ABB LTD
Form 6-K
April 26, 2013

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# Form 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16**
**UNDER THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of April 2013**

**Commission File Number 001-16429**

# ABB Ltd

(Translation of registrant s name into English)

**P.O. Box 1831, Affolternstrasse 44, CH-8050, Zurich, Switzerland**

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F x Form 40-F o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): o

**Note:** Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indication by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): o

**Note:** Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant s home country ), or under the rules of the home country exchange on which the registrant s securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant s security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes o No x

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

This Form 6-K consists of the following:

1. Press release issued by ABB Ltd dated April 24, 2013.
2. Announcements regarding transactions in ABB Ltd s Securities made by the directors or the members of the Executive Committee.
3. Agenda and resolutions from the ABB Ltd General Meeting of Shareholders held on April 25, 2013.
4. Press release issued by ABB Ltd dated April 25, 2013.

The information provided by Item 1 above is deemed filed for all purposes under the Securities Exchange Act of 1934.

**Press Release**

ABB Q1: Revenue growth, improved profitability

- **Improved portfolio and geographic balance generates solid results in a mixed market**
- **Revenues steady to higher in all divisions(1); Thomas & Betts on track**
- **Operational EBITDA(2) and margin higher, continued solid execution on cost savings**

Zurich, Switzerland, April 24, 2013 ABB today reported its first-quarter 2013 results, highlighting revenue growth and improved operational profitability2 despite a weak business environment.

Given the continued uncertainties in the global economy, this is a satisfactory start to 2013, said ABB Chief Executive Officer Joe Hogan. We continued to execute well, successfully balancing solid cost discipline with targeted growth in businesses and regions where we have competitive advantages, especially in areas like industrial efficiency, power reliability and renewable energy.

Our balanced portfolio and global footprint contributed to the resilient performance, allowing us to find and capture growth opportunities in a mixed market. For example, we won some key orders in marine, mining, and robotics, and increased emerging market orders by 10 percent. We lifted total revenues on both an organic and inorganic basis.

Our execution on cost remained strong, with tight discipline on G&A expenses, Hogan said. Continued success in sourcing and productivity improvements saved us about $260 million.

The Thomas and Betts integration and synergies are on track. We re very pleased with this acquisition and the improved balance it gives us in the North American market.

The Power Products team turned in another good performance, with an operational EBITDA margin of 14.9 percent, again within our guidance of 14.5 to 15.0 percent range for the full year, thanks to solid execution on cost and selective growth initiatives in more profitable end markets.

We achieved these results despite continued demand headwinds, Hogan said. Growth in the US decelerated further in the quarter and industrial investments in much of Europe remained mixed. Cash flow was lower than we d like, but it was largely expected and mainly reflects the timing of project execution, so we expect to see that recover over the coming quarters.

For the rest of the year, we ll continue to focus on the cost-growth balance. Macroeconomic indicators remain unclear, which makes it tough to predict how the early-cycle businesses will perform. However, our strong order backlog will help mitigate some of that uncertainty, and we re confident that our better balance across businesses and regions will continue to provide us with profitable growth opportunities.

**2013 Q1 key figures**

| | | | Change | | |
|---|---|---|---|---|---|
| **$ millions unless otherwise indicated** | **Q1 13** | **Q1 12** | **US$** | **Local** | **Organic(3)** |
| Orders | 10 492 | 10 368 | *1%* | *2%* | *-4%* |
| *Order backlog (end March)* | *29 614* | *29 910* | *-1%* | *2%* | |
| Revenues | 9 715 | 8 907 | *9%* | *10%* | *3%* |
| EBIT | 1 052 | 1 048 | *0%* | | |
| as % of revenues | 10.8% | 11.8% | | | |
| Operational EBITDA | 1 458 | 1 228 | *19%* | | |
| as % of operational revenues | 15.0% | 13.9% | | | |
| Net income attributable to ABB | 664 | 685 | *-3%* | | |
| Basic net income per share ($) | 0.29 | 0.30 | | | |
| Cash flow from operating activities | (223) | (22) | n.a. | | |

(1) Management discussion of orders and revenues focuses on local currency changes. U.S. dollar changes are reported in results tables

(2) See reconciliation of operational EBITDA to EBIT in Note 13 to the Interim Consolidated Financial Information (unaudited)

(3) Organic changes are in local currencies and exclude Thomas & Betts (T&B) acquired in May 2012

**Summary of Q1 results**

**Growth overview**

Market conditions remained mixed, with demand in key end markets such as oil and gas, mining, marine and utilities varying by region, product and customer. In this environment, ABB s geographic, technology and channel scope mitigated some of the market turbulence and allowed the company to tap opportunities for profitable growth.

For example, industrial customers continued to invest in high-efficiency production technologies to generate more from their existing assets, such as the $260-million, 9-year order to supply integrated services for offshore oil and gas facilities in Norway. Targeted capital expenditures in important end markets also continued and included an order for mine hoists from a major customer in Russia.

Utilities made further selective power transmission investments to expand and upgrade their grids. ABB won a $110-million order to link the Lithuanian and Poland power grids, and a $150-million order to supply ultra-high voltage direct current equipment to the world s highest capacity power transmission link in China.

Overall, ABB s orders received in the quarter declined 4 percent on an organic basis (2 percent higher including T&B) compared to the first quarter of 2012. Base orders (below $15 million) were 5 percent lower on an organic basis (2 percent higher including T&B), mainly reflecting softer demand for early-cycle products. Service orders declined by 3 percent in the quarter partly due to the continued exit from those full service contracts having lower pull-through of high-value ABB products and represented 19 percent of total orders. Emerging market orders increased 10 percent and represented 48 percent of total orders. Large orders (above $15 million) were up slightly in the quarter and represented 14 percent of total orders, unchanged from the year-earlier period.

Revenues increased in the first quarter on both an organic (up 3 percent) and inorganic basis (up 10 percent), as execution of the strong order backlog helped offset early-cycle order and revenue weakness. T&B contributed approximately $590 million to orders and revenues. Service revenues increased by 3 percent in the quarter.

