This authorization, by its terms, continues in effect for each of them until they terminate their service on the board. In addition, each of them was authorized to permit family members and guests to accompany them on business or personal flights on our aircraft. The board also approved reimbursement of both individuals for any taxes associated with (i) their personal use of our aircraft, and (ii) the personal use by their family members and guests, but not including any taxes on such reimbursement. As noted under **Director Independence** above, our aircraft is jointly owned with two other corporations in order to share the fixed costs associated with such ownership. We are, however, assessed a charge per flight hour to cover all variable operating costs associated with each flight, including fuel costs, mileage, trip-related maintenance, landing fees, trip-related hangar and parking costs, and on-board catering. The incremental cost to us for the directors' personal use shown below reflects the assessed charge per flight hour for such use. Since the aircraft are used primarily for business travel, those amounts exclude any prorated portion of our fixed costs.

## **DIRECTOR COMPENSATION TABLE**

**Change in  
Pension**

Name	Fees Earned or Paid in Cash		Non-Equity Incentive Plan Compensation		Value and Non-Qualified Deferred Compensation	All Other Compensation	Total (\$)
	(\$)(1)	(\$)(2)(3)	Option Awards (\$)(4)(5)	Plan Compensation (\$)	Earnings (\$)	(\$)(6)(7)	
W.P. Stiritz	\$124,000	\$ 23,269	\$ 0	\$0	\$ 0	\$82,487	\$229,756
J.P. Mulcahy	\$124,000	\$133,277	\$ 0	\$0	\$ 0	\$23,773	\$281,050
B.G. Armstrong	\$117,000	\$ 19,880	\$32,627	\$0	\$ 0	\$ 0	\$169,507
R.D. Hoover	\$106,000	\$ 16,980	\$ 0	\$0	\$ 0	\$ 0	\$122,980
J.C. Hunter	\$110,000	\$ 9,034	\$32,627	\$0	\$ 0	\$ 0	\$151,661
J.E. Klein	\$126,000	\$ 33,712	\$ 5,420	\$0	\$ 0	\$ 0	\$165,132
R.A. Liddy	\$116,000	\$ 19,520	\$ 0	\$0	\$10,930	\$ 0	\$146,450
J.R. Micheletto	\$109,000	\$ 16,650	\$ 0	\$0	\$ 0	\$ 0	\$125,650
W.P. McGinnis	\$110,000	\$ 0	\$ 4,344	\$0	\$ 0	\$ 0	\$114,344
P.M. Nicholson	\$118,000	\$108,075	\$ 4,344	\$0	\$ 0	\$ 0	\$230,419
J.R. Roberts	\$128,000	\$ 23,966	\$ 6,000	\$0	\$ 157	\$ 0	\$158,123

- (1) This column reflects retainers and meeting fees earned during the fiscal year, as well as additional compensation of \$57,000 of stock equivalents in the Energizer common stock unit fund of our deferred compensation plan (a total of 824 equivalents for each director was credited on December 31, 2006) as described in the narrative above.
- (2) Because the Company matching contributions described in the narrative above were immediately vested at grant, the aggregate grant date value of those awards, in accordance with FAS 123R, is included in this column. Amounts shown for Mr. J. Klein, Ms. Nicholson and Mr. Mulcahy also include the FAS 123R compensation expenses associated with the unvested restricted stock equivalents described in footnote 3 (for Mr. Mulcahy) and equivalents which vested during fiscal year 2007 for the other two directors. The FAS 123R expenses related to unvested equivalents during fiscal year 2007 is as follows: Mr. J. Klein, \$10,138; Ms. Nicholson, \$88,195; and Mr. Mulcahy, \$110,400. Assumptions utilized in the valuation are set forth in "Note 7. Share-Based Payments" of the Notes to Consolidated Financial Statements of our 2007 Annual Report.
- (3) As of September 30, 2007, Mr. Mulcahy was credited with 10,000 unvested restricted stock equivalents, granted under the special restricted stock equivalent award described in the narrative above. The number of vested but deferred stock equivalents credited to each director as of that date is as follows: Mr. Stiritz, 130,000; Mr. Hoover, 10,000; Mr. Liddy, 10,000; Mr. Micheletto, 10,000; Mr. Roberts, 10,000; Mr. J. Klein, 10,000; and Ms. Nicholson, 10,000.
- (4) The dollar amount recognized for stock options for financial reporting purposes in accordance with FAS 123R is set forth with respect to each of the directors in the table above. Assumptions utilized in the valuation are set forth in "Note 7. Share-Based Payments" of the Notes to Consolidated Financial Statements of our 2007 Annual Report.
- (5) The number of stock options held by each director as of September 30, 2007 is as follows: Mr. Armstrong, 10,000; Mr. Hoover, 5,000; Mr. Hunter, 10,000; Mr. J. Klein, 10,000; Mr. McGinnis, 10,000; Mr. Micheletto, 10,000; Ms. Nicholson, 10,000; Mr. Roberts, 10,000; and Mr. Stiritz, 500,000.

(6) In fiscal year 2007, the incremental cost of directors' personal use of the Company aircraft, on a variable cost basis, was \$57,301 for Mr. Stiritz and \$15,040 for Mr. Mulcahy, and the approximate amount of disallowed federal tax deductions associated with such use was \$21,201 and \$5,565, respectively. In addition the amounts reimbursed to those individuals for taxes associated with personal use, in the prior calendar year (which is paid on a delayed basis) were \$3,985 and \$3,168, respectively.

All of the directors were also, from time to time during the fiscal year, provided with samples of our products, with an incremental cost of less than \$25.

(7) The following items are not considered perquisites and are not included within the above disclosure of director compensation:

- (i) The directors are covered under the terms of our general directors' and officers' liability insurance policies, the premiums for which are a general expense of the Company—we do not obtain a specific policy for each director, or for the directors as a group.
- (ii) We provide transportation and lodging for out-of-town directors attending board and committee meetings at our headquarters.
- (iii) The directors may make requests for contributions to charitable organizations from the Energizer charitable trust, which we have funded from time to time, and the trustees of that trust, all employees of the Company, have determined to honor such requests which are in accordance with the charitable purpose of the trust, and which do not exceed \$10,000 in any year. The directors may request contributions in excess of that amount, but such requests are at the sole discretion of the trustees. All contributions are made out of the funds of the trust, and are not made in the name of the requesting director.
- (iv) In light of Mr. Mulcahy's responsibilities as chairman of the board, he is provided use of an office and computer at our headquarters, as well as a cellphone and certain business publication subscriptions. From time to time, as part of his responsibilities as chairman, he incurs travel and other business expenses, for which he is reimbursed.

### OTHER BUSINESS

The board knows of no business which will be presented at the 2008 annual meeting other than that described above. Our bylaws provide that shareholders may nominate candidates for directors or present a proposal or bring other business before an annual meeting only if they give timely written notice of the nomination or the matter to be brought not less than 90 nor more than 120 days prior to the meeting. No such notice with respect to the 2008 annual meeting was received by the deadline of October 31, 2007.

### SELECTION OF AUDITORS

Our audit committee, in accordance with authority granted in its charter by the board, appointed PricewaterhouseCoopers LLP ("PwC") as independent accountants for the current fiscal year. PwC has served as our independent accountant for every fiscal year since 2000. A representative of that firm will be present at the 2008 annual meeting of shareholders and will have an opportunity to make a statement, if desired, as well as to respond to appropriate questions.

#### Fees Paid to PricewaterhouseCoopers LLP (in thousands)

	FY 06	FY 07
Audit Fees	\$4,223	\$3,879

Audit-Related Fees	\$ 83	\$ 85
Tax Fees		
<i>Tax Compliance/preparation</i>	\$ 780	\$ 828
<i>Other Tax Services</i>	\$ 326	\$ 405
Total Tax Fees	\$1,106	\$1,233
All Other Fees	\$ 0	\$ 0
<b>Total Fees</b>	<b>\$5,412</b>	<b>\$5,197</b>

### Services Provided by PricewaterhouseCoopers LLP

The table above discloses fees paid to PwC during the last two fiscal years for the following professional services:

**Audit Fees**—These are fees for professional services performed by PwC for the audit of our annual financial statements and review of financial statements included in our 10-Q filings, and services that are normally provided in connection with statutory and regulatory filings or engagements.

**Audit-Related Fees**—These are fees for assurance and related services performed by PwC that are reasonably related to the performance of the audit or review of our financial statements. This includes: employee benefit and compensation plan audits; due diligence related to mergers and acquisitions; internal control reviews; attestations by PwC that are not required by statute or regulation; and consulting on financial accounting/reporting standards.

**Tax Fees**—These are fees for professional services performed by PwC with respect to tax compliance, tax advice and tax planning. This includes preparation of original and amended tax returns for the Company and our consolidated subsidiaries; refund claims; payment planning; tax audit assistance; and tax work stemming from “Audit-Related” items.

**All Other Fees**—These are fees for other permissible work performed by PwC that does not meet the above category descriptions. This includes litigation assistance, tax filing and planning for individual employees involved in our expatriate program and various local engagements that are permissible under applicable laws and regulations.

### Audit Committee Pre-Approval Policy

The audit committee has a formal policy concerning approval of all services to be provided by PwC, our independent auditor, including audit, audit-related, tax and other services. The policy requires that all services PwC may provide to us must be pre-approved by the committee. The chairman of the committee has the authority to pre-approve permitted services that require action between regular committee meetings, provided he reports to the committee at the next regular meeting. Early in each fiscal year, the committee approves the list of planned audit and non-audit services to be provided by PwC during that year, as well as a budget estimating spending for such services for the fiscal year. Any proposed services exceeding the maximum fee levels set forth in that budget must receive specific pre-approval by the audit committee. The committee approved all services provided by PwC during fiscal year 2007.

### STOCK OWNERSHIP INFORMATION

**Five Percent Owners of Common Stock.** The table below lists the persons known by the Company to beneficially own at least 5% of the Company’s common stock as of November 1, 2007.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership	% of Shares Outstanding
Ariel Capital Management, LLC		4,756,870(A)	8.29%



200 East Randolph Drive Suite 2900 Chicago, IL 60601	Common Stock		
Goldman Sachs Asset Management 32 Old Slip New York, NY 10005	Common Stock	5,116,108(B)	8.92%
William P. Stiritz 533 Maryville University Drive St. Louis, MO 63141 Attn.: Corporate Secretary	Common Stock	3,420,957(C)	5.90%(D)

- (A) Based on a written statement by the shareholder, which disclaims any beneficial economic interest in any of the shares, and states that it holds the voting power and/or investment discretion solely in a fiduciary capacity as an investment adviser for its clients, none of which individually owns more than 5% of our common stock. Of the total shares beneficially owned, the shareholder has voting and investment powers as follows: sole voting—3,734,564 shares; shared voting—0 shares; sole dispositive—4,740,645 shares; and shared dispositive—0 shares.
- (B) Based on a 13F filed as of September 30, 2007 by the shareholder, a separate operating unit of Goldman Sachs & Co., which disclaims any beneficial economic interest in any of the shares, and states that it holds the voting power and/or investment discretion solely in a fiduciary capacity as an investment adviser for its clients, none of which individually owns more than 5% of our common stock. Of the total shares beneficially owned, the shareholder has voting and investment powers as follows: sole voting—3,626,639 shares; shared voting—144,852 shares; shared dispositive—4,960,456 shares; and other dispositive power—155,652 shares.
- (C) Based on a written statement from the shareholder. Mr. Stiritz disclaims any beneficial interest in 521,357 shares owned by his spouse. The total shares beneficially owned also includes shares which may be acquired within 60 days upon exercise of vested options and conversion of restricted stock equivalents. Of the total shares beneficially owned, Mr. Stiritz has voting and investment powers as follows: sole voting—2,269,600 shares; shared voting—0 shares; sole dispositive—2,269,600 shares; and shared dispositive—0 shares. The total shares beneficially owned include 2,500,000 shares owned by Mr. Stiritz and his wife which are subject to prepaid variable share forward transactions pursuant to which they will, in the future, deliver a number of shares of our common stock, or the cash equivalent, the amount of which will depend upon the current market price for the common stock at the time of delivery.
- (D) The number of shares outstanding used in this calculation was the number actually outstanding on November 1, 2007, plus 630,000 shares which Mr. Stiritz could acquire upon exercise of options or conversion of stock equivalents within 60 days.

#### **COMMON STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS**

The table below contains information regarding beneficial common stock ownership of directors, nominees and executive officers as of November 1, 2007. It does not reflect any changes in ownership that may have occurred after that date. In general, “beneficial ownership” includes those shares a director or executive officer has the power to vote or transfer, as well as shares owned by immediate family members that reside with the director or officer. Unless otherwise indicated, directors and executive officers named in the table below have sole voting and investment

authority with respect to the shares set forth in the table. The table also indicates shares that may be obtained within 60 days upon the exercise of options, or upon the conversion of vested stock equivalents into shares of common stock.

<b>Directors And Executive Officers</b>	<b>Shares Beneficially Owned</b>	<b>Shares held in Savings Investment Plan (A)</b>	<b>Options Exercisable Within 60 Days (B)</b>	<b>% of Shares Outstanding (C) (*denotes less than 1%)</b>
Bill G. Armstrong	1,000	0	10,000	*
R. David Hoover	20,000(H)	0	5,000	*
John C. Hunter	0	0	10,000	*
John E. Klein	18,700(H)	0	10,000	*
Richard A. Liddy	19,000(H)	0	0	*
W. Patrick McGinnis	38,918(F)	0	10,000	*
Joe R. Micheletto	20,008(H)	0	10,000	*
Pamela M. Nicholson	20,000(H)	0	10,000	*
John R. Roberts	20,000(H)	0	10,000	*
William P. Stiritz	2,920,957(D)(G)(H)	0	500,000	5.84%
J. Patrick Mulcahy	681,079(E)	29,138	0	1.21%
Ward M. Klein	79,757(H)	5,256	172,500	*
David P. Hatfield	5,440(H)	2,440	29,167	*
Joseph W. McClanathan	53,127(H)	3,751	120,000	*
Daniel J. Sescleifer	10,417(H)	0	19,168	*
Gayle G. Stratmann	12,003(H)	3,146	0	*
<b>All Officers and Directors</b>	<b>3,924,965(H)</b>	<b>43,731</b>	<b>919,335</b>	<b>8.34%</b>

- (A) Column indicates the most recent approximation of the number of shares of common stock as to which participants in our savings investment plan have voting and transfer rights. Shares of common stock which are held in the plan are not directly allocated to individual participants but instead are held in a separate fund in which participants acquire units. Such fund also holds varying amounts of cash and short-term investments. The number of shares allocable to a participant will vary on a daily basis based upon the cash position of the fund and the market price of the stock.
- (B) Under the terms of the stock option agreements granted to the directors, all options granted to a director that have otherwise not vested will vest and become exercisable in the event that he or she retires or resigns from the board. The following directors have unvested options that would accelerate and vest upon retirement or resignation from the board: Mr. Roberts, 2,000 options; Mr. J. Klein, 2,000 options; Mr. Armstrong, 6,000 options; and Mr. Hunter, 6,000 options. Options granted to each of the officers provide that they will vest and become exercisable in the event that the officer retires after attaining age 55; accordingly, 25,000 options granted to Mr. McClanathan would become exercisable if he were to retire.
- (C) The number of shares outstanding for purposes of this calculation was the number outstanding as of November 1, 2007 plus the number of shares which could be acquired upon the exercise of vested options, or options that could vest within 60 days, by all officers and directors, and the conversion of vested stock equivalents and equivalents that could vest within 60 days.
- (D) Mr. Stiritz disclaims beneficial ownership of 521,357 shares of common stock owned by his wife.

- (E) Mr. Mulcahy disclaims beneficial ownership of 12,500 shares of common stock owned by his wife and 111 shares owned by his step-daughter.
- (F) Includes 30,000 shares which are subject to a prepaid variable share forward transaction pursuant to which Mr. McGinnis will, in the future, deliver a number of shares of common stock, or the cash equivalent, the amount of which will depend upon the current market price for the common stock at the time of delivery.
- (G) Includes 2,500,000 shares owned by Mr. Stiritz and his wife which are subject to prepaid variable share forward transactions pursuant to which they will, in the future, deliver a number of shares of common stock, or the cash equivalent, the amount of which will depend upon the current market price for the common stock at the time of delivery.
- (H) Includes vested common stock equivalents which will convert to shares of common stock upon the individual's retirement, resignation from the Board or termination of employment with the Company. The number of vested equivalents credited to each individual officer or director is as follows: Mr. Stiritz, 130,000; Mr. Hoover, 10,000; Mr. Liddy, 10,000; Mr. Micheletto, 10,000; Mr. Roberts, 10,000; Mr. J. Klein, 10,000; Ms. Nicholson, 10,000; Mr. Ward Klein, 47,917; Mr. McClanathan, 36,667; Mr. Sescleifer, 10,417; Mr. Hatfield, 3,334; Ms. Stratmann, 10,417; and all other executive officers, 0. In addition, under the terms of restricted stock equivalent awards granted in May, 2003, unvested equivalents will, by their terms, vest and convert to shares of common stock in the event the officer retires after attaining age 55. Accordingly, this number also includes 13,333 of these equivalents granted to Mr. McClanathan which would vest and convert to shares of common stock if he were to retire.

## EXECUTIVE COMPENSATION

The following narratives and tables discuss the compensation paid in fiscal year 2007 to our chief executive officer, chief financial officer and our other three most highly compensated executive officers, whom we refer to as our "named executive officers".

## COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes the key principles and approaches used to determine the compensation of our named executive officers listed in the Summary Compensation Table. You should read it in conjunction with the executive compensation tables and narrative which follow.

The nominating and executive compensation committee of our board of directors, or the "committee," is responsible for approving compensation for our executive officers, and for setting the overall objectives and goals of the executive compensation program.