**Q1 2013 orders received and revenues by region**

| **$ millions unless** | **Orders received** | | **Change** | | **Revenues** | | **Change** | |
|---|---|---|---|---|---|---|---|---|
| **otherwise indicated** | **Q1 13** | **Q1 12** | **US$** | **Local** | **Q1 13** | **Q1 12** | **US$** | **Local** |
| Europe | 3 884 | 3 894 | *0%* | *-1%* | 3 377 | 3 386 | *0%* | *-1%* |
| The Americas | 2 798 | | | | | | | |
| | | 2 695 | *4%* | *5%* | 2 824 | 2 326 | *21%* | *23* |
| *organic* | *2 331* | | *-14%* | *-12%* | 2 357 | | *1%* | *3%%* |
| Asia | 2 815 | 2 766 | *2%* | *2%* | 2 544 | 2 323 | *10%* | *10%* |
| Middle East and Africa | 995 | 1 013 | *-2%* | *3%* | 970 | 872 | *11%* | *14%* |
| **Group total** | **10 492** | **10 368** | ***1%*** | ***2%*** | **9 715** | **8 907** | ***9%*** | ***10%*** |

Orders in Europe were flat as strong increases in eastern Europe especially Russia offset order declines in both northern and southern Europe, including Germany and Italy. On an organic basis, orders in the Americas declined, mainly the result of lower large orders in power and oil and gas. Asia orders increased on the back of 20-percent order growth in China, while the Middle East and Africa was steady, with strong demand for renewable energy solutions in South Africa offsetting a decline in large orders in the Middle East.

**Q1 2013 orders received and revenues by division**

| $ millions unless otherwise indicated | Orders received Q1 2013 | Orders received Q1 2012 | Change US$ | Change Local | Revenues Q1 2013 | Revenues Q1 2012 | Change US$ | Change Local |
|---|---|---|---|---|---|---|---|---|
| **Discrete Automation & Motion** | 2 485 | 2 678 | *-7%* | *-7%* | 2 327 | 2 242 | *4%* | *4%* |
| **Low Voltage Products** | 1 934 | 1 337 | *45%* | *47%* | 1 777 | 1 192 | *49%* | *51%* |
| O*rganic* | *1,342* | | *0%* | *1%* | *1,185* | | *-1%* | *0%* |
| **Process Automation** | 2 500 | 2 540 | *-2%* | *-1%* | 1 978 | 1 970 | *0%* | *1%* |
| **Power Products** | 2 859 | 3 117 | *-8%* | *-8%* | 2 489 | 2 513 | *-1%* | *0%* |
| **Power Systems** | 1 637 | 1 958 | *-16%* | *-15%* | 2 051 | 1 807 | *14%* | *15%* |
| **Corporate and other** *(inter-division eliminations)* | (923) | (1 262) | | | (907) | (817) | | |
| **ABB Group** | **10 492** | **10 368** | ***1%*** | ***2%*** | **9 715** | **8 907** | ***9%*** | ***10%*** |

**Discrete Automation and Motion**: Higher large orders in robotics and for power conversion equipment in the rail industry could not offset order declines in motors and drives resulting from generally weaker early-cycle demand. Revenues increased on the execution of the strong order backlog, especially in robotics. Service revenues increased 5 percent.

**Low Voltage Products**: Orders and revenues were flat on an organic basis as early-cycle demand remained near the low levels seen a year-earlier in most regions. Service orders and revenues grew at a double-digit pace.

**Process Automation**: Order growth in mining and marine was offset by declines in metals and pulp and paper. Oil and gas orders were flat, with growth in base orders offset by lower large orders. Service orders decreased, mainly due to several upgrade projects booked last year which were not repeated. Higher marine revenues compensated lower revenues in other businesses. Total service revenues increased 4 percent.

**Power Products**: The change in orders received reflects continued project selectivity in a challenging market and a comparison with a strong first quarter of 2012. Revenues were unchanged from a year earlier and included a higher share of distribution and industry-related sales.

**Power Systems**: The order decline partly reflects the timing of large project awards as well as increased selectivity in project tendering in order to reduce risks and secure more value-added ABB product pull-through. Revenues were higher across all businesses in the quarter and service revenues also grew.

**Earnings overview**

Earnings before interest and taxes (EBIT) amounted to approximately $1.1 billion, steady compared to the same quarter in 2012. Included in EBIT are the net impacts of foreign exchange and commodity timing differences(4), which reduced EBIT in the first quarter of 2013 by $62 million and increased EBIT

(4) See reconciliation of operational EBITDA to EBIT in Note 13 to the Interim Consolidated Financial Information (unaudited)

in the same period a year earlier by $71 million. Also included in EBIT is acquisition-related amortization of $93 million, compared to $66 million a year earlier.

Operational EBITDA in the first quarter of 2013 amounted to $1.5 billion, an increase of 19 percent compared to the relatively weak first quarter a year earlier. T&B contributed approximately $100 million to operational EBITDA.

The Group s operational EBITDA margin increased by 1.1 percentage points compared to the same period in 2012, as sourcing initiatives and operational improvements produced cost savings of approximately $260 million compensated lower-margin orders being executed out of the power backlog. Margins were supported by improved capacity utilization and stricter discipline in selling, general and administrative (SG&A) expenses that better reflect current market conditions.

**Q1 2013 earnings and cash flows by division**

| $ millions unless otherwise indicated | Operational EBITDA Q1 13 | Q1 12 | change in US$ | Op EBITDA margin %(5) Q1 13 | Q1 12 | Cash flow from operating activities Q1 13 | Q1 12 | change in US$ |
|---|---|---|---|---|---|---|---|---|
| **Discrete Automation and Motion** | 416 | 417 | *0%* | 17.8% | 18.6% | 179 | 103 | *74%* |
| **Low Voltage Products** | 320 | 197 | *62%* | 18.0% | *16.6%* | 3 | 45 | *-93%* |
| *Organic* | *222* | | | *18.7%* | | | | |
| **Process Automation** | 259 | 243 | *7%* | 13.1% | 12.4% | 14 | (18) | *n.a.* |
| **Power Products** | 372 | 363 | *2%* | 14.9% | 14.5% | 34 | 123 | *-72%* |
| **Power Systems** | 169 | 117 | *44%* | 8.3% | 6.6% | (188) | (48) | *-292%* |
| **Corporate and other** | (78) | (109) | | | | (265) | (227) | *-17%* |
| **ABB Group** | **1 458** | **1 228** | ***19%*** | **15.0%** | **13.9%** | **(223)** | **(22)** | ***n.a.*** |

**Discrete Automation and Motion**: Stable earnings with lower margins primarily reflect a change in product mix versus the year-earlier period, driven in part by increased system revenues where margins are below the divisional average. The change in margins also reflects higher investments in selling and R&D compared to the same quarter in 2012. Higher cash from operations primarily reflects improved inventory management.

**Low Voltage Products**: The increase in operational EBITDA resulted primarily from the contribution of approximately $100 million from T&B. The operational EBITDA margin increased as a result of cost reductions and improved capacity utilization in several markets.

**Process Automation**: Higher operational EBITDA and margins primarily reflect improved project execution and lower SG&A expenses as a percentage of revenues compared to the same quarter in 2012. Profitability was also supported by strong margins in the service business.