The elements of our executive compensation program are:

- base salary,
- incentive program—a three-tier program (annual and two-year cash bonuses, and three-year equity awards) focused on consistent earnings per share ("EPS") growth from year to year and over longer term periods,
- a deferred compensation plan with a 25% Company match for deferrals into a fund tracking the performance of our common stock,

- supplemental retirement plans which restore retirement benefits otherwise limited by IRS regulations,
- change of control severance benefits, and
- limited perquisites.

## **Objectives**

The key objective of our compensation philosophy is to reward management based upon its success in building shareholder value. With that objective, the overall executive compensation program is designed to provide a compensation package that will enable us to attract and retain highly talented executives and maintain a performance-oriented culture.

### ***Pay for Performance***

Our goal is to instill a “pay for performance” culture throughout our operations, with total compensation targeted at the 50<sup>th</sup> percentile of our peer group. To attain that overall targeted level, while focusing on compensation linked to our financial performance, we generally target:

- below the 50<sup>th</sup> percentile for base salary,
- at or below the 50<sup>th</sup> percentile for target total cash (base and bonus), and
- above the 50<sup>th</sup> percentile for long-term incentives.

In 2007, a significant portion of targeted compensation for our named executive officers was variable, as opposed to fixed, compensation, and much of that was dependent upon achievement of pre-established earnings goals—subject to forfeiture if threshold goals are not achieved. We believe this compensation structure offers high potential rewards for superior performance, and steep reduction for results below target.

### ***Consistent EPS Growth***

Our incentive programs are focused on consistent EPS growth from year to year. We believe that focus has provided strong motivation for superior executive performance that directly benefits shareholders, and that the continuing use of EPS as a performance metric is strongly supported by a number of factors:

• EPS performance reflects the cumulative impact of operating and financial management decisions throughout our organization and provides a unified and consistent measure of performance. It also enables the design of underlying performance metrics which build up to annual and longer-term EPS goals.

• EPS is a readily determinable figure included in our reported results—making it a measure easily understood and accessed by executives and employees in our incentive programs, as well as by our shareholders.

• There is a demonstrably high correlation of almost 90% between movement in the share price of our common stock and changes in our trailing four quarters EPS, adjusted for the unusual items described under *Adjustment of Goals* below. After the end of fiscal year 2001, when we experienced a net loss, we implemented an annual incentive program focused on consistent year over year growth in EPS, which has evolved into our current three-tier program. From that time until the end of fiscal year 2007, Energizer has produced a 37% compound annual growth in its diluted EPS, as adjusted, and a 36% compound annual growth in share price. (The above growth rate in EPS is based on fully diluted EPS for 2001 and 2007, determined in accordance with U.S. generally accepted accounting principles (“GAAP”) and adjusted for a write-off of goodwill in 2001 of \$119 million, and for a one-time non-cash tax benefit of

\$7.4 million recognized in 2007, as discussed in *Adjustment of Goals* below.)

¶We believe that this focus on consistent EPS growth has resulted in superior executive decision-making and performance, as well as excellent share price growth, and, therefore, that the continued utilization of EPS as the key performance metric for our executive officers remains appropriate.

The choice of any performance metric involves a consideration of its advantages and drawbacks, and the committee has carefully considered these issues with respect to the use of EPS. The committee has recognized that non-operating factors, in particular our share repurchases over the past five years, have impacted EPS growth, even though the primary component of our EPS growth, historically, has been contributions from operations. We believe our share repurchase program has been an important factor in increasing shareholder value—a practical and tax efficient means of providing shareholder returns—and that our officers should be rewarded for its success. Consequently, the committee believes that it is appropriate to utilize EPS, without adjustment for share repurchases, as our key performance metric. Nevertheless, the committee is regularly advised of share repurchases and other discretionary management actions which can impact EPS growth. The committee also periodically considers the impact of our focus on EPS improvement on operational and cash management decisions.

### ***Retention***

Our management team is highly experienced (the average length of service with the Company for our named executive officers is over 20 years), and has been successful in significantly improving operating results since 2001, as well as in sustaining consistent “year over year” growth in EPS, as adjusted. Because of management’s level of experience and successful track record, as well as the value of maintaining continuity in senior executive positions, we view retention of these executives as critical to the ongoing success of our operations. Consequently, we utilize benchmarking against a peer group of companies in order to ensure that we can retain key executives and remain competitive in attracting new employees.

During fiscal year 2007, several key executives and high potential employees throughout our organization terminated employment with us in order to take positions with other firms. Because of our concerns over retaining key individuals, during the course of the next year we will be reviewing whether our retention programs are sufficiently effective.

### ***Other Considerations***

Because an overall compensation program addresses numerous compensatory, health, welfare, and retirement concerns of employees, our executive compensation program also includes various other programs and benefits addressing these concerns. At the time of our spin-off in 2000, our management and board of directors elected to retain the executive benefit programs provided by our former parent, Ralston Purina Company, in order to provide continuity of benefit programs. Our executives are very familiar with these programs and value them highly as a part of their overall compensation package. We view these legacy benefits as also strengthening our ability to retain senior executives, as we believe that they can be a key consideration whenever employment changes might be contemplated. The committee has determined, based on comparative market data provided by its consultant, that the total value of the overall benefits offered to our named executive officers for fiscal year 2007 is approximately at the 50<sup>th</sup> percentile relative to our peer group.

In the context of these objectives, we describe below the material elements of our executive compensation program, and the reasons why each element is included.

### **Compensation Committee’s Role and Procedures**

Our board of directors has delegated authority to the committee to approve all compensation and benefits for our executive officers. The committee sets executive salaries and bonuses, reviews executive benefit programs, including change in control severance agreements, and grants cash bonus awards under our annual and two-year cash bonus program, as well as equity awards under our 2000 incentive stock plan. The committee has not delegated this authority to any other individuals or groups, but it has delegated certain general administrative tasks involving our benefit programs to the Energizer plans administrative committee, which is comprised of members of management.

*Committee Consultant*

To assist it in evaluating our executive and director compensation programs on a competitive market basis, the committee has directly retained an outside consultant, Hewitt Associates, Inc., which is asked to:

provide comparative market data from our peer group with respect to the compensation of the named executive officers and the directors,

- analyze our compensation and benefit programs relative to our peer group, at target compensation levels, and
- advise the committee on trends in compensation practice and on management proposals with respect to executive compensation.

Although, in the past, Hewitt has worked with management in developing and analyzing compensation proposals, during fiscal year 2007, management decided to retain a separate consultant, Watson Wyatt, which advises it (but not the committee) on market trends in executive compensation, provides ad hoc analysis and recommendations, and reviews and comments on compensation proposals. It is expected that having separate consultants will promote Hewitt's independence with respect to the advice it provides the committee. Hewitt does provide our management with executive market pricing data, based on our peer group, for approximately 25 direct reports of our executives, in order to ensure consistency in market compensation comparisons. The charge for the additional data is minimal, and as Hewitt does not provide any other services to the Company, we do not believe that its independence is compromised. The committee has been apprised of all dealings between its consultant and management, and regularly reviews the total fees paid to Hewitt.

Hewitt, with input from the committee and from our management, has developed a customized peer group of 22 companies based on a variety of criteria, including consumer products businesses, businesses with a strong brand focus, competitors for executive talent, and similarly sized businesses in terms of revenues and market capitalization. Hewitt uses data provided by that peer group to determine a market comparison for our executive compensation program, with targeted total compensation at the 50<sup>th</sup> percentile of the peer group, size-adjusted by revenues. The market comparison is made on the basis of target total compensation, as well as on the basis of the individual components—base pay, target annual bonus, target total cash compensation, target long-term incentives (both equity and long-term bonuses), overall benefits, and perquisites.

Equity grants are also compared to market data on dilution and overhang, to ensure that they are consistent with the median run rate for the peer group. Hewitt also analyzes the peer group with respect to change of control severance benefits.

The peer group utilized by Hewitt for its review of fiscal year 2007 executive compensation consists of the following companies. The industries in which the companies are engaged (1. household products; 2. personal care; 3. food and beverage; 4. apparel), are noted.

Alberto Culver(2)	Brown Shoe(4)	Fortune Brands(1)(3)	Newell Rubbermaid(1)	Tupperware(1)
Anheuser Busch(3)	Church & Dwight(2)	Hasbro(3)	NuSkin Enterprises(2)	Wrigley(3)

Avon Products(2)	Clorox(1)	Hershey(3)	Playtex Products(2)
Bausch & Lomb(2)	Colgate-Palmolive(2)	J.M. Smucker(3)	Revlon(2)
Black & Decker(1)	Del Monte Foods(3)	Kellogg(3)	Spectrum(1)(2)

The committee is annually apprised of the current value of all equity-based compensation awarded to the officers, which it considers in determining whether additional retention protections are necessary. It is also apprised of the value of payments to the officers following a termination of employment under various scenarios. Because of our program’s emphasis on pay for performance and compensation at competitive market rates, the committee does not view prior equity awards to our executives as a significant factor in its determination of appropriate equity grants or other compensatory awards.

## Elements of Compensation

**Base pay**—We benchmark base pay against our peer group on an annual basis as a guide to setting compensation for all key positions throughout the Company—including the named executive officers. Because the executive compensation program is designed to emphasize variable pay over fixed compensation, our management and the committee have agreed that the target for base salaries should generally be below the 50<sup>th</sup> percentile for the peer group. With that underlying framework, at the beginning of each fiscal year the committee establishes the salaries of the executive officers (other than the chief executive officer) based on recommendations of the chief executive officer. These recommendations include an assessment of the individual’s responsibilities, experience, and individual performance against focal points. We also review a number of external sources relating to average merit increases for executives, as a comparison to our recommendations. The committee also reviews the peer group benchmarked salary data provided by the committee’s compensation consultant. The consultant, without input from management, provides the committee with a range of possible salary levels for the chief executive officer, which is also based on benchmarked salary data from the peer group. The committee then assesses the chief executive officer’s contributions during the prior year and performance against focal points, and subjectively determines an appropriate salary for the upcoming year. (The process of setting focal points for the named executive officers is described in more detail below.)

During fiscal year 2007, the aggregate salaries of the named executive officers were more than 10% below the 50<sup>th</sup> percentile, and the individual salaries of each of the officers ranged from 5% to 30% below the 50<sup>th</sup> percentile for the peer group. The differences in the range below median were based upon their individual experience, time in job, and performance, as well as changes in benchmarked data for each position, which can vary from year to year based upon compensation changes by the peer group companies.

Each year, recommendations for the specific salaries for the executive officers are determined by a subjective consideration of the above performance factors, as well as by consideration of the interplay of all of the benchmarked elements making up total compensation for the officers. These considerations are made in light of our overriding compensation goal of setting target total compensation at the 50<sup>th</sup> percentile for the peer group, and then setting the individual components either above or below that market point, in line with our “pay for performance” philosophy, which emphasizes long-term incentives over fixed pay. We look at these factors for each individual officer as well as for the entire executive officer group in the aggregate. If market or subjective factors suggest an increase in salary for an officer is merited, the range of increases (subject to our goal of staying below the 50<sup>th</sup> percentile for salaries) is evaluated in terms of:

- their impact on the aggregate salaries of the executive group,
- their impact on total compensation paid, individually and to all of the officers, and
- their impact on the individual components of that total compensation which change as a result of a change in base salaries—such as target annual bonus, target long-term bonus, and benefits.

We evaluate all of these factors to ensure that our pay is consistent with our 50<sup>th</sup> percentile pay philosophy. The amount of increase which best achieves the subjective goal of rewarding an officer, and which keeps all of the other elements of compensation in line, is then recommended to the committee. The committee reviews the recommendations with its consultant, and as long as they remain within the targeted range relative to the peer group, the committee has historically approved the recommendations as made. For fiscal year 2007, the base salaries of the named executive officers approved by the committee were as follows: W. Klein—\$750,000; D. Sescleifer—\$400,000; J. McClanathan—\$450,000; D. Hatfield—\$310,000; and G. Stratmann—\$320,000.

Because salaries are based on individual responsibilities and performance, and on benchmarked data for similar positions at our peer group, the committee generally does not consider parity among the officers or between officers and employees. However, parity between the two officers leading each of our operating divisions is one of the subjective factors which has been considered in the past. Because the chief executive officer exercises a level of responsibility higher than that of our other executive officers, his salary, in line with benchmarking data from our peer group, has historically been set at a higher level than the other officers, although still significantly below the median. (For fiscal year 2007, his salary was approximately 30% below the 50<sup>th</sup> percentile.)

On April 1, 2007, upon the retirement of Mr. Joseph Lynch, Mr. David Hatfield was promoted to president and chief executive officer of our Schick-Wilkinson Sword division. In light of his additional responsibilities, and based on benchmarked data, the committee at that time increased Mr. Hatfield's base salary for the remainder of fiscal year 2007 to \$350,000, but his salary as increased remained more than 10% below the fiftieth percentile. The committee also increased his target bonus from 60% to 80% to keep it in line with our other officers at similar levels.

The committee evaluated the annual salaries of the named executive officers after the end of fiscal 2007, and based upon successful performance during 2007, the increasing responsibilities associated with the acquisition of Playtex (which grew the Company from \$3 billion to \$4 billion in annualized revenues) and benchmarking data, the committee elected to increase their salaries for fiscal 2008. For 2008, the base salaries of the named executive offices will be as follows: W. Klein—\$825,000; D. Sescleifer—\$440,000; J. McClanathan—\$475,000; D. Hatfield—\$400,000; and G. Stratmann—\$350,000. The committee's consultant has indicated that these salaries generally meet the intended goal of below 50<sup>th</sup> percentile for base salaries. All officers, as a group, are at approximately 16% below, and the named executive officers individually, other than Mr. McClanathan, are in a range between 9% and 30% below, the 50<sup>th</sup> percentile for the peer group. The committee's consultant determined that Mr. McClanathan's new base salary is approximately 3% above the 50<sup>th</sup> percentile position, primarily as a result of a decline in benchmarked data for his position, which can vary from year to year based upon compensation changes by the peer group companies. The differences in the range below median for the other officers resulted primarily from the fact that the benchmarked data changed in reflection of changes in the scope of their positions following the acquisition of Playtex.

We believe that a competitive base pay structure which is annually adjusted to reflect individual performance serves to attract and retain key individuals, motivates performance against focal points for the year, and rewards exceptional performance.

*The amounts of salary paid to each of the named executive officers during fiscal year 2007 is set forth in the **Summary Compensation Table** below.*

**Incentive programs**—As noted above, a primary focus of our executive compensation program is consistent EPS growth from year to year, and over long-term periods (adjusted as described below). To achieve this goal, we have developed a three-tier incentive compensation structure for our key executives:

- an annual cash bonus program with a target for annual EPS growth, as adjusted, set at 10% above prior year results, as well as a subjective component focused on individual performance;



a two-year cash bonus program which provides an opportunity for an additional cash bonus for year over year increases in EPS results; and

a three-year performance award of restricted stock equivalents, 75% of which are performance-linked and vest only if goals for three-year compound annual growth in EPS are achieved. (These are described under EQUITY AWARDS below.)

**ANNUAL AND TWO-YEAR BONUS PROGRAM**

Awards to officers under our annual and two-year cash bonus program are made under the terms of our shareholder-approved executive officer bonus plan, and the three-year performance awards are granted under the terms of our shareholder approved 2000 incentive stock plan, so that they can qualify as performance-based compensation under IRS Reg. 162(m). The performance goals are set by the committee at the beginning of each fiscal year, and are intended to promote an acceptable level of shareholder return by means of healthy and consistent EPS improvement.

*Annual Bonus*

The annual bonus is designed to promote achievement of both Company and individual performance goals, with a component equal to 70% of the annual bonus focused on objective Company performance, and a component equal to the remaining 30% of the annual bonus focused on more subjective individual performance.

Company performance. This component rewards achievement of Company performance goals established at the beginning of each fiscal year. For the executive officers, the program is designed to reward significant annual EPS growth, and provides the following potential bonuses:

<b>Goals for Annual Objective Component— Set at Beginning of Each Fiscal Year</b>	<b>Bonus which will be Awarded upon Achievement of Goals</b>
Threshold—set at prior year’s final GAAP results	50% of 70% of officer’s “bonus target”
10% (target)- set at 10% above Threshold goal	100% of 70% of officer’s “bonus target”
Stretch—set at 20% above Threshold goal	150% of 70% of officer’s “bonus target”

(Bonuses indicated increase proportionately for final results between the goals indicated—with maximum bonus at stretch. **No bonuses are paid for results below the Threshold goal.**)

The committee has assigned individual “bonus targets” (a percentage of annual salary) to each of the officers, based upon historical practice at the Company and benchmarked data provided by the committee’s consultant. For fiscal years 2007 and 2008, the following “bonus targets” have been assigned to the named executive officers:

- Mr. Klein - 100%
- Mr. Sescleifer - 80%
- Mr. Hatfield - 80%
- Mr. McClanathan - 80%
- Ms. Stratmann - 60%

For 2007, the 10% and stretch EPS goals were increased, as described under *Adjustment of Goals* below, and consequently were actually greater than the program’s formula otherwise provided. The actual goals for fiscal year

2007 and fiscal year 2008 are also set forth under *Adjustment of Goals*. Based on final EPS results for fiscal 2007, adjusted as described in *Adjustment of Goals*, which exceeded the increased stretch EPS goal for the year, bonuses under this objective component were awarded to the named executive officers, as described in the **Summary Compensation Table** below, at the maximum level.

**Individual performance.** The individual performance component of the annual bonus is based upon a subjective evaluation of the officer's performance during the year, including performance against pre-established "focal points" for business and personal improvement. Based on that evaluation, a subjective rating is assigned to each officer, each of which ratings provide the following potential bonuses:

<b>Rating</b>	<b>Individual Performance Bonus</b>
"1" or "major contributor"	200% of 30% of officer's "bonus target"
"2" or "significant contributor"	125% of 30% of officer's "bonus target"
"3" or "solid contributor"	50% of 30% of officer's "bonus target"
"4" or "marginal contributor"	0
"5" or "unsatisfactory contributor"	0

The board of directors establishes the focal points of the chief executive officer at the beginning of the year, and the chief executive officer sets the focal points for the other executive officers. The focal points for those other officers for 2007 generally addressed specific operational objectives, budgeted financial objectives, organizational and management objectives, and more specific objectives directly related to each officer's position. The focal points for the chief executive officer addressed top-line operating objectives for our household products and personal care products businesses, sales and profit growth objectives, strategic objectives for use of operating cash flows, and organizational and management objectives.

The committee determines the rating for the chief executive officer, based on his performance during the year, with input from the chairman of the board. The committee also reviews subjective assessments of the chief executive officer's performance which are provided by each of the directors. The ratings for all other executive officers are recommended by the chief executive officer and are subject to committee approval, but the committee generally accords great weight to these recommendations. For fiscal 2007, the committee determined that each of the officers either achieved, or made significant progress toward achievement of, all of their pre-established focal points. In assessing the chief executive officer's performance for fiscal 2007, the Committee assigned him a "1" rating, indicating that they viewed his leadership during fiscal year 2007 as outstanding, particularly with respect to:

- the acquisition of Playtex,
- the achievement of solid growth in sales and operating profit in the Company's two divisions despite a difficult business environment, and
- the Company's continuing growth in EPS above targeted levels.

The other named executive officers were rated either "1" or "2" for their performance during 2007.

#### *Two-Year Bonus*

The two-year bonus is designed to promote consistent growth in EPS from year to year, with no fall-back in performance. It provides the following potential bonuses:

<b>EPS Goals for Year One</b>	<b>Amount of Bonus Opportunity if Goals for Year One Achieved</b>	<b>Bonus Payment if Goals for Year Two Achieved</b>

10% (target)—set at 10% above prior year’s final EPS results	50% of officer’s “bonus target”	Threshold—set at final EPS results for year one	50% of bonus opportunity created after year one
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Stretch—set at 20% above prior year’s final EPS results	100% of officer’s “bonus target”	10%(target)—set at 10% above final EPS results for year one	100% of bonus opportunity created after year one
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(Bonus opportunities and payments indicated increase proportionately for final results between the goals indicated. **No opportunity created or bonus paid for results below the above goals.**)

Because adjusted EPS results for fiscal 2007, adjusted as described in *Adjustment of Goals* below, of \$5.39 exceeded the 10% and stretch EPS goals for that year, the bonus opportunity created after fiscal year 2006 became payable, and a new bonus opportunity based on fiscal 2007 results (equal to 100% of each officer’s bonus target) was created, payment of which is dependent upon fiscal year 2008 results. The two-year cash bonus paid after fiscal 2007 is set forth in the **Summary Compensation Table** below, and the bonus opportunity created is set forth in the **Grants of Plan-Based Awards Table** below.

*Targeted Compensation Under the Annual and Two-Year Bonus Program*

Because of our focus on incentive “pay for performance” compensation, we provide higher than market “bonus target” percentages for our executive officers, other than our chief executive officer, whose bonus target is below market. However, because our base salaries have been set below the 50<sup>th</sup> percentile of our peer group, our target annual bonus and target total cash for 2007, in the aggregate and individually for each officer, were generally at least 5% below the 50<sup>th</sup> percentile, in line with our overall goals for total compensation targeted at the 50<sup>th</sup> percentile of our peer companies. The committee reviews our targeted bonus opportunities annually.

Our compensation goal is to provide pay *opportunities* to our executive officers that are competitive and consistent with our pay philosophy. What may actually be realized by them, especially under our annual and two-year cash bonuses and performance awards, is entirely a function of realized results. To the extent *actual* or *earned* compensation varies from our targeted total compensation percentile, it is a function of the individual’s and our company’s performance.

*Adjustment of Goals*

The calculation of EPS for purposes of the annual and two-year cash bonus program, and our three-year performance awards, is made in accordance with U.S. generally accepted accounting principles (“GAAP”), subject to adjustment for the following, if they occur during a measurement period:

- extraordinary dividends, stock splits or stock dividends;
- recapitalizations or reorganizations of the Company, including spin-offs or liquidations;
- any merger or consolidation of the Company with another corporation;
- unusual or non-recurring non-cash accounting impacts or changes in accounting standards or treatment;

unusual or non-recurring non-cash accounting treatments related to an acquisition by the Company completed during the fiscal year.

The committee has agreed that these adjustments will be mandatory under our program; in the event of any ambiguity, the committee determines if adjustment is appropriate. Consequently, the committee determined that GAAP EPS for fiscal 2007 was required to be adjusted to reflect the non-cash accounting impact of a portion of one-time deferred income tax benefits recognized by our German subsidiaries in that year. In our fiscal 2007 reported earnings, we recorded a \$9.7 million, or \$0.16 per diluted share, income tax benefit which resulted from deferred tax balances being adjusted to reflect lower German tax rates in 2008 and beyond. Of this amount, \$7.4 million, or \$0.12 per diluted share, associated with indefinite-lived intangible assets, was determined by the committee to be deferred tax benefits with no economic substance within the foreseeable future. As a result, solely for purposes of our incentive programs, final GAAP EPS for fiscal 2007 of \$5.51 was reduced by \$0.12 to \$5.39. The adjusted figure of \$5.39 will be the threshold EPS goal for our 2008 annual and two-year cash bonus program and the base for determining compound growth percentages under our three-year performance awards granted in October of 2007.

Similarly, in the event of inventory write-ups or other non-cash accounting adjustments associated with our acquisition of Playtex during fiscal year 2008, EPS goals under these incentive programs would be further adjusted to reflect any unusual or non-recurring non-cash accounting treatments that may be required.

The committee also has authority to adjust targets to exclude the effects of other extraordinary or unusual events occurring during measurement periods. In December of 2005, because of the significant and unusual nature of the Company's European restructuring program and the closure of its Caudebec, France facility, the committee approved relief of \$0.25 from the EPS performance goals for fiscal year 2006, reflecting the actual expenses incurred in the restructuring and closure. However, in recognition of the one-time nature of the charge, and the fact that the restructuring project was anticipated to generate future cost savings, the committee also determined that the threshold, as well as 10% and stretch EPS goals for the 2007 bonus program would be increased by that amount, and that the 10% and stretch EPS goals would also be increased by an additional \$.07, reflecting the anticipated annual savings from the restructuring project. The goals for fiscal year 2007, as adjusted, are shown below.

<b>Bonus Program</b>	<b>Formula for</b>	<b>Increase Due to European Restructuring</b>	<b>Increase Reflecting Annual Savings</b>	<b>Adjusted 2007 Bonus Program EPS Goals</b>
<b>Goals</b>	<b>Setting Goals</b>	<b>Relief in FY 2006</b>	<b>Savings</b>	
Threshold	FY 2006 EPS results—\$4.14	\$0.25	—	\$ 4.39
10%	10% above Threshold	10% above adjusted Threshold	\$ .07	\$ 4.90
Stretch	20% above Threshold	20% above adjusted Threshold	\$ .07	\$ 5.34

Goals for fiscal year 2008 were determined by application of the above formula to final EPS results for fiscal year 2007 (adjusted as described above).

<b>Bonus Program</b>	<b>Formula for</b>	<b>Decrease Reflecting Non-Cash Accounting Impact of German Tax Benefit in FY 2007</b>	<b>Adjusted 2008 Bonus Program EPS Goals</b>
<b>Goals</b>	<b>Setting Goals</b>		
Threshold	FY 2007 EPS results—\$5.51	\$0.12	\$ 5.39
10%	10% above Threshold	10% above adjusted Threshold	\$ 5.93
Stretch	20% above Threshold	20% above adjusted Threshold	\$ 6.47

The annual and two-year cash bonuses are intended to ensure that executives focus on both short-term profit maximization as well as consistent growth from year to year, and the potential of large payouts for achievement of stretch EPS goals provides a strong incentive for outstanding performance. In addition, because long-term awards under the program are not payable unless the executive remains with us throughout the two-year measurement period, the program also helps to retain key executives.

*The amounts of the annual Company performance cash bonus and the individual performance cash bonus, and the two-year cash bonus earned by each of the named executive officers for fiscal year 2007 is set forth in footnote 4 to the **Summary Compensation Table** below. The value of two-year bonus opportunities created for each of the officers during fiscal year 2007, payment of which is contingent upon fiscal year 2008 EPS results, is set forth in the **Grants of Plan-Based Awards Table** below.*

## EQUITY AWARDS

At the time of our spin-off, we adopted our 2000 incentive stock plan (which was later approved by shareholders) providing authority for the committee to grant up to 15 million shares of common stock, in the form of stock options (qualified and non-qualified), restricted stock or stock equivalents, and other stock awards. The plan expires in 2009, and approximately 2,800,000 shares remain available for grant. We believe that equity grants provide a direct link to shareholder interests by tying a significant portion of the officers' personal wealth to the performance of our common stock. Such grants reinforce a strong interest in share price growth, and also, because of vesting requirements, help to retain key employees.

Over the course of the plan's life, the committee has granted non-qualified stock options. However, in order to strengthen the pay for performance aspect of equity awards, the committee, for the past three years, has granted performance restricted stock equivalent awards ("performance awards") to the named executive officers and other key employees.

Performance awards are designed to promote consistent and significant EPS growth, as adjusted, over a three-year period, as well as to provide an additional means of retaining key employees and executives. These awards have performance- and non-performance-linked components, and provide that:

### Non-performance-linked component

25% of the equivalents awarded vest on the third anniversary of grant, provided that the executive remains employed with us at that time,

### Performance-linked component

an additional 25% vests only if 10% compound annual growth in EPS, as adjusted, over the 3-year period is achieved, and

the remaining 50% vests ratably for compound growth in EPS, as adjusted, above 10% (up to a maximum of 15%) over the three-year period.

If at least 10% compound annual growth is not attained, none of the performance-linked component will vest.

### *Grants during 2007*

Three year performance awards with the above terms were granted to the named executive officers at the beginning of fiscal year 2007, as set forth in the **Grants of Plan Based Awards** table below. At the election of the committee, the base EPS number used for calculation of growth rates under those awards was \$4.45. This increase over the final GAAP EPS results for fiscal year 2006 of \$4.14 reflected the \$.25 relief given for the European restructuring project under the 2006 annual and two-year bonus program, described under *Adjustment of Goals* above, and an additional \$.06 charge to earnings for fiscal 2006 taken at the end of that year.

Additional performance awards were granted to the officers and other key employees in October of 2007 (which is fiscal year 2008). As noted above, under earlier awards, including those granted during fiscal year 2007, 75% of the total award granted to each officer will be forfeited if compound growth of at least 10% is not achieved over the three-year period of the award. Because of the harshness of that cliff, and because the committee's consultant advised that performance awards among our peer group generally had lower targets than ours, the performance awards granted during fiscal year 2008 have a slightly lower threshold for vesting of a portion of the performance-linked component. These awards now provide that 5% of the total equivalents granted will vest if compound annual growth of 8% is achieved, and 15% will vest if compound annual growth of 9% is achieved (with the remainder of the award vesting as described above). The total equivalents granted to each officer under these awards was: W. Klein—56,000 equivalents; J. McClanathan—14,000 equivalents; D. Hatfield—14,000 equivalents; D. Sescleifer—14,000 equivalents; and G. Stratmann—10,000 equivalents. The base used for calculation of growth rates for purposes of these awards is equal to final adjusted EPS for fiscal 2007, as described in *Adjustment of Goals* above, of \$5.39.

The determination of whether targeted growth in EPS is achieved will be made in accordance with GAAP, adjusted for unusual items, as described in *Adjustment of Goals* above.

#### *Timing and Procedures for Grants*

Except in exceptional cases of promotions or new hires, performance awards and other restricted stock equivalent awards are granted at the fall meeting of the committee. At that meeting, which occurs just after the beginning of the fiscal year, salary levels and bonus programs for the new fiscal year are determined, and the committee and management have agreed that it is also an appropriate time to review and consider additional awards, as part of the total compensation packages offered. If options are awarded, although there is no current plan to do so, they would be granted at that meeting, at the closing price of the common stock on that date. As the committee meeting generally occurs prior to the Company's final determination of fiscal year end results, and as the specific date of the meeting is set a year in advance, we believe that there would be little or no opportunity to obtain favorable option pricing through manipulation of the grant date.

For the past several years, the size of equity awards for the executive officers has been, in part, based upon benchmarked data from our peer group provided by the committee's consultant, valued on the basis of grant-date present value.

¶The consultant uses pricing models comparable to Black-Scholes for restricted stock equivalents and performance awards, giving consideration to risk of forfeiture and degree of upside potential for performance shares.

¶In valuing the performance component of our performance awards, the consultant assigns a premium to reflect the fact that our maximum payout, for 15% compound growth in EPS over the three-year term of the award, is three times our target payout (for 10% compound growth) instead of the more customary two times target. This structure reflects our greater emphasis on "pay at risk".

¶As with the setting of base salary, the size of awards recommended reflects the interplay involved with providing long-term incentive compensation, valued at target, at or slightly above the 50<sup>th</sup> percentile and maintaining total compensation for each officer, and for all of the officers as a group, at the 50<sup>th</sup> percentile, as well as a consideration of parity among the officers, individual circumstances, current dilution rates, and the market run-rate for equity grants among the peer group. Based on these considerations and the consultant's valuation, the chief executive officer subjectively determines an appropriate number of shares or share units to be recommended to the committee for each officer.

¶The committee reviews the proposed awards with its consultant and then generally acts in line with the recommendations.

With respect to awards to the chief executive officer, the consultant, without input from the chief executive officer or other members of management, provides a range of potential awards, valued as described above, to the committee, and the committee, based on the same decision factors, subjectively determines the size of the award. Our performance awards in 2007, in combination with our other long-term incentive (the two-year cash bonus program) were, for the officers as a group, less than 10% above the 50<sup>th</sup> percentile, and on an individual basis, were in a range between 10% above and 10% below the 50<sup>th</sup> percentile. Differences in the range were primarily a result of the interplay of the factors, described above, which are involved in setting long-term compensation for each individual officer.

We provide long-term incentive opportunities in the form of equity awards in order to align our officers' interests with those of shareholders, promote exceptional performance, and retain key executives throughout the vesting periods. Equity grants constitute a significant element of executive compensation among our peer companies, and we believe the competitiveness of our program would suffer if such grants were not included.

*The FAS 123R expense associated with performance awards granted in fiscal year 2007 is included in the Stock Awards column of the **Summary Compensation Table**. The aggregate grant date value of the 2007 awards, in accordance with FAS 123R, is set forth in the **Grants of Plan-Based Awards Table**. Prior equity awards are listed in the **Outstanding Equity Awards at Fiscal Year End Table**.*

**Deferred Compensation Plan.** The executive officers and other key employees are permitted to request the deferral of their annual and two-year cash bonus awards, and a portion of their annual salary, under the terms of our deferred compensation plan, which is described in the narrative to the **Nonqualified Deferred Compensation Table** below. Deferrals of an executive's annual and two-year cash bonus into the Energizer common stock unit fund of the plan receive a 25% Company match, vesting three years from the date of crediting.

The plan is a legacy plan inherited from our former parent that we have retained as a part of our compensation program. The 25% Company match is highly valued by our executives as part of their overall compensation package, as are the tax deferral benefits of the plan. The investment alternatives offered provide additional value:

☐ The Energizer common stock unit fund, including the 25% Company match, links the executives' personal financial interests to the performance of our common stock, with no dilutive impact on shareholders because payouts under the plan are made in cash. Moreover, the three-year vesting requirements for the match provide us with an additional means of retaining executives.

☐ The 25% Company match has been identified by the committee's consultant as a benefit that is greater than similar benefits offered by our peer group. However, because of the above advantages of the program, and because the aggregate value of our total compensation for 2007, for each officer, and for the officers as a group, approximates the 50<sup>th</sup> percentile for the peer group, the committee has determined to keep the match in place.

☐ The investment options tracking the investment funds in our 401(k) plan allow executives to tailor their retirement investments according to their individual investment objectives, although executives must retain their deferred bonuses in the Energizer common stock unit fund for at least a year, and the 25% Company match must remain in that fund until vested.

☐ The prime rate fund provides an above-market rate of return. Because its inclusion in the plan has not impacted our goal of achieving total compensation at the 50<sup>th</sup> percentile, the committee has elected to retain the prime rate fund.

*The FAS 123R expense associated with unvested 25% Company match deferrals during fiscal year 2007 is included in the Stock Awards column of the **Summary Compensation Table**, and above-market interest under the prime rate fund, credited to each of the named executive officers during fiscal year 2007, is included in the **Summary Compensation Table** below (and detailed in footnote 5 to that Table.) Details of contributions and earnings, and year-end balances,*

*in the deferred compensation plan are set forth in the Nonqualified Deferred Compensation Table and accompanying narrative.*

## **Supplemental Retirement Plans.**

### *Defined Benefit*

Pension benefits under our qualified defined benefit pension plan are based upon an employee's five year final average earnings (including wages and bonuses, either paid or deferred). Because of IRS limitations on the amount of earnings that can be taken into account for such calculation, and on the amount of benefits that can actually be paid, we have, like many companies our size, established an unfunded pension restoration plan, our executive supplemental retirement plan, which, following retirement, provides a monthly supplement to an executive's pension benefit equal to the amount that the executive would have received but for the IRS limitations. Executives whose pension benefits under the qualified plan are calculated under an account-based formula, also have the option of taking their restoration benefit in the form of a lump-sum payment upon retirement.