**Power Products**: The increase in the operational EBITDA margin was mainly driven by a favorable business mix while cost savings mostly offset the price pressure from the execution of the order backlog.

(5) See computation of operational EBITDA margin % in Note 13 to the Interim Consolidated Financial Information (unaudited)

**Power Systems**: Higher operational EBITDA margins mainly reflect improved project execution along with a more favorable mix of projects being executed from the order backlog compared to the same quarter a year earlier. Measures announced in the fourth quarter of 2012 to improve profitability and consistency of results continued in the first quarter but had no significant impact on earnings.

**Net income**

Net income for the quarter decreased 3 percent to $664 million, which included net foreign currency and derivative impacts, as well as amortization related to acquisitions as described earlier. Finance net(6) increased to $79 million from $38 million in the same quarter in 2012, reflecting the increase in total debt compared to one year ago. Basic earnings per share in the first quarter amounted to $0.29 versus $0.30 a year earlier.

**Balance sheet and cash flow**

Total debt amounted to $9.1 billion compared to $6.2 billion in the first quarter of 2012 and $10.1 billion at the end of 2012. The year-over-year increase primarily resulted from the issuance of approximately $3 billion of bonds in the US and Australia to secure long-term funding at attractive rates.

Net debt(6) was $2.1 billion at the end of March 2013 versus net cash(6) of $1.4 billion at the same time a year earlier. The net debt-to-EBITDA ratio(6) at the end of March 2013 was 0.4x, well within the range the company believes is required to maintain its single-A credit rating.

ABB reported cash outflows from operations of $223 million, weaker than in the first quarter in 2012, reflecting a combination of higher net working capital needed to execute large projects and the timing of customer advances, both factors related mainly to the power businesses. Net working capital as a share of revenues(6) amounted to 16.4 percent, an increase of 0.8 percentage points versus the end of the quarter a year earlier.

**Technology and innovation**

ABB announced a number of new products during the quarter, particularly in the area of power electronics. For example, the company launched a new 1,000 kilowatt high-efficiency solar inverter to reduce overall system costs for photovoltaic power generation, and the most compact truly modular uninterrupted power supply (UPS) on the market. A new onboard direct current (DC) power grid for marine applications allows ship operators to optimize generator speeds for lower fuel consumption as well as reducing space requirements and increasing system flexibility. In April, ABB announced the development of an innovative high voltage circuit breaker solution for power transmission with an integrated fiber optic current sensor which simplifies substation design, significantly reduces footprint requirements and is smart grid-enabled. ABB also launched the first low-voltage circuit breaker with integrated energy management functions, which has the potential to achieve annual energy savings equivalent to the electricity consumption of 1.4 million EU households per year.

**Acquisitions**

ABB and US-based Power-One announced earlier this week that their boards of directors have agreed to a transaction in which ABB will acquire Power-One for approximately $1 billion. The transaction would position ABB as a leading global supplier of solar inverters the intelligence behind a solar photovoltaic system to a market expected to grow by more than 10 percent per year over the

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(6) See reconciliation of non-GAAP measures in Appendix 1

medium term. The transaction expected to close in the second half of 2013, subject to shareholder and regulatory approvals.

**Outlook**

Our long-term growth drivers  such as the need for greater industrial productivity, more reliable and efficient power delivery and growth in renewables  remain in place. Shorter-term trends such as industrial production growth and government policy are expected to remain the key drivers of demand over the rest of 2013. There are no clear changes in demand trends visible as we head into the second quarter of 2013.

In a market environment in which near-term uncertainty is likely to remain, we will continue to focus on executing our large order backlog and taking advantage of our broad product and geographic scope to capture profitable growth opportunities in line with our 2011-15 targets.

This will be supported by our ongoing initiatives to improve margins and project selection and execution. Growing service revenues, securing the synergies from recent acquisitions, increasing customer satisfaction and successfully commercializing our pipeline of innovative technologies will remain important contributors to our growth and profitability targets.

We will continue to drive cost savings and productivity improvements equivalent to 3-5 percent of cost of sales every year through improved supply management, better quality and higher returns on investments in sales and R&D. We remain committed to delivering higher cash to shareholders and improving returns on our capital investments in both organic and inorganic growth.

**More information**

The 2013 Q1 results press release is available from April 24, 2013, on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations, where a presentation for investors will also be published.

A video from Chief Executive Officer Joe Hogan on ABB s first-quarter 2013 results will be available at 06:30 am today at www.youtube.com/abb.

ABB will host a media conference call starting at 10:00 a.m. Central European Time (CET). Callers from the US and Canada should dial +1 866 291 41 66 ( Toll-Free). U.K. callers should dial +44 203 059 5862. From Sweden, +46 8 5051 0031, and from the rest of Europe, +41 91 610 5600. Lines will be open 15 minutes before the conference starts. Playback of the call will start 1 hour after the call ends and will be available for 24 hours: Playback numbers: +44 207 108 6233 (U.K.), +41 91 612 4330 (rest of Europe) or +1 866 416 2558 (U.S./Canada). The code is 13241, followed by the # key. The recorded session will also be available as a podcast 1 hour after the end of the call and can be downloaded from www.abb.com/news.

A conference call for analysts and investors is scheduled to begin today at 3:00 p.m. CET (2:00 p.m. in the UK, 9:00 a.m. EDT). Callers should dial +1 877 270 2148 from the US/Canada (toll-free), +44 203 059 5862 from the U.K., +46 8 5051 0031 (Sweden) or +41 91 610 56 00 from the rest of the world. Callers are requested to phone in 15 minutes before the start of the call. The recorded session will be available as a podcast one hour after the end of the conference call and can be downloaded from our website. You will find the link to access the podcast at www.abb.com/investorrelations.

**Investor calendar 2013**

| | |
|---|---|
| Annual General Meeting Zurich, Switzerland | April 25, 2013 |
| Annual Information Meeting Västerås, Sweden | April 26, 2013 |
| Second-quarter 2013 results | July 25, 2013 |
| Third-quarter 2013 results | October 24, 2013 |

ABB (www.abb.com) is a leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs about 145,000 people.