### *Defined Contribution*

We also offer a qualified defined contribution 401(k) plan, our savings investment plan, which permits all U.S. employees to defer a percentage of their compensation into the plan until retirement, and receive a Company match on a portion of their deferrals. The amounts which may be deferred into the qualified plan, as well as the amount of company matching contributions, are also both subject to IRS limitations. As with the defined benefit plan, we have adopted an unfunded excess 401(k) plan, our executive savings investment plan, under which executives are permitted to defer any excess contributions and matching payments not permitted into the qualified savings investment plan.

### *Value of the Plans to Our Compensation Program*

The pension restoration plan and the excess 401(k) plan are legacy benefits which were also offered by our former parent, and the committee believes they are highly valued by the executives. The pension restoration plan preserves the full, unreduced benefit which the executives would otherwise receive under the qualified plan's pension formula, and the excess 401(k) plan offers the opportunity to save for retirement, on a tax deferred basis, at the same levels of deferral and company match that the executives would otherwise receive under the qualified 401(k) plan without IRS limits.

According to market data provided by the committee's consultant, these types of benefits are generally offered by our peer group described above, often with enhanced benefit formulas (which we do not provide). We believe that not including these programs would put us at a competitive disadvantage in retaining our key executives.

### *Enhanced Benefits under Separation Agreements*

On a very limited number of occasions, in connection with separation agreements entered into with certain terminating executives, our board has authorized the inclusion of additional bonus compensation in the calculation of pension restoration plan benefits, which would not otherwise have been included under the terms of the qualified pension plan. Although including this compensation resulted in greater benefits under the pension restoration plan, the board, in those cases, believed the benefit was necessary and appropriate consideration for the separation agreements. We consider these agreements on a case by case basis, and generally do not agree to enhance benefits under the pension restoration plan. None of the named executive officers has received enhanced pension restoration plan benefits, and Mr. Lynch did not receive enhanced benefits upon his retirement during fiscal year 2007.

### *Future Review of Benefit Formulas*



Accrued benefits under the pension restoration plan have increased over the past several years and could increase significantly in the future. As indicated above, bonuses under our annual and two-year bonus program are a component of five-year final average pay for purposes of pension benefit calculations under the qualified retirement plan and the pension restoration plan. Because the bonus program has evolved to a performance-based program with significant penalties for failure to achieve goals, and significant rewards for achievement of stretch goals, our superior financial performance over the last several years has resulted in higher than average bonuses, and, consequently, significantly expanded retirement liabilities. (Poor performance, of course, can have the opposite effect. No bonuses were paid to the executive team in 2001 because of poor financial results for that year, and pension restoration plan benefits were significantly negatively impacted during the five-year averaging period.) Management and the committee continue to review benefit formulas under the pension restoration plan in light of these issues.

*Details of pension benefits under the pension restoration plan are set forth in the **Pension Benefits Table** below, and details of contributions, earnings, and year-end balances in the excess 401(k) plan are set forth in the **Nonqualified Deferred Compensation Table** below.*

### **Severance and Other Benefits Following a Change of Control.**

Unlike many of our peers, we have not offered employment agreements to our executives. However, we have entered into change of control employment agreements with each of our executive officers which provide for severance payments equal to three times annual salary and bonus, and continuation of a number of other benefits in the event of the executive's involuntary termination, or voluntary termination for any of several specified reasons, within three years following a change of control. The agreements also provide for a payment of a pro rata annual bonus immediately upon a change of control, as well as vesting of all equity awards.

The agreements also provide that we will reimburse the officers for any excise taxes, including income taxes and additional excise taxes on such reimbursement, subject to reduction of benefits within 10% of the excise tax threshold.

Our three-year performance awards granted during fiscal year 2006 and fiscal year 2007 provide that they will vest in their entirety upon a change of control. However, the committee has decided that with respect to the performance awards granted in fiscal year 2008 and in future years, only 50% of the total equivalents granted will vest if the change of control occurs within eighteen months of grant, and if the change of control occurs more than eighteen months following grant, only the greater of

- 50% of total equivalents granted, or

the number that would have been granted if actual EPS performance for the period between grant and the change of control were achieved at the end of the three-year period,

will vest. The committee based this decision on advice from its consultant that vesting at target or actual performance, rather than maximum, upon a change of control, was more typical for agreements of this type.

Details of the terms of the agreements are set forth below under **Potential Payments Upon Termination Or Change of Control** below.

#### *Purpose of the Agreements*

Because we do not otherwise enter into employment agreements with our executive officers, the change of control employment agreements are designed to provide them with increased security in the event of a change of control, and allow them to weigh alternative future courses for the Company focused on the interests of shareholders and not their own personal financial interests. Our board of directors carefully identified the executives and other individuals who

have received agreements as critical to the process of evaluating or negotiating a transaction, or in the subsequent integration process. We believe that their retention throughout a change of control is critical to the success of any transaction. In evaluating these agreements, the committee considers it important that:

• except as noted above, no benefits become payable under an agreement unless the executive is involuntarily terminated, or voluntarily terminates for good cause; and

- the agreements limit the ability of the new management to impose unfavorable, harsh or unfair conditions of employment in order to motivate the executive to voluntarily terminate and forfeit severance benefits.

The committee annually reviews the terms and aggregate cost of the agreements in light of comparative market data provided by its consultant, and has from time to time in the last several years initiated limitations on the benefits provided. The consultant's advice is based upon regular surveys of Fortune 200 companies as well as our peer group, and its own internal data and expertise. Based on this information, the consultant has advised that severance payments set at three times annual base salary and bonus for the executive officers, as well as reimbursement of excise taxes, subject to reduction of benefits within ten percent of the excise tax threshold, is common, and that the aggregate projected cost of payments under our agreements, as a percent of market capitalization, is at the lower end of prevailing practices.

The aggregate cost of these agreements to a new controlling entity could be significant, depending, in particular, upon the value of equity awards vesting at a change of control, and excise tax calculations—which can vary significantly depending upon the date of calculation. However, we believe that the retention value provided by the agreements outweighs the potential cost given that:

• such protections are common among companies of our size, and allow us to offer a competitive compensation package,

• the committee's consultant has advised that the aggregate projected cost of the agreements is at the lower end of prevailing practice, and

• such costs will only be triggered if the new controlling entity terminates the protected executives, or they terminate for good cause, during the protected period.

*A description of the projected cost if a change of control were to have occurred on the last day of fiscal year 2007 and all of the named executive officers were terminated on that date is provided under **Potential Payments Upon Termination Or Change of Control** below.*

**Perquisites.** We offer only a limited number of perquisites for our executive officers, and do not provide commonly offered perquisites such as company cars and country club memberships. Our board of directors has authorized the personal use of our Company-owned aircraft, for up to 30 flight hours per year, by the chief executive officer and the chairman and chairman emeritus of the board. The board has also authorized those individuals to bring family members and guests along on business flights, and has also approved the reimbursement of those individuals for state and federal income taxes associated with their personal use of the aircraft and the use by their guests, but not for any taxes on such reimbursement. The remaining perquisites or executive benefits consist of the executive financial planning program, executive health plan, executive retiree life plan, executive long-term disability plan, and executive excess liability plan. These are all legacy programs which were in effect prior to our spin-off. Because our executives have participated in these programs for a number of years, and value them highly as a part of their overall compensation package, we believe they strengthen our ability to retain them at moderate expense. However, because of our overall compensation philosophy of focusing on performance-based compensation, the committee regularly reviews the continuing value of these programs. At its review in 2006, the committee elected to freeze the executive health plan for existing participants, and not to offer it to any additional participants.

*The value of perquisites provided to the named executive officers during fiscal year 2007 is set forth in the All Other Compensation Column of the **Summary Compensation Table** below, and detailed in footnotes to that Table.*

### **Stock Ownership Requirements**

In October, 2007, because of the importance of having our executives' personal financial interests directly and significantly linked to the interests of shareholders, the committee approved stock ownership guidelines for our executive officers. Although historically our officers have maintained stock ownership levels well above typical mandatory guidelines, we felt it was advisable to set guidelines for new officers. The guidelines provide that the chief executive officer must maintain ownership of our common stock with a value of at least five times his base salary, and the other executive officers must maintain common stock ownership with a value of at least three times their base salaries. New officers would be given a period of five years to attain full compliance with the guidelines.

For purposes of these determinations, stock ownership includes shares of our common stock which are directly owned or owned by family members residing with the executive, or by family trusts, as well as vested options, vested and deferred restricted stock equivalents, unvested restricted stock equivalents (other than equivalents subject to achievement of performance targets), and common stock or stock equivalents credited to an officer under our savings investment plan, our excess 401(k) plan, or our deferred compensation plan. At the current time, all of our officers are in compliance with the guidelines.

### **Trading in Energizer Stock Derivatives**

It is our policy that employees and officers may not engage in speculative transactions in our securities. Under the policy, an officer should not invest or trade in market-traded options, engage in short-sales of our securities, or speculate on relatively short-term price movements of our common stock.

### **Deductibility of Certain Executive Compensation**

U.S. tax laws set a limit on deductible compensation of \$1,000,000 per year per person for those executives designated as named executive officers in the proxy statement. We have mandated or reserved the right to mandate the deferral of certain bonus and salary payments to such officers. For fiscal year 2007, voluntary deferrals of payments under our annual and two-year cash bonus program will effectively preserve the deductibility of essentially all compensation paid to the named executive officers. As shareholders have approved the terms of the executive officer bonus plan, a significant portion of payments to the named executive officers under our annual and two-year cash bonus program for 2007 were performance-based and thus deductible. The performance awards granted to the named executive officers in 2006 and 2007 are pursuant to the shareholder-approved 2000 incentive stock plan, and accordingly will also be deductible when vested and paid. While it is the general intention of the committee to meet the requirements for deductibility, the committee may approve payment of non-deductible compensation from time to time if it believes particular circumstances warrant it. The committee intends to continue to review and monitor its policy with respect to the deductibility of compensation.

## **SUMMARY COMPENSATION TABLE**

			<b>Change in Pension Value and</b>	
<b>Stock</b>	<b>Option</b>	<b>Non-Equity Incentive</b>	<b>Nonqual'd Deferred</b>	<b>All Other</b>

Name and Principal Position	Year	Salary	Bonus (1)	Awards (2)	Awards Plan (3)	Comp. (4)	Comp. Earnings (5)	Compensation (6)	Total (\$)
Ward M. Klein Chief Executive Officer	2007	\$745,833	\$0	\$7,616,242	\$287,417	\$1,853,500	\$1,039,589	\$226,221	\$11,768,802
Daniel J. Sescleifer Executive Vice President and Chief Financial Officer	2007	\$397,500	\$0	\$1,462,923	\$56,074	\$788,480	\$191,577	\$61,615	\$2,958,169
Joseph W. McClanathan President & CEO Energizer Household Products	2007	\$449,166	\$0	\$2,396,152	\$91,649	\$836,880	\$737,364	\$68,907	\$4,580,118
David P. Hatfield President & CEO, Energizer Personal Care	2007	\$342,917	\$0	\$1,030,360	\$38,862	\$582,060	\$246,745	\$103,092	\$2,344,036
Gayle G. Stratmann Vice President and General Counsel	2007	\$317,500	\$0	\$1,208,515	\$83,728	\$426,720	\$232,145	\$45,860	\$2,314,468

(1) All awards under our annual and two-year bonus program are based upon achievement of either individual or Company performance measures established at the beginning of a performance period. Consequently, the value of all bonuses earned during the fiscal year are included in the Non-Equity Incentive Plan Compensation column of this table.

(2) The amounts reported in this column reflect the dollar amount, without any reduction for risk of forfeiture, recognized in the fiscal year for financial reporting purposes for stock awards to the listed officers, calculated in accordance with the provisions of FAS 123R. Portions of awards granted over several years are included in this amount. The FAS 123R value as of the grant date is spread over the number of months of service required for the grant to become vested, which may be accelerated for retirement eligible officers. Accounting expense is also affected by the current probability of meeting or exceeding performance targets included in some of the awards, since that is how they are expensed. Assumptions utilized in the calculation of these amounts are set forth in "Note 7. Share-Based Payments" of the Notes to Consolidated Financial Statements of our 2007 Annual Report.

(3) The amounts reported in this column reflect the dollar amount, without any reduction for risk of forfeiture, recognized in the fiscal year for financial reporting purposes for stock options held by the listed officers, calculated in accordance with the provisions of FAS 123R. Although no options were granted during the fiscal year, the amounts reflect portions of options granted over the past several years which had not vested as of the beginning of the year. The FAS 123R value as of the grant date is spread over the number of months of service required for the grant to become vested. Assumptions utilized in the calculation of these amounts are set forth in "Note 7. Share-Based Payments" of the Notes to Consolidated Financial Statements of our 2007 Annual Report.

(4) The amounts reported in this column reflect bonuses earned by the named executive officers during the fiscal year under our annual and two-year cash bonus program, which is described in our Compensation Discussion and Analysis. These amounts are comprised of

(i) the annual individual performance component;

(ii) the annual Company performance component; and

(iii) the two-year bonus which was created based on fiscal 2006 Company performance and which became payable based upon fiscal year 2007 performance.

EPS goals for fiscal year 2007 (as utilized in (ii) and (iii) above) were increased as discussed in Compensation Discussion and Analysis—ANNUAL AND TWO-YEAR BONUS PROGRAM—*Adjustment of Goals*.

The specific amounts earned by each of the named executive officers under (i), (ii) and (iii) above are as follows:

- Mr. Klein, (i) \$450,000; (ii) \$787,500; (iii) \$616,000
- Mr. Sescleifer, (i) \$192,000; (ii) \$336,000; (iii) \$260,480
- Mr. McClanathan, (i) \$216,000; (ii) \$378,000; (iii) \$242,880
- Mr. Hatfield, (i) \$168,000; (ii) \$294,000; (iii) \$120,060
- Ms. Stratmann, (i) \$72,000; (ii) \$201,600; (iii) \$153,120

These amounts do not reflect any deferral of payment of these amounts, at the officers' elections, under the terms of our deferred compensation plan which is described in the narrative to the Nonqualified Deferred Compensation table below. The annual and two-year bonus program does not provide for earnings on non-equity incentive plan compensation prior to its payment or deferral under the deferred compensation plan.

(5) The amounts reported in this column consist of:

(i) aggregate changes in the actuarial present value of accumulated benefits under our retirement plan and the supplemental executive retirement plan, our pension restoration plan, which are our defined benefit pension plans described in the narrative to the Pension Benefits table. For the final average earnings formula benefit under the retirement plan, this amount reflects the difference in the calculated present value of the benefit during fiscal year 2007. (To the extent that payments under the qualified retirement plan exceed limitations imposed by the IRS, the excess will be paid under the terms of the non-qualified supplemental executive retirement plan.)

- Mr. Klein, \$1,039,087
- Mr. Sescleifer, \$153,135
- Mr. McClanathan, \$722,307
- Mr. Hatfield, \$225,003
- Ms. Stratmann; \$232,145

(ii) above-market interest (120% of the applicable long-term federal rate) credited to deferrals into the prime rate fund of our deferred compensation plan:

- Mr. Klein, \$502
- Mr. Sescleifer, \$38,442
- Mr. McClanathan, \$15,057
- Mr. Hatfield, \$21,742

(6) The amounts reported in this column with respect to fiscal year 2007 consist of the following:

(i) Company matching contributions or accruals in our savings investment plan and executive savings investment plan:

- Mr. Klein, \$39,427
- Mr. Sescleifer, \$37,275
- Mr. McClanathan, \$35,787
- Mr. Hatfield, \$36,577
- Ms. Stratmann, \$14,086

These amounts include benefits which were accrued by the named executive officers in our executive savings investment plan in lieu of the pensionplus match account in our retirement plan (as described in the narrative to the Pension Benefits table below) due to certain limits imposed by the Internal Revenue Code on accruals in our retirement plan.

(ii) the group life insurance plan—term life insurance premiums paid by us for the first \$40,000 of coverage for each of the named executive officers: \$110.

(iii) tax reimbursements for income taxes associated with personal use of Company-owned aircraft:

- Mr. Klein - \$11,296
- Mr. McClanathan - \$787

(iv) the incremental cost to the Company of the following perquisites provided to the named executive officers:

*Personal use of Company aircraft.* Ward M. Klein, the chief executive officer, has been authorized to use Company-owned aircraft for personal travel for up to 30 flight hours per year, when the aircraft are not being used on business related trips. He receives tax reimbursements from the Company for income taxes associated with such travel, which is shown in (iii) above. Mr. Klein is also authorized to use the aircraft for travel to meetings of other boards on which he may serve. (Please see the narrative to the Director Compensation Table for a description of the calculation of the incremental cost of these flights.)

In fiscal year 2007, the incremental cost to the Company of Mr. Klein's personal use of our aircraft, on a variable cost basis, was \$84,563, and the cost of his usage for purposes of attending other board meetings was \$8,575, for a total of

\$93,138, reflecting the assessed charge per flight hour for such use. In addition, the approximate amount of disallowed federal tax deductions associated with such use was \$31,288.

From time to time, officers may be allowed, if space permits, to have family members accompany them on business flights on our aircraft, at no aggregate incremental cost to the Company. In the discretion of the chief executive officer, they may receive tax reimbursements from the Company for income taxes associated with such travel. Such reimbursements for fiscal year 2007 are indicated in (iii) above.

*Executive Financial Planning Program.* We reimburse the executives for 80% of the cost of personal financial advisory services, up to certain annual maximums. During 2007, the following reimbursement payments were made:

- Mr. Klein - \$3,680
- Mr. Sescleifer - \$6,612
- Mr. McClanathan - \$12,000
- Ms. Stratmann - \$4,388

*Executive Health Plan.* We pay the annual premium for each executive for an executive health insurance policy which generally covers all health care and dental expenses to the extent not covered by our medical and dental plans. The executives are required to pay for underlying coverage under the medical and dental plans at the same rate as all other employees. During 2007, we paid \$12,323 in executive health premiums for each of the named executive officers.