Zurich, April 24, 2013

Joe Hogan, CEO

**Important notice about forward-looking information**

This press release includes forward-looking information and statements as well as other statements concerning the outlook for our business. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, the economic conditions of the regions and industries that are major markets for ABB Ltd. These expectations, estimates and projections are generally identifiable by statements containing words such as expects, believes, estimates, targets, plans or sim expressions. However, there are many risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this press release and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences include, among others, business risks associated with the volatile global economic environment and political conditions, costs associated with compliance activities, raw materials availability and prices, market acceptance of new products and services, changes in governmental regulations and currency exchange rates and such other factors as may be discussed from time to time in ABB Ltd s filings with the U.S. Securities and Exchange Commission, including its Annual Reports on Form 20-F. Although ABB Ltd believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

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**ABB first-quarter (Q1) 2013 key figures**

| $ millions unless otherwise indicated | | Q1 13 | Q1 12 | Change US$ | Change Local |
|---|---|---|---|---|---|
| **Orders** | **Group** | **10 492** | **10 368** | ***1%*** | ***2%*** |
| | Discrete Automation & Motion | 2 485 | 2 678 | *-7%* | *-7%* |
| | Low Voltage Products | 1 934 | 1 337 | *45%* | *47%* |
| | Process Automation | 2 500 | 2 540 | *-2%* | *-1%* |
| | Power Products | 2 859 | 3 117 | *-8%* | *-8%* |
| | Power Systems | 1 637 | 1 958 | *-16%* | *-15%* |
| | Corporate and other *(inter-division eliminations)* | (923) | (1 262) | | |
| **Revenues** | **Group** | **9 715** | **8 907** | ***9%*** | ***10%*** |
| | Discrete Automation & Motion | 2 327 | 2 242 | *4%* | *4%* |
| | Low Voltage Products | 1 777 | 1 192 | *49%* | *51%* |
| | Process Automation | 1 978 | 1 970 | *0%* | *1%* |
| | Power Products | 2 489 | 2 513 | *-1%* | *0%* |
| | Power Systems | 2 051 | 1 807 | *14%* | *15%* |
| | Corporate and other *(inter-division eliminations)* | (907) | (817) | | |
| **EBIT** | **Group** | **1 052** | **1 048** | ***0%*** | |
| | Discrete Automation & Motion | 337 | 354 | *-5%* | |
| | Low Voltage Products | 232 | 180 | *29%* | |
| | Process Automation | 224 | 234 | *-4%* | |
| | Power Products | 283 | 323 | *-12%* | |
| | Power Systems | 105 | 88 | *19%* | |
| | Corporate and other *(inter-division eliminations)* | (129) | (131) | | |
| **EBIT %** | **Group** | ***10.8%*** | ***11.8%*** | | |
| | Discrete Automation & Motion | 14.5% | 15.8% | | |
| | Low Voltage Products | 13.1% | 15.1% | | |
| | Process Automation | 11.3% | 11.9% | | |
| | Power Products | 11.4% | 12.9% | | |
| | Power Systems | 5.1% | 4.9% | | |
| **Operational EBITDA*** | **Group** | **1 458** | **1 228** | ***19%*** | |
| | Discrete Automation & Motion | 416 | 417 | *0%* | |
| | Low Voltage Products | 320 | 197 | *62%* | |
| | Process Automation | 259 | 243 | *7%* | |
| | Power Products | 372 | 363 | *2%* | |
| | Power Systems | 169 | 117 | *44%* | |
| | Corporate and other *(inter-division eliminations)* | (78) | (109) | | |
| **Operational EBITDA margin %*** | **Group** | ***15.0%*** | ***13.9%*** | | |
| | Discrete Automation & Motion | 17.8% | 18.6% | | |
| | Low Voltage Products | 18.0% | 16.6% | | |
| | Process Automation | 13.1% | 12.4% | | |
| | Power Products | 14.9% | 14.5% | | |
| | Power Systems | 8.3% | 6.6% | | |

* See reconciliation of operational EBITDA and computation of operational EBITDA margin % in Note 13 to the Interim Consolidated Financial Information (unaudited)

**Operational EBITDA Q1 2013 vs Q1 2012**

| | ABB | | Discrete Automation & Motion | | Low Voltage Products | | Process Automation | | Power Products | | Power Systems | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Q1 13** | **Q1 12** | **Q1 13** | **Q1 12** | **Q1 13** | **Q1 12** | **Q1 13** | **Q1 12** | **Q1 13** | **Q1 12** | **Q1 13** | **Q1 12** |
| **Operational revenues** | **9 721** | **8 844** | **2 331** | **2 240** | **1 779** | **1 186** | **1 983** | **1 960** | **2 503** | **2 497** | **2 032** | **1 780** |
| FX/commodity timing differences on Revenues | (6) | 63 | (4) | 2 | (2) | 6 | (5) | 10 | (14) | 16 | 19 | 27 |
| **Revenues (as per Financial Statements)** | **9 715** | **8 907** | **2 327** | **2 242** | **1 777** | **1 192** | **1 978** | **1 970** | **2 489** | **2 513** | **2 051** | **1 807** |
| | | | | | | | | | | | | |
| **Operational EBITDA** | **1 458** | **1 228** | **416** | **417** | **320** | **197** | **259** | **243** | **372** | **363** | **169** | **117** |
| Depreciation | (205) | (166) | (34) | (33) | (47) | (26) | (16) | (16) | (51) | (42) | (20) | (16) |
| Amortization | (116) | (87) | (30) | (28) | (32) | (2) | (4) | (4) | (7) | (10) | (25) | (25) |
| *including total acquisition-related amortization of* | *(93)* | *(66)* | *(26)* | *(27)* | *(30)* | *(1)* | *(3)* | *(3)* | *(5)* | *(8)* | *(23)* | *(22)* |
| Acquisition-related expense and certain non-operational items | (4) | 19 | (2) | (4) | (2) | (3) | | | | | | |
| FX/commodity timing differences on EBIT | (62) | 71 | (12) | 3 | (3) | 14 | (12) | 11 | (24) | 25 | (14) | 14 |
| Restructuring-related costs | (19) | (17) | (1) | (1) | (4) | | (3) | | (7) | (13) | (5) | (2) |
| **EBIT (as per Financial Statements)** | **1 052** | **1 048** | **337** | **354** | **232** | **180** | **224** | **234** | **283** | **323** | **105** | **88** |
| | | | | | | | | | | | | |
| **Operational EBITDA margin (%)** | **15.0%** | **13.9%** | **17.8%** | **18.6%** | **18.0%** | **16.6%** | **13.1%** | **12.4%** | **14.9%** | **14.5%** | **8.3%** | **6.6%** |