*Executive Excess Liability Plan.* We pay the annual premium for a group policy providing each executive with personal excess liability coverage in excess of his or her primary personal liability insurance, the cost of which is borne by each executive. During 2007, we paid \$1,508 in premiums for Mr. Klein, and \$750 for each of the other named executive officers.

*Retiree Plans.* The named executive officers also are or may become eligible to participate in the executive long-term disability plan, the executive retiree life plan, and the executive retiree health plan, upon their retirement from Energizer. These plans provide supplemental disability, life insurance and health benefits, respectively, to eligible executive retirees. The long-term disability and the retiree life plans are entirely self-funded by us, but we pay an annual premium for all retiree participants in our executive retiree health plan. Although there was no incremental out-of-pocket cost to us under these plans with respect to the named executive officers, we annually record a FAS 106 expense for changes in the anticipated cost of their participation in our executive retiree life and retiree health plans. For fiscal year 2007, the recorded expense per individual was:

- Mr. Klein, \$33,451
- Mr. Sescleifer, \$4,545
- Mr. McClanathan, \$7,150
- Mr. Hatfield, \$41,017
- Ms. Stratmann, \$14,203

*Transportation and Living Expenses.* Mr. Hatfield was named president and chief executive officer of our Schick-Wilkinson Sword division on April 1, 2007, the offices of which are located in Milford, CT. Because his home

and family are in St. Louis, MO., he regularly commutes to Milford, and his commuting expenses which are not business-related, as well as meals and lodging in Milford, are reimbursed by us. For fiscal year 2007, the amount reimbursed to him was \$12,315.

The above list of perquisites does not include any contributions made by our charitable trust which may have been made at the request of any of the named executive officers. The trustees of that trust, who are employees of the Company, review requests for contributions to charitable organizations from employees, officers, and the community at large, and, in their sole discretion, authorize contributions in accordance with the purposes of the trust. Officers are also eligible to participate in the charitable trust matching gift program, which is generally available to U.S. employees. Under this program, the foundation matches 100 percent of charitable donations of a minimum of \$25 made to eligible charities, up to a maximum of \$5,000 per year for each individual.

### GRANTS OF PLAN-BASED AWARDS

Awards to the named executive officers, and to other key executives, were made in fiscal year 2007 under three separate plans or programs:

- cash awards under our annual and two-year cash bonus program,
- three-year performance awards under the terms of our 2000 incentive stock plan, and
- Company-matching deferrals (payable in cash at retirement) under our deferred compensation plan.

#### Annual and Two-Year Bonus Program

Our annual and two-year bonus program is designed to promote significant earnings per share growth each year, and consistent growth from year to year.

*Annual Cash Bonus.* The annual bonus is designed to reward achievement of both Company and individual performance goals established at the beginning of each fiscal year.

Company Performance Component. For the named executive officers, the Company performance goals for fiscal year 2007 were based on EPS results at or above final results for fiscal year 2006, but increased as discussed in our Compensation Discussion and Analysis—*Adjustment of Goals*. The program, including the specific Company performance goals set at the beginning of the fiscal year, is described in our Compensation Discussion and Analysis—ANNUAL AND TWO-YEAR BONUS PROGRAM. For purposes of this program, our final EPS for fiscal 2007, adjusted as described in *Adjustment of Goals*, was \$5.39, so the stretch EPS goal of \$5.34 was exceeded, and the Company performance component of each officer's annual bonus was equal to 150% of 70% of their individual bonus targets. *The annual bonus payments that would have been made to each officer if the threshold, 10% or stretch EPS goals had been achieved is indicated in the Table below, with the actual amounts earned at stretch indicated in footnote 2.*

Individual Performance Component. The individual performance component of each officer's annual bonus was based upon a subjective evaluation of their performance during the fiscal year, including performance against focal points established at the beginning of the year. After the end of the year, subjective ratings from "1" to "5" were assigned to each officer, with a bonus for each rating, as described in our Compensation Discussion and Analysis—ANNUAL AND TWO-YEAR BONUS PROGRAM. *The annual bonus payments that would have been paid to each officer for a rating between "1" and "3" is indicated in the Table below, with the actual amount earned indicated in footnote 3.*

*Two-Year Cash Bonus.* The two-year cash bonus program is designed to promote consistent growth in EPS from year to year, by awarding a bonus opportunity based on results for year one, payment of which is contingent upon equal or



better results for year two. The two-year cash bonus, including the formula for determining the opportunity and the amount of bonus payments, is described in our Compensation Discussion and Analysis—ANNUAL AND TWO-YEAR BONUS PROGRAM. Under the program, an executive that is awarded a bonus opportunity (assuming that goals are met) for a particular fiscal year must remain employed by us through the end of the following fiscal year in order to be eligible for a payment.

*The range of bonus opportunities for each officer under the two-year bonus program beginning October 1, 2006 are indicated in the Table below—with the Threshold sub-column indicating the minimal amount payable (10% EPS goal achieved year one, threshold EPS goal achieved year two), the Target sub-column indicating the amount payable if 10% EPS goal achieved both years, and the Maximum sub-column indicating the maximum amount payable (stretch EPS goal achieved year one, 10% EPS goal achieved year two). If the 10% EPS goal is not achieved year one, no bonus opportunity is created, and if the threshold EPS goal is not achieved year two, no bonus will be paid.*

*The two-year bonuses which were paid to each of the named executive officers after the end of fiscal year 2007 (for the two-year program beginning October 1, 2005) are set forth in footnote 4 to the Summary Compensation Table.*

### **Three-Year Performance Awards**

*Performance-Linked Component.* At the beginning of fiscal year 2007, performance restricted stock equivalent awards were granted to each of the named executive officers under the terms of our 2000 incentive stock plan. These are described in our Compensation Discussion and Analysis—EQUITY AWARDS. Under the terms of the awards, each officer was credited with Energizer restricted common stock equivalents, 75% of which are subject to the achievement of adjusted targets for compound EPS growth over the 3-year period commencing October 1, 2006. (Potential adjustments are also described in our Compensation Discussion and Analysis—*Adjustment of Goals*.) The number of stock equivalents indicated in the Threshold and Target sub-columns, marked by footnote 4, in the Table below, will vest only if the compound annual growth in EPS over that 3-year period is at least 10%. If compound annual growth is in excess of that threshold, the number of units vesting will proportionately increase, with the maximum number vesting (as indicated in the Maximum sub-column) at a compound annual growth rate of 15% over that period.

*Non-Performance-Linked Component.* The remaining 25% of the equivalents granted (as indicated in the All Other Stock Awards column below, marked by footnote 5) will vest three years from the date of grant, provided the officer remains employed with the Company.

The restricted stock equivalents granted under the performance awards will also vest in their entirety upon death, permanent disability, or involuntary termination, other than for cause, which is defined as gross misconduct. They will also vest in their entirety upon a change in control of the Company which, for purposes of the award, occurs when (i) an individual or group acquires more than 50% of our outstanding common stock, or (ii) the current or continuing directors no longer constitute a majority of the board of directors.

*The annual FAS 123R expense recognized in fiscal 2007 in connection with these awards is included in the Stock Awards column of the Summary Compensation Table. The aggregate grant date value is set forth in the Grant Date Fair Value of Stock Awards column below.*

### **Deferred Compensation Plan**

Executives are permitted to request deferral of a portion of their salary, and cash payments under our annual and two-year cash bonus program, under the terms of our deferred compensation plan, which is described in detail in the narrative to the Nonqualified Deferred Compensation Table below.

*Company Match.* Under the terms of the plan, cash bonuses earned during fiscal year 2006 but deferred into the Energizer common stock unit fund during fiscal year 2007 were credited with an additional 25% Company match,

which vests after three years, provided the deferred bonus is kept in that fund for at least a year. Vested Company matches may be transferred to different investment options at the executive's discretion. The value of vested units is payable in cash only upon the executive's retirement or other termination of employment, based on the value of our common stock at that time. The units will also vest in their entirety upon retirement (which for purposes of this plan means the commencement of benefits under our retirement plan—which may be prior to age 55 for officers using the PEP benefit formula), death, permanent disability, involuntary termination, or a change in control of the Company (defined, for purposes of this plan, as the time when (i) an individual or group acquires more than 20% of our common stock, (ii) our continuing directors no longer constitute a majority of our board, or (iii), a majority of the continuing directors approve a declaration that a change of control has occurred.)

*The amount of the Company matching deferrals credited to each officer during fiscal year 2007 is shown in the All Other Stock Awards column below, marked by footnote 6, and the grant date value is shown in the Grant Date Fair Value of Stock Awards column below.*

### GRANTS OF PLAN-BASED AWARDS TABLE

Name	Type of Award	Grant Date	Date of Comp. Comm. Action(7)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards		Estimated Future Payouts Under Equity Incentive Plan Awards (#)			
				Threshold	Target	Maximum	Threshold	Target	Maximum
W. M. Klein	Bonus: Two-Year	10/9/06(1)		\$187,500	\$375,000	\$750,000			
	Bonus: Annl.Co.Perf.	10/9/06(2)		\$262,500	\$525,000	\$787,500			
	Bonus: Annl.Ind.Perf.	10/9/06(3)		\$112,500	\$281,250	\$450,000			
	Perf.Awd.:3Yr.CAGR	10/9/06(4)					20,000	20,000	60,000
	Perf.Awd.: TimeVest	10/9/06(5)							
	Company Match	11/30/06(6)	10/11/05						
D.J. Sescleifer	Bonus: Two-Year	10/9/06(1)		\$80,000	\$160,000	\$320,000			
	Bonus: Annl.Co.Perf.	10/9/06(2)		\$112,000	\$224,000	\$336,000			
	Bonus: Annl.Ind.Perf.	10/9/06(3)		\$48,000	\$120,000	\$192,000			
	Perf.Awd.:3Yr.CAGR	10/9/06(4)					4,000	4,000	12,000
	Perf.Awd.: TimeVest	10/9/06(5)							
	Company Match	11/30/06(6)	10/11/05						
J.W. McClanathan	Bonus: Two-Year	10/9/06(1)		\$90,000	\$180,000	\$360,000			
	Bonus: Annl.Co.Perf.	10/9/06(2)		\$126,000	\$252,000	\$378,000			
	Bonus: Annl.Ind.Perf.	10/9/06(3)		\$54,000	\$135,000	\$216,000			
	Perf.Awd.:3Yr.CAGR	10/9/06(4)					5,000	5,000	15,000
	Perf.Awd.: TimeVest	10/9/06(5)							
	Company Match	11/30/06(6)	10/11/05						

D.P. Hatfield	Bonus: Two-Year	10/9/06(1)	\$70,000	\$140,000	\$280,000			
	Bonus: Annl.Co.Perf.	10/9/06(2)	\$98,000	\$196,000	\$294,000			
	Bonus: Annl.Ind.Perf.	10/9/06(3)	\$42,000	\$105,000	\$168,000			
	Perf.Awd.:3Yr.CAGR	10/9/06(4)				2,500	2,500	7,500
	Perf.Awd.: TimeVest	10/9/06(5)						
G.G. Stratmann	Bonus: Two-Year	10/9/06(1)	\$48,000	\$96,000	\$192,000			
	Bonus: Annl.Co.Perf.	10/9/06(2)	\$67,200	\$134,400	\$201,600			
	Bonus: Annl.Ind.Perf.	10/9/06(3)	\$28,800	\$72,000	\$115,200			
	Perf.Awd.:3Yr.CAGR	10/9/06(4)				3,000	3,000	9,000
	Perf.Awd.: TimeVest	10/9/06(5)						
	Company Match	11/30/06(6) 10/11/05						

(1) These amounts represent the two-year cash bonus opportunities which could have been earned under our two-year bonus program during fiscal year 2007. Because final fiscal year 2007 EPS results as adjusted exceeded the stretch EPS goal for that year, the actual opportunity created under the program was equal to 100% of each individual's target bonus, as shown in the Maximum column; payment of any portion of that amount, however, is contingent upon final EPS results for fiscal year 2008.

(2) These amounts represent the amounts which potentially could have been earned under the Company performance component of the annual cash bonus program for fiscal year 2007. Based on final 2007 results, the actual amounts earned are as follows:

- Mr. Klein, \$787,500
- Mr. Sescleifer, \$336,000
- Mr. McClanathan, \$378,000
- Mr. Hatfield, \$294,000
- Ms. Stratmann, \$201,600

(3) These amounts represent the amounts which potentially could have been earned under the individual performance component of the annual cash bonus program for fiscal year 2007. The actual amounts earned under this component, based upon the subjective rating of each named executive officer as of the end of fiscal year 2007, are as follows:

- Mr. Klein, \$450,000
- Mr. Sescleifer, \$192,000
- Mr. McClanathan, \$216,000
- Mr. Hatfield, \$168,000
- Ms. Stratmann, \$72,000

(4)

Vesting of these restricted stock equivalents (the performance-linked component), awarded under the performance awards granted on October 9, 2006, is subject to achievement of adjusted targets for compound annual growth in EPS over the three-year period commencing September 30, 2006.

- (5) These common stock equivalents (the non-performance-linked component), awarded under the performance awards granted on October 9, 2006, will vest three years from the date of grant, if the officer remains employed with us at that time.
- (6) These amounts represent 25% Company matching deferrals credited during fiscal year 2007. They were credited with respect to annual and two-year cash bonuses earned during fiscal year 2006 but deferred at the election of the officers after the end of that year.
- (7) The Company matching deferrals described in footnote (6) were approved by the Committee at the beginning of the fiscal year, prior to irrevocable elections by the officers to defer all or a portion of any bonuses they might receive at the end of the year. The actual matching deferrals were not credited until after the end of the fiscal year, when the amount of such bonuses was actually determined.
- (8) The aggregate grant date value of the equity awards for financial reporting purposes in accordance with FAS 123R is set forth with respect to each of the officers in the table above. Assumptions utilized in the valuation are set forth in “Note 7. Share-Based Payments” of the Notes to Consolidated Financial Statements of our 2007 Annual Report.

#### **OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END**

The following types of equity awards (listed in the Table below) have been granted to the named executive officers, and remain unvested as of September 30, 2007.

• Non-qualified stock options granting the right to acquire shares of our common stock at an exercise price equal to its closing price on the date of grant. These options generally become exercisable at the rate of 20% to 25% per year over a four or five year period (as indicated below), and remain exercisable over the ten-year period following grant. Vesting of all options, however, will accelerate upon the death, disability, retirement on or after age 55, or involuntary termination (other than for cause, which is defined as gross misconduct) of the officer, and upon a change of control of the Company, which is defined as (i) the acquisition by a person or group of more than 50% of our outstanding voting securities; or (ii) directors of the Company immediately before a business combination between the Company and another entity, or a proxy contest for the election of directors, ceasing, as a result of the combination or contest, to constitute a majority of the board. Outstanding option awards are described under Option Awards, in the table below.

• Restricted stock equivalents vest incrementally over four to nine years (as indicated below), and at vesting convert into non-restricted shares of our common stock which will then be issued to the officer. (However, if the officer elected to defer receipt of such shares, they will not convert at vesting and, instead, will not be issued until following the officer’s retirement or other termination of employment.) Vesting of restricted stock equivalents will accelerate, however, upon the death, disability, or involuntary termination (other than for cause) of the officer, and upon a change of control of the Company, which is defined in the same manner described for stock options above. However, for the restricted stock equivalents vesting in equal increments on May 19, 2009 and May 19, 2012, as noted below, vesting will also be accelerated upon the officer’s retirement on or after age 55. Currently only Mr. McClanathan is retirement eligible. Unvested restricted stock equivalent awards are included under Stock Awards—Number of Shares or Units of Stock That Have Not Vested, in the table below.

• Three-year performance awards grant restricted stock equivalents or restricted stock equivalent units, the vesting of which is subject to the achievement of performance-linked and non-performance-linked conditions, as described in our Compensation Discussion and Analysis—EQUITY AWARDS. A description of the performance awards granted

October 9, 2006, and the terms of their vesting, including accelerated vesting, is set forth in the narrative to the Grants of Plan-Based Awards table above. Except as noted below, the performance awards granted on October 11, 2005 have similar terms, but the compound growth targets for those three year awards utilize a base of \$3.82. The maximum equivalents or units which would vest under the performance-linked component of these performance awards are included below under Stock Awards—Equity Incentive Plan Awards, and the number of equivalents or units that would vest under the non-performance-linked component is included under Stock Awards—Number of Shares or Units of Stock That Have Not Vested, in the table below. Fewer equivalents or units will vest for compound growth that is less than 15% but at least 10% over the applicable three-year period, and if growth for the period is below 10%, no performance-linked equivalents or units will vest.

Voluntary deferrals of cash bonuses under our annual and two-year bonus program into the Energizer common stock unit fund of our deferred compensation plan receive a Company matching deferral of 25%, provided that the voluntary deferrals are retained in that fund for at least a year. The Company matching deferrals are also credited to the Energizer common stock unit fund, and must remain in that fund until vested, which will occur three years from the date of initial crediting, if the officer remains employed with us at that time. Company matching deferrals will also vest upon an officer's retirement, involuntary termination, disability or death, and upon a change of control of the Company. Unvested Company matching deferrals as of September 30, 2007 are included under Stock Awards—Number of Shares or Units of Stock That Have Not Vested, in the table below.

Non-qualified stock options, restricted stock equivalents, and performance awards granted on October 9, 2006, have been granted under the terms of our 2000 incentive stock plan. Performance awards granted on October 11, 2005, as well as Company matching contributions, have been granted under the terms of our deferred compensation plan. (Awards under our deferred compensation plan are payable exclusively in cash at retirement or other termination of employment.)

#### OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)
W. M. Klein	40,000	—	\$ 17	5/7/10	79,098(5)	\$8,768,013	135,000(10)	\$14,964,750
	50,000	—	\$ 21.0625	11/19/10				
	60,000	40,000(1)	\$ 42.90	1/25/14				
	22,500	22,500(2)	\$ 49.18	1/13/15				
D.J. Sescleifer	16,668	—	\$ 30.10	9/22/12	28,094(6)	\$3,114,220	24,000(11)	\$2,660,400
	—	5,000(3)	\$ 46.13	10/18/14				

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J. W. McClanathan	50,000	—	\$ 30.10	9/22/12	34,460(7)	\$3,819,891	34,500(12)	\$3,824,325
	30,000	20,000(1)	\$ 42.90	1/25/14				
	10,000	10,000(3)	\$ 46.13	10/18/14				
D. P. Hatfield	16,667	—	\$ 30.10	9/22/12	18,023(8)	\$1,997,850	15,000(13)	\$1,662,750
	10,000	5,000(3)	\$ 46.13	10/18/14				
G.G. Stratmann	—	20,000(4)	\$ 26.64	3/16/13	24,597(9)	2,726,577	20,100(14)	\$2,228,085
	—	5,000(3)	\$ 46.13	10/18/14				

- (1) Vesting in equal increments on 1/26/08 and 1/26/09.
- (2) Vesting in equal increments on 1/14/08 and 1/14/09.
- (3) Vesting in equal increments on 10/19/07 and 10/19/08.
- (4) Vesting on 3/17/08.
- (5) Of this total for Mr. Klein,
  - 13,333 restricted stock equivalents will vest in equal increments on 5/19/09 and 5/19/12;
  - 11,250 restricted stock equivalents will vest in equal increments on 1/14/08 and 1/14/09;
  - 4,703 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2005 will vest on 11/22/08;
  - 4,812 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2006 will vest on 11/30/09;
  - 25,000 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan (which is the non-performance-linked component of the performance awards granted 10/11/05) vest in total on 10/11/08; and
  - 20,000 restricted stock equivalents (which is the non-performance-linked component of the performance awards granted 10/09/06) vest on 10/09/09.
- (6) Of this total for Mr. Sescleifer,
  - 13,333 restricted stock equivalents will vest in equal increments on 5/19/09 and 5/19/12;
  - 2,500 restricted stock equivalents will vest in equal increments on 10/19/07 and 10/19/08;
  - 1,073 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2004 will vest on 11/15/07;
  - 2,192 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2005 will vest on 11/22/08;

- 996 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2006 will vest on 11/30/09;
  - 4,000 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan (which is the non-performance-linked component of the performance awards granted 10/11/05) vest in total on 10/11/08; and
  - 4,000 restricted stock equivalents (which is the non-performance-linked component of the performance awards granted 10/09/06) vest on 10/09/09.
- (7) Of this total for Mr. McClanathan,
- 13,333 restricted stock equivalents will vest in equal increments on 5/19/09 and 5/19/12;
  - 5,000 restricted stock equivalents will vest in equal increments on 10/19/07 and 10/19/08;
  - 2,674 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2005 will vest on 11/22/08;
  - 1,953 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2006 will vest on 11/30/09;
  - 6,500 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan (which is the non-performance-linked component of the performance awards granted 10/11/05) vest in total on 10/11/08; and
  - 5,000 restricted stock equivalents (which is the non-performance-linked component of the performance awards granted 10/09/06) vest on 10/09/09.
- (8) Of this total for Mr. Hatfield,
- 6,666 restricted stock equivalents will vest in equal increments on 5/19/09 and 5/19/12;
  - 2,500 restricted stock equivalents will vest in equal increments on 10/19/07 and 10/19/08;
  - 1,993 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2004 will vest on 11/15/07;
  - 1,864 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2005 will vest on 11/22/08;
  - 2,500 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan (which is the non-performance-linked component of the performance awards granted 10/11/05) vest in total on 10/11/08; and
  - 2,500 restricted stock equivalents (which is the non-performance-linked component of the performance awards granted 10/09/06) vest on 10/09/09.
- (9) Of this total for Ms. Stratmann,

- 13,333 restricted stock equivalents will vest in equal increments on 5/19/09 and 5/19/12;
- 2,500 restricted stock equivalents will vest in equal increments on 10/19/07 and 10/19/08;
- 792 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2005 will vest on 11/22/08;
- 1,272 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2006 will vest on 11/30/09;
- 3,700 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan (which is the non-performance-linked component of the performance awards granted 10/11/05) vest in total on 10/11/08; and
- 3,000 restricted stock equivalents (which is the non-performance-linked component of the performance awards granted 10/09/06) vest on 10/09/09.

(10) Of this total for Mr. Klein,

- 75,000 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan represent the performance-linked component of our performance awards granted 10/11/05; and
- 60,000 restricted stock equivalents represent the performance-linked component of our performance awards granted 10/09/06.

(11) Of this total for Mr. Sescleifer,

- 12,000 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan represent the performance-linked component of our performance awards granted 10/11/05; and
- 12,000 restricted stock equivalents represent the performance-linked component of our performance awards granted 10/09/06.

(12) Of this total for Mr. McClanathan,

- 19,500 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan represent the performance-linked component of our performance awards granted 10/11/05; and
- 15,000 restricted stock equivalents represent the performance-linked component of our performance awards granted 10/09/06.

(13) Of this total for Mr. Hatfield,

- 7,500 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan represent the performance-linked component of our performance awards granted 10/11/05; and



- 7,500 restricted stock equivalents represent the performance-linked component of our performance awards granted 10/09/06.

(14) Of this total for Ms. Stratmann,

- 11,100 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan represent the performance-linked component of our performance awards granted 10/11/05; and
- 9,000 restricted stock equivalents represent the performance-linked component of our performance awards granted 10/09/06.

### OPTION EXERCISES AND STOCK VESTED

Name	Option Awards	Value Realized on Exercise (\$)	Stock Awards	Value Realized on Vesting (\$)
	Number of Shares Acquired on Exercise (#)		Number of Shares Acquired on Vesting (#)(1)(2)	
W. M. Klein	60,000	\$4,287,138	5,625	\$425,419
D.J. Sescleifer	38,332	\$1,726,400	1,250	\$ 96,438
J. W. McClanathan	50,000	\$3,451,935	2,500	\$192,875
D.P. Hatfield	0	\$ 0	1,250	\$ 96,438
G.G. Stratmann	29,167	\$1,606,282	1,250	\$ 96,438

(1) On January 14, 2007 (for Mr. Klein) and October 19, 2006 (for the other officers), 25% of restricted stock equivalents granted under the terms of our 2000 incentive stock plan on January 14, 2005, and October 19, 2004, respectively, vested in accordance with their terms. Upon vesting, the equivalents converted into shares of our common stock which were then issued to the officers free of any restrictions. If the officers, however, elected in advance to defer receipt of the shares of common stock, conversion will not occur until the officer terminates employment with us.

(2) Receipt of the following numbers of shares was deferred, at the election of each officer, until retirement or other termination of employment:

- Mr. Klein - 5,625
- Mr. Sescleifer - 1,250
- Ms. Stratmann - 1,250

### PENSION BENEFITS

Our retirement plan covers essentially all U.S. employees of Energizer Holdings, Inc. after one year of service. As a qualified plan, the retirement plan is subject to maximum pay and benefit limits. We also offer a nonqualified, unfunded pension restoration plan to the executive officers which, following retirement, pays those amounts which would otherwise be paid under the retirement plan but for the Internal Revenue Code maximum pay and benefit limits. It generally provides the same benefit formulas as the retirement plan, but does so without regard to maximum pay and benefit limits. (It does not, however, provide restoration of an officer's pension plus match account (PPMA) benefit, described below, which is instead provided under our executive savings investment plan, an unfunded excess 401(k) plan.) The following are the benefit formulas under the retirement plan:

### Final Average Pay

The traditional final average pay (FAP) benefit provides 1.5% of five-year average “annual earnings” multiplied by a participant’s years of service (to a maximum of 40 years), reduced by a Social Security offset. The five-year average is determined by taking the average of a participant’s five highest consecutive annual earnings during the ten years prior to the year in which he or she terminates employment with us. For purposes of the qualified retirement plan and the nonqualified pension restoration plan “annual earnings” generally consist of salary, overtime pay, salary reductions elected by the participant, and bonuses under our annual and two-year cash bonus program. The FAP benefit is payable at the normal retirement date of age 65 as a monthly five-year certain and life benefit, although there are a number of other optional forms of payment. The benefit can be received upon early retirement as early as age 55 with two years of service. The reduction for early benefit commencement is 5% per year from age 62 (or 5% per year from age 65 if termination occurs before age 55). The benefit vests 100% after five years of service. Mr. Klein, the only one of the named executive officers under the FAP benefit formula, has not yet met the early retirement requirement of age 55 with two years of service under that formula.

Effective as of January 1, 1999, participants in the Ralston Purina Retirement Plan, the retirement plan’s predecessor (including Messrs. Klein, McClanathan and Hatfield, and Ms. Stratmann) were required to make a one-time election between the FAP benefit formula, or the PEP benefit formula described below. Mr. Klein elected to continue the FAP benefit formula, while the other officers elected the PEP benefit. The PEP benefit formula is applied for employees hired after that date, including Mr. Sescleifer.

### Pension Equity Formula

The pension equity (PEP) benefit formula provides a lump sum benefit equal to the sum of (i) regular pension equity credits multiplied by five-year average annual earnings and (ii) excess pension equity credits multiplied by five-year average annual earnings in excess of Social Security covered compensation. The regular pension equity credits range from 4% for each of the first five years of service to 10% for each year of service above 20. The excess pension equity credit is 3.5% for each year of service. Instead of a lump sum, the participant can choose a monthly annuity option from a number of equivalent optional forms. The benefit vests 100% after five years of service. There is no early retirement eligibility associated with the PEP benefit. Each person who is vested may elect to receive the benefit upon termination.

### PensionPlus Match Account

The PPMA is available to all covered employees, including the named executive officers, even before one year of service is completed. The PPMA provides a 325% match in a cash balance account under our retirement plan to those participants who make an after-tax contribution of 1% of their annual earnings to our savings investment plan, which is our qualified 401(k) plan. PPMA benefits vest over four years, at a rate of 25% per year. PPMA balances are credited with interest at a 30-year Treasury rate that is reset annually. The PPMA balance is available at termination as a lump sum or in various equivalent monthly optional forms. There is no early retirement eligibility associated with the PPMA benefit. Each person who is vested may elect to receive the benefit upon termination.

In addition to these primary benefit structures, the retirement plan also provides various minimum benefits and grandfathered benefits, as well as an offset for benefits earned under the Union Carbide Company pension plan, which is applicable to Mr. McClanathan. (Union Carbide was a former owner of the Energizer battery business.)

Assumptions utilized in the valuations set forth in the table below are set forth in “Note 8. Pension Plans and Other Post-Retirement Benefits” of the Notes to Consolidated Financial Statements of our 2007 Annual Report.

### Policies re: Additional Credit Service

We do not have specific policies with regard to granting extra years of credited service, but we generally have not granted such extra credited service. However, the change of control employment agreements, described below under **POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL**, do provide, for purposes of determining the amounts to be paid under the retirement plan and the pension restoration plan, that the officers' respective years of service with us, and their respective ages, will be deemed increased by three additional years if they are involuntarily terminated at any time prior to the expiration of the protected period of three years under the agreements.

### PENSION BENEFITS TABLE

Name	Plan Name	Number of Years Credited Service (#)(1)	Present Value of Accumulated Benefit \$(2)	Payments During Last Fiscal Year (\$)
W. Klein	Energizer Retirement Plan	28	\$626,764	\$0
	Supplemental Executive Retirement Plan	28	\$3,334,821	\$0
D. Sescleifer	Energizer Retirement Plan	6	\$210,383	\$0
	Supplemental Executive Retirement Plan	6	\$296,365	\$0
J. McClanathan	Energizer Retirement Plan	32	\$724,303	\$0
	Supplemental Executive Retirement Plan	32	\$2,836,847	\$0
D. Hatfield	Energizer Retirement Plan	21	\$474,281	\$0
	Supplemental Executive Retirement Plan	21	\$789,098	\$0
G. Stratmann	Energizer Retirement Plan	17	\$341,283	\$0
	Supplemental Executive Retirement Plan	17	\$414,020	\$0

(1) The number of years of credited service reflect years of actual service with us. For Messrs. Klein and Hatfield, and Ms. Stratmann, all but 7 of the years shown include years of actual service with Ralston Purina Company, our former parent.

For Mr. McClanathan, 7 of the years shown were with us, 14 years were with Ralston Purina Company, and the balance were with Union Carbide Company, the former owner of our battery business.

(2) Based on the age benefits are available without reduction.

### NON-QUALIFIED DEFERRED COMPENSATION

We have adopted several plans or arrangements that provide for the deferral of compensation on a basis that is not tax-qualified.

#### Deferred Compensation Plan

Under the terms of our deferred compensation plan, an unfunded, nonqualified plan, executives can elect to have payment of their annual bonus, and a portion of their base salary, deferred until their retirement or other termination of

employment, or for a shorter, 3-year period (at the executive's election, in advance). The amounts deferred under the terms of the plan are credited, at the election of the executive, into:

• the Energizer common stock unit fund, a stock equivalent fund, with returns (based on appreciation in stock price) during fiscal 2007 of 53.44%,

• a prime rate fund, which credits account balances with above-market interest at the prime rate quoted by Morgan Guaranty Trust of New York. (For fiscal year 2007, the average rate credited under this fund was 8.23%), or

• 21 Vanguard funds which track the performance of investment funds offered in our savings investment plan, a 401(k) plan, with returns during fiscal 2007 ranging from -0.71% to 28.71%.

Interest equivalents are credited on a daily basis to the prime rate fund, and dividends and other earnings are credited to the Vanguard tracking funds at the time, and to the extent, that they are paid with respect to the actual Vanguard funds. Because no dividends have been paid on our common stock, no dividend equivalents have been credited to the Energizer common stock unit fund. However, units in that fund, and in the Vanguard tracking funds, can appreciate in value as our common stock, or the underlying Vanguard funds, appreciate in value.

Deferrals of annual and two-year cash bonuses into the Energizer common stock unit fund during each calendar year are increased by a 25% match from the Company (which vests three years from the date of crediting, provided the deferred bonus is kept in that fund for at least a year). Vesting will also accelerate upon the occurrence of the events described in the narrative to the Grants of Plan-Based Awards table above. Deferrals and vested Company matches may be transferred to different investment options at the executive's discretion. Account balances for executives who were employed at our former parent, Ralston Purina Company, prior to our spin-off in 2000, also generally include amounts credited during that prior employment. (Ralston assigned liability for such amounts to us in the spin-off.) Long-term deferrals in the plan may be paid out in a lump sum in cash within 60 days following termination, or in five or ten-year increments commencing the year following termination of employment.

### **Executive Savings Investment Plan**

Under the terms of our executive savings investment plan, our excess 401(k) plan, amounts that would be contributed, either by an executive or by us on the executive's behalf, to our qualified defined contribution plans (the savings investment plan and the PPMA) but for limitations imposed by the Internal Revenue Code, are credited to the non-qualified executive savings investment plan. Under that plan, executives may elect to defer their contributions, and Company contributions, in the form of stock equivalents under the Energizer common stock unit fund, which tracks the value of our common stock, or in any of the measurement fund options which track the performance of the Vanguard investment funds offered under our qualified savings investment plan. Deferrals and vested Company contributions may be transferred to different investment options at the executive's discretion. Deferrals in the executive savings investment plan, plus or minus the net investment return, are paid out in a lump sum, or in five or ten year installments, following retirement or other termination of employment.

### **Deferred Equity Awards**

The named executive officers were given the opportunity to elect, in advance, to defer receipt of vested restricted stock equivalent awards which they could be granted in the future. These awards, which have been granted under the terms of our 2000 incentive stock plan, provide that upon vesting, the equivalents granted will convert into non-restricted shares of our common stock which are then issued to the officer. If deferral was elected, the equivalents will not convert into shares of our common stock until six months after the officer's termination of employment with us. In the event that the Company would pay any dividends on its shares of common stock, these officers will also be credited with dividend equivalents with respect to their vested stock equivalents. No other earnings are credited or paid with respect to these deferrals.

**NON-QUALIFIED DEFERRED COMPENSATION TABLE**

Name	Plan	Executive	Registrant	Aggregate	Aggregate	Aggregate
		Contributions	Contributions	Earnings in	Withdrawals/	Balance at
		in	in	Last	Distributions	Last
		Last FY	Last FY	FY		FYE
		(\$)(1)	(\$)(2)	(\$)(3)	(\$)	(\$)(4)
W. Klein	Def'd Comp. Plan	\$1,504,200	\$376,050	\$5,848,060	\$367,380(6)	\$17,666,597
	Exec. S.I.P.	\$84,042	\$35,427	\$306,649	\$ 0	\$1,585,408
	Vested Stock Equivs.(5)	\$425,419	\$ 0	\$1,841,580	\$ 0	\$5,311,599
	<b>Total</b>	<b>\$2,013,661</b>	<b>\$411,477</b>	<b>\$7,996,289</b>	<b>\$367,380</b>	<b>\$24,563,604</b>
D. Sescleifer	Def'd Comp. Plan	\$311,568	\$77,892	\$1,141,861	\$ 0	\$4,530,483
	Exec. S.I.P.	\$162,600	\$35,275	\$169,540	\$ 0	\$1,090,019
	Vested Stock Equivs.(5)	\$96,438	\$ 0	\$349,780	\$ 0	\$1,016,162
	<b>Total</b>	<b>\$570,606</b>	<b>\$113,167</b>	<b>\$1,661,181</b>	<b>\$ 0</b>	<b>\$6,636,664</b>
J. McClanathan	Def'd Comp. Plan	\$610,416	\$152,604	\$2,350,345	\$ 0	\$9,624,374
	Exec. S.I.P.	\$66,642	\$31,412	\$252,070	\$ 0	\$1,346,201
	Vested Stock Equivs.(5)	\$ 0	\$ 0	\$1,424,880	\$ 0	\$4,064,537
	<b>Total</b>	<b>\$677,058</b>	<b>\$184,016</b>	<b>\$4,027,295</b>	<b>\$ 0</b>	<b>\$15,035,112</b>
D. Hatfield	Def'd Comp. Plan	\$ 0	\$ 0	\$1,384,902	\$ 0	\$5,095,899
	Exec. S.I.P.	\$31,804	\$29,752	\$30,181	\$ 0	\$223,438
	Vested Stock Equivs.(5)	\$ 0	\$ 0	\$129,559	\$ 0	\$369,574
	<b>Total</b>	<b>\$31,804</b>	<b>\$29,752</b>	<b>\$1,544,642</b>	<b>\$ 0</b>	<b>\$5,688,911</b>
G. Stratmann	Def'd Comp. Plan	\$397,764	\$99,441	\$937,128	\$ 0	\$2,784,997
	Exec. S.I.P.	\$45,587	\$11,536	\$119,195	\$ 0	\$559,069
	Vested Stock Equivs.(5)	\$96,438	\$ 0	\$349,780	\$ 0	\$1,016,162
	<b>Total</b>	<b>\$539,789</b>	<b>\$110,977</b>	<b>\$1,406,103</b>	<b>\$ 0</b>	<b>\$4,360,228</b>

(1) The officer contributions to our deferred compensation plan during fiscal year 2007 consist of deferred annual and two-year cash bonuses earned with respect to fiscal year 2006.