## Appendix I

## Reconciliation of non-GAAP measures

*(US$ millions)*

| | Three months ended March 31, | |
|---|---|---|
| | **2013** | **2012** |
| **Finance Net** | | |
| *= Interest and dividend income + Interest and other finance expense* | | |
| | | |
| Interest and dividend income | 18 | 19 |
| Interest and other finance expense | (97) | (57) |
| **Finance Net** | **(79)** | **(38)** |

| | **Mar. 31, 2013** | **Dec. 31, 2012** | **Mar. 31, 2012** |
|---|---|---|---|
| **Net (Debt), Net Cash** | | | |
| *= Cash and equivalents plus Marketable securities and short-term investments, less Total debt* | | | |
| | | | |
| Cash and equivalents | 5 455 | 6 875 | 5 751 |
| Marketable securities and short-term investments | 1 591 | 1 606 | 1 837 |
| **Cash and Marketable securities** | **7 046** | **8 481** | **7 588** |
| Short-term debt and current maturities of long-term debt | 1 683 | 2 537 | 812 |

| | | | |
|---|---|---|---|
| Long-term debt | 7 430 | 7 534 | 5 364 |
| **Total debt** | **9 113** | **10 071** | **6 176** |
| **Net (Debt), Net Cash** | **(2 067)** | **(1 590)** | **1 412** |

| | **Mar. 31, 2013** |
|---|---|
| **Net Debt to EBITDA** | |
| *= Net Debt / EBITDA for the trailing 12 months* | |
| | |
| **Net Debt (as defined above)** | **(2 067)** |
| | |
| *Earnings before interest and taxes for the three months ended:* | |
| March 31, 2013 | 1 052 |
| December 31, 2012 | 863 |
| September 30, 2012 | 1 146 |
| June 30, 2012 | 1 001 |
| *Depreciation and amortization for the three months ended:* | |
| March 31, 2013 | 321 |
| December 31, 2012 | 341 |
| September 30, 2012 | 307 |
| June 30, 2012 | 281 |
| **Total EBITDA for the trailing 12 months** | **5 312** |
| | |
| **Net Debt to EBITDA** | **0.4** |

| | **Mar. 31, 2013** | **Mar. 31, 2012** |
|---|---|---|
| **Net Working Capital as a percentage of Revenues** | | |
| *= Net Working Capital / Adjusted Revenues for the trailing 12 months* | | |
| | | |
| Receivables, net | 11 941 | 11 157 |
| Inventories, net | 6 267 | 6 356 |
| Prepaid expenses | 322 | 288 |
| Accounts payable, trade | (4 705) | (4 738) |
| Billings in excess of sales | (1 920) | (1 999) |
| Employee and other payables | (1 372) | (1 430) |
| Advances from customers | (2 002) | (1 905) |
| Accrued expenses | (1 878) | (1 722) |
| **Net Working Capital** | **6 653** | **6 007** |
| | | |
| *Revenues for the three months ended:* | | |
| March 31, 2013 / 2012 | 9 715 | 8 907 |
| December 31, 2012 / 2011 | 11 021 | 10 571 |
| September 30, 2012 / 2011 | 9 745 | 9 337 |
| June 30, 2012 / 2011 | 9 663 | 9 680 |
| Adjustment to annualize revenues of certain acquisitions(1) | 308 | |
| **Adjusted Revenues for the trailing 12 months** | **40 452** | **38 495** |
| | | |
| **Net Working Capital as a percentage of Revenues** | **16.4%** | **15.6%** |
| | | |

(1) Thomas & Betts

**ABB Ltd Interim Consolidated Income Statements (unaudited)**

| ($ in millions, except per share data in $) | Three months ended Mar. 31, 2013 | Mar. 31, 2012 |
|---|---|---|
| Sales of products | 8,191 | 7,423 |
| Sales of services | 1,524 | 1,484 |
| **Total revenues** | **9,715** | **8,907** |
| Cost of products | (5,910) | (5,263) |
| Cost of services | (954) | (954) |
| **Total cost of sales** | **(6,864)** | **(6,217)** |
| **Gross profit** | **2,851** | **2,690** |
| Selling, general and administrative expenses | (1,449) | (1,322) |
| Non-order related research and development expenses | (361) | (346) |
| Other income (expense), net | 11 | 26 |
| **Earnings before interest and taxes** | **1,052** | **1,048** |
| Interest and dividend income | 18 | 19 |
| Interest and other finance expense | (97) | (57) |
| **Income from continuing operations before taxes** | **973** | **1,010** |
| Provision for taxes | (277) | (298) |
| **Income from continuing operations, net of tax** | **696** | **712** |
| Income (loss) from discontinued operations, net of tax | (4) | - |
| **Net income** | **692** | **712** |
| Net income attributable to noncontrolling interests | (28) | (27) |
| **Net income attributable to ABB** | **664** | **685** |
| | | |
| ***Amounts attributable to ABB shareholders:*** | | |
| Income from continuing operations, net of tax | 668 | 685 |
| Net income | 664 | 685 |
| ***Basic earnings per share attributable to ABB shareholders:*** | | |
| Income from continuing operations, net of tax | 0.29 | 0.30 |
| Net income | 0.29 | 0.30 |
| ***Diluted earnings per share attributable to ABB shareholders:*** | | |
| Income from continuing operations, net of tax | 0.29 | 0.30 |
| Net income | 0.29 | 0.30 |
| ***Weighted-average number of shares outstanding (in millions) used to compute:*** | | |
| Basic earnings per share attributable to ABB shareholders | 2,296 | 2,292 |
| Diluted earnings per share attributable to ABB shareholders | 2,303 | 2,294 |

See Notes to the Interim Consolidated Financial Information

**ABB Ltd Interim Condensed Consolidated Statements of Comprehensive Income (unaudited)**

| ($ in millions) | Three months ended Mar. 31, 2013 | Mar. 31, 2012 |
|---|---|---|
| **Total comprehensive income, net of tax** | **309** | **1,142** |
| Total comprehensive income attributable to noncontrolling interests, net of tax | (26) | (35) |
| **Total comprehensive income attributable to ABB shareholders, net of tax** | **283** | **1,107** |

See Notes to the Interim Consolidated Financial Information

**ABB Ltd Interim Consolidated Balance Sheets (unaudited)**

| ($ in millions, except share data) | Mar. 31, 2013 | Dec. 31, 2012 |
|---|---|---|
| Cash and equivalents | 5,455 | 6,875 |
| Marketable securities and short-term investments | 1,591 | 1,606 |
| Receivables, net | 11,941 | 11,575 |
| Inventories, net | 6,267 | 6,182 |
| Prepaid expenses | 322 | 311 |
| Deferred taxes | 887 | 869 |
| Other current assets | 483 | 584 |
| **Total current assets** | **26,946** | **28,002** |
| | | |
| Property, plant and equipment, net | 5,820 | 5,947 |
| Goodwill | 10,157 | 10,226 |
| Other intangible assets, net | 3,366 | 3,501 |
| Prepaid pension and other employee benefits | 69 | 71 |
| Investments in equity-accounted companies | 211 | 213 |
| Deferred taxes | 361 | 334 |
| Other non-current assets | 771 | 776 |
| **Total assets** | **47,701** | **49,070** |
| | | |
| Accounts payable, trade | 4,705 | 4,992 |
| Billings in excess of sales | 1,920 | 2,035 |
| Employee and other payables | 1,372 | 1,449 |
| Short-term debt and current maturities of long-term debt | 1,683 | 2,537 |
| Advances from customers | 2,002 | 1,937 |
| Deferred taxes | 319 | 270 |
| Provisions for warranties | 1,242 | 1,291 |
| Provisions and other current liabilities | 2,364 | 2,367 |
| Accrued expenses | 1,878 | 2,096 |
| **Total current liabilities** | **17,485** | **18,974** |
| | | |
| Long-term debt | 7,430 | 7,534 |
| Pension and other employee benefits | 2,220 | 2,290 |
| Deferred taxes | 1,280 | 1,260 |
| Other non-current liabilities | 1,545 | 1,566 |
| **Total liabilities** | **29,960** | **31,624** |
| | | |
| Commitments and contingencies | | |
| | | |
| **Stockholders equity:** | | |
| Capital stock and additional paid-in capital (2,314,743,264 issued shares at March 31, 2013, and December 31, 2012) | 1,688 | 1,691 |
| Retained earnings | 18,730 | 18,066 |
| Accumulated other comprehensive loss | (2,904) | (2,523) |
| Treasury stock, at cost (18,345,908 and 18,793,989 shares at March 31, 2013, and December 31, 2012, respectively) | (320) | (328) |
| **Total ABB stockholders equity** | **17,194** | **16,906** |
| Noncontrolling interests | 547 | 540 |
| **Total stockholders equity** | **17,741** | **17,446** |
| **Total liabilities and stockholders equity** | **47,701** | **49,070** |

See Notes to the Interim Consolidated Financial Information

**ABB Ltd Interim Consolidated Statements of Cash Flows (unaudited)**

| ($ in millions) | Three months ended Mar. 31, 2013 | Mar. 31, 2012 |
|---|---|---|
| **Operating activities:** | | |
| Net income | 692 | 712 |
| *Adjustments to reconcile net income to net cash used in operating activities:* | | |
| Depreciation and amortization | 321 | 253 |
| Pension and other employee benefits | (11) | (17) |
| Deferred taxes | 4 | 39 |
| Net gain from sale of property, plant and equipment | (9) | (3) |
| Loss from equity-accounted companies, net | | 4 |
| Other | 14 | 25 |
| *Changes in operating assets and liabilities:* | | |
| Trade receivables, net | (504) | (74) |
| Inventories, net | (248) | (388) |
| Trade payables | (197) | (184) |
| Billings in excess of sales | (71) | 120 |
| Provisions, net | (28) | (157) |
| Advances from customers | 75 | 101 |
| Other assets and liabilities, net | (261) | (453) |
| **Net cash used in operating activities** | **(223)** | **(22)** |
| | | |
| **Investing activities:** | | |
| Purchases of marketable securities (available-for-sale) | (173) | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | 14,000 | $ 1,637,440 |
| | Company Match | 11/30/07(6) 10/9/06 | | | | | |
| D.J. Sescleifer | Bonus: Two-Year | 10/10/07(1) | $ 88,000 | $ 176,000 | $ 352,000 | | |
| | Bonus: Annl.Co.Perf. | 10/10/07(2) | $ 123,200 | $ 246,400 | $ 369,600 | | |
| | Bonus: Annl.Ind.Perf. | 10/10/07(3) | $ 52,800 | $ 132,000 | $ 211,200 | | |
| | Perf.Awd.:3Yr.CAGR | 10/10/07(4) | | | | 700 | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Perf.Awd.: TimeVest | 10/10/07(5) | | | | | |
| | Company Match | 11/30/07(6) | 10/9/06 | | | | |
| J.W. McClanathan | Bonus: Two-Year | 10/10/07(1) | | $ 95,000 | $ 190,000 | $ 380,000 | |
| | Bonus: Annl.Co.Perf. | 10/10/07(2) | | $ 133,000 | $ 266,000 | $ 399,000 | |
| | Bonus: Annl.Ind.Perf. | 10/10/07(3) | | $ 57,000 | $ 142,500 | $ 228,000 | |
| | Perf.Awd.:3Yr.CAGR | 10/10/07(4) | | | | | 700 |
| | Perf.Awd.: TimeVest | 10/10/07(5) | | | | | |
| | Company Match | 11/30/07(6) | 10/9/06 | | | | |
| D.P. Hatfield | Bonus: Two-Year | 10/10/07(1) | | $ 80,000 | $ 160,000 | $ 320,000 | |
| | Bonus: Annl.Co.Perf. | 10/10/07(2) | | $ 112,000 | $ 224,000 | $ 336,000 | |
| | Bonus: Annl.Ind.Perf. | 10/10/07(3) | | $ 48,000 | $ 120,000 | $ 192,000 | |
| | Perf.Awd.:3Yr.CAGR | 10/10/07(4) | | | | | 700 |
| | Perf.Awd.: TimeVest | 10/10/07(5) | | | | | |
| | Company Match | 11/30/07(6) | 10/9/06 | | | | |
| G.G. Stratmann | Bonus: Two-Year | 10/10/07(1) | | $ 52,500 | $ 105,000 | $ 210,000 | |
| | Bonus: Annl.Co.Perf. | 10/10/07(2) | | $ 73,500 | $ 147,000 | $ 220,500 | |
| | Bonus: Annl.Ind.Perf. | 10/10/07(3) | | $ 31,500 | $ 78,750 | $ 126,000 | |
| | Perf.Awd.:3Yr.CAGR | 10/10/07(4) | | | | | 500 |
| | Perf.Awd.: TimeVest | 10/10/07(5) | | | | | |
| | Company Match | 11/30/07(6) | 10/9/06 | | | | |

(1) These amounts represent the two-year cash bonus opportunities which could have been earned under our two-year bonus program during fiscal year 2008 if the 10% EPS target for the year had been achieved. However, because that target was not achieved for the fiscal year, no bonus opportunity was actually created, and the named executive officers will not receive a two-year cash bonus based upon fiscal year 2009 results.

(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 2008. Based on final 2008 results, the actual amounts earned are as follows:

- Mr. Klein, $545,160
- Mr. Sescleifer, $232,602
- Mr. McClanathan, $251,104
- Mr. Hatfield, $211,456
- Ms. Stratmann, $138,768

(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 2008. The actual amounts earned under this component, based upon the subjective rating of each named executive officer as of the end of fiscal year 2008, are as follows. The committee elected to grant Mr. McClanathan an individual performance multiple of 100% of the 30% of his bonus target instead of the 50% multiple that would have otherwise applied to his performance ranking, as discussed in our Compensation Discussion and Analysis.