The officer contributions to our executive savings investment plan during fiscal year 2007 consist of deferred salary for that year, and deferred annual and two-year cash bonuses earned with respect to fiscal year 2006.

The officer contributions of vested stock equivalents during fiscal year 2007 consist of vested but deferred restricted stock equivalents granted in previous years. The values shown are as of the date of vesting.

(2) Our contributions to our deferred compensation plan shown in this column consist of the 25% Company match on deferrals of fiscal year 2006 annual and two-year bonuses into the Energizer common stock

unit fund of the plan. *The annual expense associated with unvested Company matching contributions is included in the Stock Awards column of the Summary Compensation Table.*

Our contributions to our executive savings investment plan consist of Company contributions which would have otherwise been contributed to the savings investment plan and the PPMA but for limitations imposed by the IRS. *These amounts, in their entirety, are included in the All Other Compensation column of the Summary Compensation Table.*

(3) Aggregate earnings shown in this column consist of:

- amounts credited to each executive under the investment options of each of the plans, reflecting actual earnings on investment funds offered under our savings investment plan, a qualified 401(k) plan,
- in the case of the prime rate option of our deferred compensation plan, interest at Morgan Guaranty Trust Company of New York's prime rate,
- the appreciation in value of each of the investment options in the plans between September 30, 2006 and September 30, 2007. (As no dividends have been paid on our common stock, there have been no earnings credited for amounts deferred into the Energizer common stock unit fund of either of the plans, but the value of the underlying stock has appreciated significantly over that period), and
- the appreciation in value of vested restricted stock equivalents (see footnote 5 below) between September 30, 2006 and September 30, 2007, or from the date of vesting and September 30, 2007, for awards vesting and deferred during the fiscal year. (No actual earnings or dividends have been credited with respect to these awards.)

*The above-market portion of interest on the prime rate option (in excess of 120% of the APR) is set forth in the column titled "Change in Pension Value and Nonqualified Deferred Compensation Earnings" of the Summary Compensation Table, and quantified in a footnote to that column.*

(4) Of the aggregate balances shown in this column, with respect to the deferred compensation plan the following amounts were previously reported as compensation in the Summary Compensation Tables of our proxy statements for previous annual meetings:

- Mr. Klein - \$8,955,828;
- Mr. Sescleifer - \$2,590,541;
- Mr. McClanathan - \$4,071,211; and
- Mr. Hatfield - \$999,600.

The balances in that plan for each of the officers also include amounts deferred by them, Company matching deferrals, and earnings thereon, in years in which they were not named executive officers and their compensation was not included in the Summary Compensation Table, and for Messrs. Klein, McClanathan and Hatfield, and Ms. Stratmann, include amounts deferred under the terms of the Ralston Purina Company deferred compensation plan, the liabilities of which were assumed by us at the time of our spin-off.

Of the aggregate balances shown in this column, with respect to our executive savings investment plan the following amounts were previously reported as compensation in the Summary Compensation Tables

of our proxy statements for prior years:

- Mr. Klein - \$764,203;
- Mr. Sescleifer - \$423,279;
- Mr. McClanathan - \$423,096; and
- Mr. Hatfield - \$26,543.

The balances in that plan for each of the officers also include amounts contributed by them, Company matching contributions, and earnings thereon, in years in which they were not named executive officers and their compensation was not included in the Summary Compensation Table.

Of the aggregate balances shown in this column with respect to the vested stock equivalents set forth in footnote (5) below, the following number of equivalents were previously reported as compensation in the Summary Compensation Tables of our proxy statements for the years when the awards were granted.

- Mr. Klein - 41,917 equivalents;
- Mr. Sescleifer - 2,500 equivalents; and
- Mr. McClanathan - 26,667 equivalents.

The balances for each of the officers also include vested but deferred equivalents granted in years in which they were not named executive officers and their compensation was not included in the Summary Compensation Table.

(5) The following officers elected to defer conversion of the vested restricted stock equivalents indicated until their termination of employment from the Company:

- Mr. Klein - 47,917 equivalents;
- Mr. Sescleifer - 9,167 equivalents;
- Mr. McClanathan - 36,667 equivalents;
- Mr. Hatfield - 3,334 equivalents; and
- Ms. Stratmann - 9,167 equivalents.

The values shown are as of September 30, 2007.

(6) The distribution to Mr. Klein was pursuant to a short-term deferral election which he made in 2004.

#### **POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**

We have not entered into general employment agreements with any of our named executive officers, nor do we have executive severance plans or programs. However, equity awards under our 2000 incentive stock plan, our annual and two-year cash bonus program, and our deferred compensation plan, provide for acceleration of vesting of certain

awards in the event of certain terminations of employment (as shown in the chart below). In addition, we have entered into change of control employment agreements with our named executive officers which provide for severance compensation, acceleration of vesting, tax reimbursement and continuation of benefits upon termination of employment following a change of control.

The information below reflects the value of acceleration or incremental compensation which each officer would receive upon the termination of his or her employment or upon a change in control. Because the value of awards and incremental compensation depend on several factors, actual amounts can only be determined at the time of the event.

The information is based on the following assumptions:

the event of termination (death, permanent disability, involuntary termination without cause, or voluntary termination), or a change of control of the Company, occurred on September 30, 2007, the last day of our fiscal year,

the market value of our common stock on that date was \$110.85 (the actual closing price on September 28, 2007, our last trading day before fiscal year end),

- each of the officers were terminated on that date, and
- corporate and individual federal tax rates were 35%, Missouri state tax rate was 6%, and FICA was 1.45%.

The information does not reflect benefits that are provided under our plans or arrangements that do not discriminate in favor of executive officers and are available generally to all salaried employees - such as amounts accrued under our savings investment plan, accumulated and vested benefits under our retirement plans (including our pension restoration plan and executive savings investment plan), health, welfare and disability benefits, and accrued vacation pay.

The information below also does not include amounts under our deferred compensation plan or executive savings investment plan that would be paid, or vested stock equivalents that would be issued, all as described in the Nonqualified Deferred Compensation Table above, except to the extent that an officer is entitled to an accelerated benefit as a result of the termination.

#### **Death, Disability or Termination of Employment (Other Than Upon a Change of Control)**

Upon an officer's death, permanent disability, involuntary termination other than for cause (defined as termination for gross misconduct), and, in some cases, retirement, the following plans or programs provide for acceleration of awards. No awards are accelerated for voluntary termination of employment before attainment of age 55, or for involuntary termination for cause, except as noted.

	<b>Involuntary Termination</b>	<b>Death</b>	<b>Disability</b>	<b>Retirement After Age 55</b>	<b>Retirement for Purposes of our Deferred Comp. Plan Prior to 55</b>
<b>Unvested stock options</b>	Accelerated	Accelerated	Accelerated	Accelerated	Forfeited
<b>Restricted stock equivalent award granted 5/19/03</b>	Accelerated	Accelerated	Accelerated	Accelerated	Forfeited
<b>Other restricted stock equivalent awards</b>	Accelerated	Accelerated	Accelerated	Forfeited	Forfeited
<b>Three year performance awards granted 10/11/05 and 10/09/06</b>	Accelerated	Accelerated	Accelerated	Forfeited	Forfeited



<b>Unvested 25% Company match</b>	Accelerated	Accelerated	Accelerated	Accelerated	Accelerated*
<b>Two-year bonus opportunity created after fiscal year 2007</b>	Accelerated	Accelerated	Accelerated	Forfeited	Forfeited

\* Accelerated only for officers with PEP account balances under our retirement plan. The match is forfeited for officers using the FAP benefit formula.

Upon termination of employment for any reason, vested account balances in our deferred compensation plan are paid out in cash to the participant in either a lump sum, or over a five or ten year period, commencing six months from the date of termination.

In the event an officer's employment is terminated due to permanent disability, he or she may also be entitled to benefits under our executive long-term disability plan, which pays a supplemental benefit equal to 60% of the amount by which the officer's previous year's salary and bonus exceeded \$150,000. (Amounts below that figure are covered by our long term disability plan, available generally to salaried U.S. employees.)

Upon retirement or death, the officer, or his or her surviving spouse, may also be entitled to continued coverage under our executive health plan, which generally covers medical/dental/vision expenses and deductibles and co-pays not otherwise covered by our underlying medical insurance plan. However, in order to qualify for continued coverage under the executive health plan, the covered person must pay for retiree coverage under our underlying medical and dental insurance plans. Because the cost of such retiree coverage under our medical insurance plan is generally significantly higher than other available medical plans, and none of our current officers are entitled to any subsidy from us for that coverage (as some grandfathered retirees are), it is unknown whether any of the officers will elect to obtain retiree coverage from our plan and qualify for additional coverage under our executive health plan.

Finally, if the officer, prior to termination, was enrolled in our voluntary group life insurance plan, which is available generally to salaried employees in the U.S., with coverage of at least one times earnings, and has attained age 55 with at least two years of service, or has a combination of age and years of service equal to at least 80, then the officer would be entitled to life insurance under our executive retiree life plan. That plan provides a death benefit in an amount equal, on an after-tax basis, to 50% of the officer's last full year's salary and bonus prior to retirement. The officer is responsible for paying the cost of coverage under the voluntary group life insurance plan at the retired coverage level.

The value of the following awards which would be accelerated for our named executive officers upon death, disability, involuntary termination of employment or retirement as of September 30, 2007 is shown in the following chart. The value of accelerated restricted stock equivalents, performance awards and 25% Company match reflects a stock price of \$110.85, and the value of accelerated options is the difference between the exercise price and \$110.85.

Officer Termination Events	Accelerated Awards				Total
	Stock Options	Restricted Stock Equivalents and Three-Year Performance Awards	Unvested 25% Company Match	Two-Year Cash Bonus Opportunity Created after FY2007	
W. Klein: 1	\$4,105,575	\$22,678,063	\$1,054,797	\$750,000	\$ 28,588,435
W. Klein: 3	—	—	—	—	—
D. Sescleifer: 1	\$ 323,600	\$ 5,302,325	\$472,519	\$320,000	\$ 6,418,444
D. Sescleifer: 3	—	—	\$472,519	—	\$ 472,519
J. McClanathan: 1	\$2,006,200	\$ 7,131,350	\$512,821	\$360,000	\$ 10,010,371
J. McClanathan: 2	\$2,006,200	\$ 1,478,000	\$512,821	—	\$ 3,997,021

D. Hatfield: 1	\$ 485,400	\$ 3,302,406	\$427,654	\$280,000	\$ 4,495,460
D. Hatfield: 3	—	—	\$427,654	—	\$ 427,654
G. Stratmann: 1	\$2,007,800	\$ 4,725,905	\$228,883	\$192,000	\$ 7,154,588
G. Stratmann: 3	—	—	\$228,883	—	\$ 228,883

### Termination Events:

1— Death, permanent disability or involuntary termination of employment other than for cause.

2— Retirement following attainment of age 55 (Only Mr. McClanathan had attained age 55 as of September 30, 2007).

3— Voluntary termination prior to 55. (Such termination would be deemed to be retirement under our deferred compensation plan for each of our officers with PEP account balances under our retirement plan, other than Mr. Klein, who uses the FAP benefit formula.)

### Change of Control of the Company

Our change of control employment agreements with each of the named executive officers have a term of three years from their effective date (which term is automatically extended every year for an additional year unless our nominating and executive compensation committee elects to terminate an agreement at least 90 days prior to renewal). Each of these agreements provides that the officer will receive severance compensation in the event of his or her involuntary termination (including voluntary termination for “good reason”), other than for cause, within three years following a change in control of the Company.

“termination for cause” means a termination for willful breach of, or failure to perform, employment duties,

“good reason” means any of the following:

- assignment of duties inconsistent with the officer’s status;
- reduction in the officer’s annual salary;
- the failure of the acquirer to pay any bonus award to which the officer was otherwise entitled, or to offer the officer incentive compensation, stock options or other benefits or perquisites which are offered to similarly situated executives of the acquirer;
- relocation of the officer’s primary office to a location greater than 50 miles from his or her existing office;
- any attempt by the acquirer to terminate the officer’s employment in a manner other than as expressly permitted by the agreements; or
- the failure by the acquirer to expressly assume the Company’s obligations under the agreements.

“change of control” means:

- the acquisition of 20% or more of the outstanding shares of our common stock

that time when our initial directors, or their recommended or appointed successors, fail to constitute a majority of our board, or

-

the approval by our stockholders of a merger, consolidation, or sale of all or substantially all of the assets, of the Company.

Under the agreements, upon a change of control, each officer, even if not terminated, will receive a pro rata annual bonus (equal to the greater of either target bonus for the year in which the change of control occurred, or the actual bonus for the preceding year) for the portion of the year occurring prior to a change of control. In addition, all outstanding equity awards, including options, restricted stock awards, and the three-year performance awards granted in 2005 and 2006, will vest at maximum value, even if applicable performance targets, in the case of the performance awards, are not met. In addition to the agreements, the terms of our annual and two-year cash bonus program provide that bonus opportunities created under that program will also vest upon a change of control.

If the officer is terminated, the severance compensation payable under the agreements consists of:

a lump sum payment in an amount equal to three times the officer's annual base salary and target bonus (defined as the most recent five-year actual bonus percentages multiplied by the greater of base salary at either termination or change of control);

- a pro rata portion of the officer's target annual bonus for the year of termination;

the difference between the officer's actual benefits under our retirement plans at the time of termination and what the officer would have received if he or she had remained employed for an additional period of three years; and

- the continuation of other executive health, dental and welfare benefits for a period of three years following the officer's termination.

No severance payments under the agreements would be made in the event that an officer's termination is voluntary (other than for good reason), is due to death, disability or normal retirement, or is for cause. For a period of three years following termination of employment, the officers are each bound by a covenant not to compete, a non-solicitation covenant, and a covenant of confidentiality.

In the event that it is determined that a "golden parachute" excise tax is due under the Internal Revenue Code, we will, if total benefits payable to the officer are within 10% of the threshold for benefits at which the excise tax is triggered, reduce benefits to the point at which the tax will no longer be due, or, if total benefits are in excess of 10% of the threshold, reimburse the officer for the amount of such tax, including any excise or income taxes associated with such reimbursement.

Payments of cash would be made in a lump sum no sooner than six months following termination of employment, and benefits would be provided for a three-year period following termination, or if such continuation of benefits would not be possible under our benefit programs, the value of such benefits would also be paid in lump sum no sooner than six months following termination.

#### *Estimated Payments and Benefits*

Based on the assumptions set out above, the following chart sets forth estimated payments to our named executive officers upon termination following a change of control. If a change of control occurs but their employment is not terminated, the agreements provide a more limited value, as shown in the second chart below. The value of accelerated restricted stock equivalents, performance awards and 25% Company match reflects a stock price of \$110.85 (the closing price of our common stock on September 28, 2007), and the value of accelerated options is the difference between the exercise price and \$110.85.

#### **Accelerated or Additional Benefits—Termination following Change of Control**

	Cash	Severance and Accel'd Two-Year Bonus	25% Retirement Benefits	Company Match	Options	Restricted Stock Equivs. and Three- Year Performance Awards	Excise Tax Gross-Up	Total
W. Klein	\$6,920,171	\$2,861,347	\$1,054,797	\$4,105,575	\$22,678,063	\$94,591	\$13,003,213	\$50,717,757
D. Sescleifer	\$3,076,356*	\$413,834	\$472,519	\$323,600	\$5,302,325	\$94,591	\$	\$9,683,225
J. McClanathan	\$3,895,405	\$1,478,184	\$512,821	\$2,006,200	\$7,131,350	\$94,591	\$4,558,837	\$19,677,388
D. Hatfield	\$2,688,793*	\$572,458	\$427,654	\$485,400	\$3,302,406	\$78,229	\$	\$7,554,940
G. Stratmann	\$2,386,474	\$561,877	\$228,883	\$2,007,800	\$4,725,905	\$94,591	\$2,613,932	\$12,619,462

\* Reduced below the threshold for "golden parachute" excise tax, under the terms of the agreement.

For purposes of the calculation of the excise tax gross-up in these charts, the ascribed value of accelerated vesting and early receipt of stock option gain value is based on three components:

Valuation of options using the lesser of calculated Black-Scholes value or a safe harbor valuation methodology. The assumptions used in the calculation are based on assumptions listed in our annual report on Form 10-K for the year ended September 30, 2006, including volatility of 22.2%, an expected term of 6 years, a risk-free interest rate of 3.86% and a 0% dividend yield.

Lapse of further service portion is equal to the gain at the change of control date multiplied by 1% for each full month vesting is accelerated; and

Early receipt portion is equal to the difference between the gain at normal vesting and the present value of the gain at the time vesting is accelerated, with present value based on 120% of the IRS applicable federal rate.

The ascribed value of restricted stock equivalents and performance awards was based on the latter two of the above components, and, for the performance awards, assumption of a 100% parachute value.

#### Accelerated Awards Upon a Change of Control (No Termination of Employment)

	Accelerated Two-Year Bonus	Options	Restricted Stock Equivalents and Performance Awards	Excise Tax Gross-Up	Total
W. Klein	\$750,000	\$4,105,575	\$22,678,063	\$8,298,426	\$35,832,064
D. Sescleifer	\$320,000	\$323,600	\$5,302,325	0	\$5,945,925
J. McClanathan	\$2,241*	\$2,006,200	\$7,131,350	0	\$9,139,791
D. Hatfield	\$280,000	\$485,400	\$3,302,406	0	\$4,067,806
G. Stratmann	\$192,000	\$2,007,800	\$4,725,905	0	\$6,925,705

\* Reduced below the threshold for "golden parachute" excise tax, under the terms of the agreement.

#### CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the fiscal year, our board of directors adopted a written policy regarding the review and approval or ratification of transactions involving the Company and our directors, nominees for directors, executive officers, immediate family members of these individuals, and shareholders owning five percent or more of our outstanding common stock, each of whom is referred to as a related party. The policy covers any related party transaction, arrangement or relationship where a related party has a direct or indirect material interest and the amount involved exceeds \$100,000 in any calendar year. Under the policy, the audit committee of the board is responsible for reviewing and approving, or ratifying, the material terms of any related party transactions. The committee is charged with determining whether the terms of the transaction are any less favorable than those generally available from unaffiliated third parties, and determining the extent of the related party's interest in the transaction.

In adopting the policy, the board reviewed certain types of related party transactions described below and determined that they should be deemed to be pre-approved, even if the aggregate amount involved might exceed \$100,000:

• Officer or director compensation which would be required to be disclosed under Item 402 of the SEC's compensation disclosure requirements, and expense reimbursements to these individuals in accordance with our policy;

• Transactions with another company at which a related party serves as an employee, director, or holder of less than 10% of that company's outstanding stock, if the aggregate amount involved does not exceed the greater of \$1 million or 2% of that company's consolidated gross revenues;

• Charitable contributions to a charitable trust or organization for which a related party serves as an employee, officer or director, if the annual contributions by us do not exceed the greater of \$100,000 or 2% of the organizations total annual receipts;

• Transactions where all of our shareholders receive proportional benefits, where the rates or charges involved are determined by competitive bids, where the transaction involves obtaining services from a regulated entity at rates fixed by law, or where the transaction involves bank services as a depository of funds, transfer agent or registrar, or similar services; and

• Transactions related to our joint ownership of corporate aircraft, including reimbursement of expenses associated with ownership or use of the aircraft, provided that the terms of ownership and reimbursement were previously approved by our board of directors.

Our legal department is primarily responsible for the development and implementation of processes and procedures to obtain information from our directors and executive officers with respect to related party transactions.

During fiscal year 2007, there were no transactions with executive officers, directors or their immediate family members which were in an amount in excess of \$120,000, and in which any such person had a direct or indirect material interest.

### **AUDIT COMMITTEE REPORT**

No portion of this Audit Committee Report shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, through any general statement incorporating by reference in its entirety the Proxy Statement in which this report appears, except to the extent that the Company specifically incorporates this report or a portion of it by reference. In addition, this report shall not be deemed to be filed under either the Securities Act or the Exchange Act.

The Audit Committee of the Company's Board of Directors consists entirely of non-employee directors that are independent, as defined by the New York Stock Exchange Listing Standards and Securities and Exchange Commission regulations for audit committee membership.

Management is responsible for the Company's internal controls and the financial reporting process. The independent accountants are responsible for performing an independent audit of the Company's consolidated financial statements in accordance with generally accepted auditing standards and issuing a report thereon. The Committee's responsibility is to monitor and oversee these processes.

With respect to the Company's audited financial statements for the Company's fiscal year ended September 30, 2007, management of the Company has represented to the Committee that the financial statements were prepared in accordance with generally accepted accounting principles and the Committee has reviewed and discussed those financial statements with management. The Audit Committee has also discussed with PricewaterhouseCoopers LLP, the Company's independent accountants, the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees) as modified or supplemented.

The Audit Committee has received the written disclosures from PricewaterhouseCoopers LLP required by Independence Standards Board Standard No. 1 (Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees), as modified or supplemented, and has discussed the independence of PricewaterhouseCoopers LLP with members of that firm. In doing so, the Committee considered whether the non-audit services provided by PricewaterhouseCoopers LLP were compatible with its independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Company's Board of Directors that the audited financial statements for the fiscal year ended September 30, 2007 be included in the Company's Annual Report on Form 10-K for that year.

John R. Roberts—Chairman  
Bill G. Armstrong  
John E. Klein

Richard A. Liddy  
Joe R. Micheletto  
Pamela M. Nicholson

#### **NOMINATING AND EXECUTIVE COMPENSATION COMMITTEE REPORT**

The Nominating and Executive Compensation Committee of the Company's Board of Directors consists entirely of non-employee directors that are independent, as defined in Sections 303.01(B)(2)(a) and (3) of the New York Stock Exchange Listing Standards. The Committee has reviewed and discussed the Company's Compensation Discussion and Analysis with management. Based on these reviews and discussions, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and in the Company's Annual Report on Form 10K for the fiscal year ended September 30, 2007.

John E. Klein—Chairman  
Bill G. Armstrong  
John C. Hunter  
Richard A. Liddy

W. Patrick McGinnis  
Pamela M. Nicholson  
John R. Roberts

## DELIVERY OF DOCUMENTS

**Householding of Annual Meeting Materials.** The Securities and Exchange Commission has approved a rule permitting the delivery of a single set of annual reports and proxy statements to any household at which two or more shareholders reside, if the shareholders consent. Each shareholder will continue to receive a separate proxy card. This procedure, referred to as householding, reduces the volume of duplicate information you receive, as well as our expenses. In order to take advantage of this opportunity, we have delivered only one proxy statement and annual report to multiple shareholders who share an address, unless we received contrary instructions from the impacted shareholders prior to the mailing date. If you prefer to receive separate copies of our proxy statement or annual report, either now or in the future, we will promptly deliver, upon your written or oral request, a separate copy of the proxy statement or annual report, as requested, to any shareholder at your address to which a single copy was delivered. Notice should be given to the Secretary, Energizer Holdings, Inc., 533 Maryville University Drive, St. Louis, Missouri 63141 (Tel. No. (314) 985-2161). If you are currently a shareholder sharing an address with another shareholder and wish to have only one proxy statement and annual report delivered to the household in the future, please contact us at the same address.

**Electronic Delivery.** For next year's Annual Meeting of Shareholders, you can help us save significant printing and mailing expenses by consenting to access the proxy statement and annual report electronically over the Internet. If you choose to vote over the Internet, you can indicate your consent to electronic access to these documents by following the instructions at the Internet voting website noted on the enclosed proxy card. If you do not choose to vote over the Internet, or if you are not given the opportunity to consent to electronic access over the Internet, but would still like to consent, you may contact the Secretary, Energizer Holdings, Inc., 533 Maryville University Drive, St. Louis, Missouri 63141 (Tel. No. (314) 985-2161). If you choose to receive the proxy statement and annual report electronically, then prior to next year's annual meeting you will receive e-mail notification when the proxy statement and annual report are available for on-line review over the Internet. Your choice for electronic distribution will remain in effect indefinitely, unless you revoke your choice by sending written notice of revocation to the address noted above. However, if the e-mail notification is returned as "undeliverable", a hard copy of the proxy materials and annual report will be mailed to your last known address.

## SHAREHOLDER PROPOSALS FOR 2009 ANNUAL MEETING

Any proposals to be presented at the 2009 Annual Meeting of Shareholders, which is expected to be held on January 26, 2009, must be received by the Company, directed to the attention of the Secretary, no later than July 31, 2008 in order to be included in the Company's proxy statement and form of proxy for that meeting. Upon receipt of any proposal, the Company will determine whether or not to include the proposal in the proxy statement and proxy in accordance with regulations governing the solicitation of proxies. The proposal must comply in all respects with the rules and regulations of the Securities and Exchange Commission and the Bylaws of the Company.

In order for a shareholder to nominate a candidate for director, under the Company's Bylaws timely notice of the nomination must be received by the Company in advance of the meeting. Ordinarily, such notice must be received not less than 90, nor more than 120, days before the meeting (but if the Company gives less than 90 days' (1) notice of the meeting or (2) prior public disclosure of the date of the meeting, then such notice must be received within 7 days after notice of the meeting is mailed or other public disclosure of the meeting is made), or prior to October 26, 2008 for the 2009 Annual Meeting. The notice of nomination must include, as to each person whom the shareholder proposes to nominate for election, the candidate's name, age, business and residential address, and principal occupation for the previous 5 years, the nominee's consent to being named as a nominee and to serving on the Board, and the number of shares of Common Stock beneficially owned by the nominee. To assist in the evaluation of shareholder-recommended candidates, the Committee may request that the shareholder provide certain additional information required to be disclosed in the Company's proxy statement under Regulation 14A of the Securities Exchange Act of 1934. The shareholder nominating the candidate must also include his or her name and address, and the number of shares of Common Stock beneficially owned.

In order for a shareholder to bring other business before a shareholder meeting, timely notice must be received by the Company prior to the time described in the preceding paragraph. Such notice must include a description of the proposed business and the reasons therefor, the name and address of the shareholder making the proposal, and the number of shares of Common Stock beneficially owned. These requirements are separate from and in addition to the requirements a shareholder must meet to have a proposal included in the Company's Proxy Statement.

In each case, the notice must be given to the Secretary of the Company, whose address is 533 Maryville University Drive, St. Louis, Missouri 63141. A copy of the Company's bylaws will be provided without charge upon written request to the Secretary.

By order of the Board of Directors,

Timothy L. Grosch  
Secretary

November 29, 2007

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**2008 ANNUAL MEETING ADMISSION TICKET**

**ENERGIZER HOLDINGS, INC.  
2008 ANNUAL MEETING OF SHAREHOLDERS**

Monday, January 28, 2008  
3:30 p.m. local time  
Energizer World Headquarters  
533 Maryville University Drive  
St. Louis, Missouri 63141

Please present this ticket for admittance to the Annual Meeting.  
Admittance will be based upon availability of seating.

tFOLD AND DETACH HERE AND READ THE REVERSE SIDEt

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**ENERGIZER HOLDINGS, INC.**

This Proxy is Solicited on Behalf of the Board of Directors  
for the Annual Meeting of Shareholders on January 28, 2008

**P** This proxy when properly executed  
**R** will be voted in the manner  
**O** directed herein by the undersigned  
**X** Shareholder. **If no direction is**  
**Y** **made, this Proxy will be voted**  
**“FOR” Item 1.** The undersigned  
hereby appoints W.M. Klein and  
G.G. Stratmann as Proxies, with  
the power of substitution, to  
represent and to vote, as designated  
below, all the shares of the  
undersigned held of record on  
November 19, 2007, at the Annual  
Meeting of Shareholders to be held  
on January 28, 2008 and any  
adjournments thereof.

**(Important - to be signed and  
dated on reverse side)**

This proxy covers all Energizer  
Holdings, Inc. Common Stock you  
own in any of the following ways  
(provided the registrations are  
identical):

- Shares held of record

- Energizer Holdings, Inc.  
Savings Investment Plan
-

**VOTE BY TELEPHONE OR INTERNET  
QUICK \* \* \* EASY \* \* \* IMMEDIATE**

**ENERGIZER HOLDINGS, INC.**

*Voting by telephone or Internet is quick, easy and immediate.* As a stockholder of Energizer Holdings, Inc., you have the option of voting your shares electronically through the Internet or on the telephone, eliminating the need to return the proxy card. Your electronic vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed, dated and returned the proxy card. Votes submitted electronically over the Internet or by telephone must be received by 7:00 p.m., Eastern Time, on January 27, 2008.

**Vote Your Proxy on the Internet:**

**Go to [www.energizer.com](http://www.energizer.com).**

Have your proxy card available when you access the above website. Select "ENR Shareholder Proxy Voting." Follow the prompts to vote your shares.

**Vote Your Proxy by Phone:**

**Call 1 (866) 894-0537.**

Use any touch-tone telephone to vote your proxy. Have your proxy card available when you call. Follow the voting instructions to vote your shares.

**PLEASE DO NOT RETURN THE PROXY CARD IF YOU ARE  
VOTING ELECTRONICALLY OR BY PHONE**

**Vote Your Proxy by mail:**

Mark, sign, and date your proxy card, then detach it, and return it in the postage-paid envelope provided.

tFOLD AND DETACH HERE AND READ THE REVERSE SIDEt

**PROXY**

**ENERGIZER HOLDINGS, INC.**

**COMMON STOCK**

**Please mark x  
your votes like this**

THE BOARD OF DIRECTORS RECOMMENDS A  
VOTE "FOR":

1. Election of Directors	For All	For All
	Nominees	Withhold Except
	<input type="radio"/>	<input type="radio"/>

Nominees: 01 Ward M. Klein, 02 Richard A. Liddy, Please be sure to sign and date this Proxy Card.  
03 W. Patrick McGinnis, 04 Joe R. Micheletto.

**IF YOU WISH TO VOTE ELECTRONICALLY**

To withhold authority to vote for any nominees listed **PLEASE READ THE INSTRUCTIONS ABOVE** above, mark the "For All Except" box and write the name(s) of the nominee(s) from whom you wish to withhold authority to vote in the space provided below.

Mark box at right if you plan to attend the Annual Meeting  on January 28, 2008.

**COMPANY ID:**

**PROXY NUMBER:**

**ACCOUNT NUMBER:**

**Signature** \_\_\_\_\_

**Signature** \_\_\_\_\_

2008.

Please sign exactly as your name(s) appear(s) hereon. When signing as Attorney, Executor, Trustee, Guardian or Officer of a Corporation, please give title as such. For joint accounts, all named holders should sign. If you receive more than one proxy card, please sign all cards and return in the accompanying postage-paid envelopes.

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November 29, 2007

Dear Savings Investment Plan Participant:

Enclosed are a proxy statement, a proxy and an Annual Report for the Annual Meeting of Shareholders of Energizer Holdings, Inc. to be held on January 28, 2008. The enclosed proxy relates to shares of Energizer Common Stock of which you are the record holder and to shares of Energizer Common Stock credited to your account in the Energizer Holdings, Inc. Savings Investment Plan (the "Plan").

The Trustee of the Plan will vote all shares of Energizer Common Stock held in the Plan as of November 19, 2007. Shares credited to your account as of November 12, 2007 will be voted in accordance with your instructions on the enclosed proxy card. Any credited shares for which no instructions are received by the Trustee, and any shares in the Plan that were credited between November 13, 2007 and November 19, 2007, will be voted by the Trustee in the same proportion as the shares for which instructions were received from all participants in that Plan.

Please complete, sign and date the enclosed proxy. It should be returned, in the postage-paid envelope provided, to Continental Stock Transfer & Trust Company, which acts as tabulator. Alternatively, you may vote by telephone or via Internet. However you decide to vote, in order to provide the tabulator sufficient time to tabulate the votes, it has been requested that all proxies be returned, or votes be cast, as promptly as possible, but no later than January 23, 2008.

You may also have received additional proxy statements and proxies relating to other shares of Energizer Common Stock held by you. These proxies are not duplicates of the one enclosed and we ask that they also be voted as described in the instructions enclosed with them.

WARD M. KLEIN  
Chief Executive Officer

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**Dear Shareholder:**

Thank you for consenting to receive your shareholder materials via the Internet. This letter provides you the information you will need to view Energizer Holdings, Inc. annual meeting materials online, vote your shares online and print a copy of the materials.

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

The 2008 Annual Meeting of Shareholders of Energizer Holdings, Inc. will be held at Energizer World Headquarters, 533 Maryville University Drive, St. Louis, Missouri on Monday, January 28, 2008 at 3:30 p.m., local time, for the following purpose:

To elect four directors to serve three-year terms ending at the Annual Meeting held in 2011, or until their respective successors are elected and qualified.

Shareholders of record at the close of business on November 19, 2007, are entitled to notice of and to vote at the Annual Meeting.

Holders of a majority of the outstanding shares must be present in person or by proxy in order for the meeting to be held. Therefore, whether or not you expect to attend the meeting in person, you are urged to vote your proxy either electronically via the Internet or by telephone at 1-866-894-0537. If you attend the meeting and wish to vote your shares personally, you may do so by revoking your proxy at any time prior to the voting thereof. In addition, you may revoke your proxy at any time before it is voted by written notice of revocation to the Secretary of the Company or by submitting a later-dated proxy.

**VIEW ANNUAL MEETING MATERIALS**

To view the 2007 Annual Report and Proxy Statement, please go to the Website [www.energizer.com](http://www.energizer.com), click on About Energizer and then click on Investor Information. You will then see two direct links - one for the 2007 Proxy Statement and one for the 2007 Annual Report.

**VOTE YOUR PROXY**

To vote your proxy over the Internet, please go to the Website [www.energizer.com](http://www.energizer.com) and click on ENR Shareholder Proxy Voting.

To access and vote your proxy card via the Internet or by phone, you will need to enter the following information exactly as it appears:

Company Number: \$CompanyNumber

Proxy Number: \$ProxyNumb

Account Number: \$AccountNbr

Thank you again for participating in Energizer Holdings, Inc. electronic distribution program.