- Mr. Klein, $309,375
- Mr. Sescleifer, $132,000
- Mr. McClanathan, $114,000
- Mr. Hatfield, $192,000
- Ms. Stratmann, $78,750

(4) Vesting of these restricted stock equivalents (the performance-linked component), awarded under the performance awards granted on October 10, 2007, is subject to achievement of adjusted targets for compound annual growth in EPS over the three-year period commencing September 30, 2007.

(5) These common stock equivalents (the non-performance-linked component), awarded under the performance awards granted on October 10, 2007, 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 2008. They were credited with respect to annual and two-year cash bonuses earned during fiscal year 2007 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 8. Share-Based Payments” of the Notes to Consolidated Financial Statements of our 2008 Annual Report. Accounting expense for the 3-year CAGR performance awards granted 10/11/07 is also affected by the current probability of meeting or exceeding performance targets included in those awards, since that is how they are expensed; accordingly, the values shown with respect to those awards reflect the amortization utilized in the Consolidated Financial Statements, based on an assumption of achieving Target payout. If payout were to be at Maximum, the Grant Date Fair Value for those awards would be as follows:

- Mr. Klein, $4,912,320
- Mr. Sescleifer, $1,228,080
- Mr. McClanathan, $1,228,080
- Mr. Hatfield, $1,228,080
- Ms. Stratmann, $877,200

## 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, 2008.

- 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. In addition, 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 10, 2007, 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 and October 9, 2006 have similar terms, but the compound growth targets for those three year awards utilize a base of $3.82 and $4.45, respectively. 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 8%, for the 2007 grants, and 10% for earlier grants, over the applicable three-year period, and if growth for the period is below those thresholds, no performance-linked equivalents or units will vest. As of fiscal year end, the awards granted on October 11, 2005 had not yet vested, but the non-performance linked component vested on October 11, 2008, and the performance-linked component vested, based on adjusted final EPS results for fiscal year 2008 (as described in our Compensation Discussion and Analysis—Adjustment of Goals), on October 30, 2008. The equivalents that vested are set forth in footnotes 4 through 13 below.

- 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, 2008 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 and October 10, 2007, 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

| Option Awards | | | | | Stock Awards | | | |
|---|---|---|---|---|---|---|---|---|
| Name | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Option Exercise Price ($) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested ($) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) |
| W. M. Klein | 40,000 | — | $ 17 | 5/7/10 | 90,877(4) | $ 7,320,142 | 177,000(9) | $ 14,257,350 |
| | 50,000 | — | $ 21.0625 | 11/19/10 | | | | |
| | 80,000 | 20,000(1) | $ 42.90 | 1/25/14 | | | | |
| | 33,750 | 11,250(2) | $ 49.18 | 1/13/15 | | | | |
| D. J. Sescleifer | 16,668 | — | $ 30.10 | 9/22/12 | 30,326(5) | $ 2,442,759 | 34,500(10) | $ 2,778,975 |
| | 2,500 | 2,500(3) | $ 46.13 | 10/18/14 | | | | |
| J. W. McClanathan | 50,000 | — | $ 30.10 | 9/22/12 | 37,411(6) | $ 3,013,456 | 45,000(11) | $ 3,624,750 |
| | 40,000 | 10,000(1) | $ 42.90 | 1/25/14 | | | | |
| | 15,000 | 5,000(3) | $ 46.13 | 10/18/14 | | | | |
| D. P. Hatfield | 16,667 | — | $ 30.10 | 9/22/12 | 19,357(7) | $ 1,559,206 | 25,500(12) | $ 2,054,025 |
| | 12,500 | 2,500(3) | $ 46.13 | 10/18/14 | | | | |
| G. G. Stratmann | 20,000 | — | $ 26.64 | 3/16/13 | 26,842(8) | $ 2,162,123 | 27,600(13) | $ 2,223,180 |
| | — | 2,500(3) | $ 46.13 | 10/18/14 | | | | |

(1) Vesting on 1/26/09.

(2) Vesting on 1/14/09.

(3) Vested on 10/19/08.

(4) Of this total for Mr. Klein,

- 13,333 restricted stock equivalents will vest in equal increments on 5/19/09 and 5/19/12;
- 5,625 restricted stock equivalents will vest on 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 vested 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;
- 3,404 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2007 will vest on 11/30/10;
- 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) vested in total on 10/11/08;
- 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; and
- 14,000 restricted stock equivalents (which is the non-performance-linked component of the performance awards granted 10/10/07) vest on 10/10/10.

(5) Of this total for Mr. Sescleifer,

- 13,333 restricted stock equivalents will vest in equal increments on 5/19/09 and 5/19/12;
- 1,250 restricted stock equivalents vested on 10/19/08;
- 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 vested 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 vested

on 11/30/09;
• 1,055 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2007 vested on 11/30/10;
• 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) vested in total on 10/11/08;
• 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; and
• 3,500 restricted stock equivalents (which is the non-performance-linked component of the performance awards granted 10/10/07) vest on 10/10/10.

(6) Of this total for Mr. McClanathan,

• 13,333 restricted stock equivalents will vest in equal increments on 5/19/09 and 5/19/12;
• 2,500 restricted stock equivalents vested on 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 vested 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;
• 1,951 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2007 will vest on 11/30/10;
• 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) vested in total on 10/11/08;
• 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; and
• 3,500 restricted stock equivalents (which is the non-performance-linked component of the performance awards granted 10/10/07) vest on 10/10/10.

(7) Of this total for Mr. Hatfield,

• 6,666 restricted stock equivalents will vest in equal increments on 5/19/09 and 5/19/12;
• 1,250 restricted stock equivalents vested on 10/19/08;
• 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 vested on 11/22/08;
• 1,077 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2007 will vest on 11/30/10;
• 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) vested in total on 10/11/08;
• 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; and
• 3,500 restricted stock equivalents (which is the non-performance-linked component of the performance awards granted 10/10/07) vest on 10/10/10.

(8) Of this total for Ms. Stratmann,

• 13,333 restricted stock equivalents will vest in equal increments on 5/19/09 and 5/19/12;
• 1,250 restricted stock equivalents vested on 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 vested 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;
• 995 restricted stock equivalent units in the Energizer common stock unit fund of our deferred compensation plan granted as Company matching deferrals in 2007 will vest on 11/30/10;
• 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) vested in total on 10/11/08;
• 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; and
• 2,500 restricted stock equivalents (which is the non-performance-linked component of the performance awards granted 10/10/07) vest on 10/10/10.

(9) 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 – of this amount, 75,000 restricted stock equivalents vested on 10/30/08 based on annual compound growth in EPS over the preceding 3-year period;
• 60,000 restricted stock equivalents represent the performance-linked component of our performance awards granted 10/09/06; and
• 42,000 restricted stock equivalents represent the performance-linked component of our performance awards granted 10/10/07.

(10) 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 – of this amount, 12,000 restricted stock equivalents vested on 10/30/08 based on annual compound growth in EPS over the preceding 3-year period;

• 12,000 restricted stock equivalents represent the performance-linked component of our performance awards granted 10/09/06; and
• 10,500 restricted stock equivalents represent the performance-linked component of our performance awards granted 10/10/07.

(11) 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 – of this amount, 19,500 restricted stock equivalents vested on 10/30/08 based on annual compound growth in EPS over the preceding 3-year period;
• 15,000 restricted stock equivalents represent the performance-linked component of our performance awards granted 10/09/06; and
• 10,500 restricted stock equivalents represent the performance-linked component of our performance awards granted 10/10/07.

(12) 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 – of this amount, 7,500 restricted stock equivalents vested on 10/30/08 based on annual compound growth in EPS over the preceding 3-year period;
• 7,500 restricted stock equivalents represent the performance-linked component of our performance awards granted 10/09/06; and
• 10,500 restricted stock equivalents represent the performance-linked component of our performance awards granted 10/10/07.

(13) 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 – of this amount, 11,100 restricted stock equivalents vested on 10/30/08 based on annual compound growth in EPS over the preceding 3-year period;

- 9,000 restricted stock equivalents represent the performance-linked component of our performance awards granted 10/09/06; and.
- 7,500 restricted stock equivalents represent the performance-linked component of our performance awards granted 10/10/07.

OPTION EXERCISES AND STOCK VESTED

| Name | Option Awards<br>Number of Shares Acquired on Exercise (#) | Value Realized on Exercise ($) | Stock Awards<br>Number of Shares Acquired on Vesting (#)(1)(2) | Value Realized on Vesting ($) |
|---|---|---|---|---|
| W. M. Klein | 0 | $ 0 | 5,625 | $587,756 |
| D. J. Sescleifer | 0 | $ 0 | 1,250 | $140,413 |
| J. W. McClanathan | 0 | $ 0 | 2,500 | $280,825 |
| D. P. Hatfield | 0 | $ 0 | 1,250 | $140,413 |
| G.G. Stratmann | 2,500 | $ 168,886 | 1,250 | $140,413 |

(1) On January 14, 2008 (for Mr. Klein) and October 19, 2007 (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 pensionplus 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, but effective October 1, 2008, this changed to three years of service under the Pension Protection Act. 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 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, but effective October 1, 2008 this changed to three years of service under the Pension Protection Act. 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, but effective October 1, 2008 under the Pension Protection Act, employees hired on or after October 1, 2008 vest after three years of service.  Employees hired prior to October 1, 2008 vest at 25% after one year, 50% after two years, and 100% after three years. 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 2008 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. M. Klein | Energizer Retirement Plan | 29 | $573,472 | $0 |
| | | 29 | $3,674,986 | $0 |

| | | | | |
|---|---|---|---|---|
| | Supplemental Executive Retirement Plan | | | |
| D. J. Sescleifer | Energizer Retirement Plan | 7 | $248,721 | $0 |
| | Supplemental Executive Retirement Plan | 7 | $381,237 | $0 |
| J. W. McClanathan | Energizer Retirement Plan | 33 | $774,248 | $0 |
| | Supplemental Executive Retirement Plan | 33 | $3,239,536 | $0 |
| D. P. Hatfield | Energizer Retirement Plan | 22 | $520,979 | $0 |
| | Supplemental Executive Retirement Plan | 22 | $1,003,163 | $0 |
| G. G. Stratmann | Energizer Retirement Plan | 18 | $380,251 | $0 |
| | Supplemental Executive Retirement Plan | 18 | $605,308 | $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 8 of the years shown include years of actual service with Ralston Purina Company, our former parent.

For Mr. McClanathan, 8 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.

NONQUALIFIED 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 stock price appreciation/decline) during fiscal 2008 of -27.31%,

- 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 2008, the average rate credited under this fund was 5.96%), 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 2008 ranging from -34.28% to 4.51%.

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 Contributions in Last FY ($)(1) | Registrant Contributions in Last FY ($)(2) | Aggregate Earnings in Last FY ($)(3) | Aggregate Withdrawals/ Distributions ($) | Aggregate Balance at Last FYE ($)(4) |
|---|---|---|---|---|---|---|
| W. M. Klein | Def'd Comp. Plan | $ 1,459,750 | $ 364,938 | ($5,185,401) | $ 0 | $ 14,305,883 |
| | Exec. S.I.P. | $ 121,944 | $ 65,878 | ($403,373) | $ 0 | $ 1,369,857 |
| | Vested Stock Equivs.(5) | $ 587,756 | $ 0 | ($1,586,548) | $ 0 | $ 4,312,808 |
| | Total | $ 2,169,450 | $ 430,816 | ($7,175,322) | $ 0 | $ 19,988,548 |
| D. J. Sescleifer | Def'd Comp. Plan | $ 452,480 | $ 113,120 | ($762,228) | $ 0 | $ 4,333,855 |
| | Exec. S.I.P. | $ 175,367 | $ 38,616 | ($279,628) | $ 0 | $ 1,021,374 |
| | Vested Stock Equivs.(5) | $ 140,413 | $ 0 | ($317,485) | $ 0 | $ 839,089 |
| | Total | $ 768,260 | $ 151,736 | ($1,359,341) | $ 0 | $ 6,194,318 |
| J. W. McClanathan | Def'd Comp. Plan | $ 836,880 | $ 209,220 | ($2,502,788) | $ 0 | $ 8,167,686 |
| | Exec. S.I.P. | $ 44,432 | $ 20,071 | ($249,361) | $ 0 | $ 1,161,343 |
| | Vested Stock Equivs.(5) | $ 0 | $ 0 | ($1,111,010) | $ 0 | $ 2,953,527 |
| | Total | $ 881,312 | $ 229,291 | ($3,863,159) | $ 0 | $ 12,282,556 |
| D. P. Hatfield | Def'd Comp. Plan | $ 462,000 | $ 115,500 | ($1,236,886) | $ 0 | $ 4,436,513 |
| | Exec. S.I.P. | $ 17,966 | $ 16,674 | ($44,428) | $ 0 | $ 213,650 |
| | Vested Stock Equivs.(5) | $ 0 | $ 0 | ($101,020) | $ 0 | $ 268,554 |
| | Total | $ 479,966 | $ 132,174 | ($1,382,334) | $ 0 | $ 4,918,717 |
| G. G. Stratmann | Def'd Comp. Plan | $ 426,720 | $ 106,680 | ($893,899) | $ 0 | $ 2,424,498 |
| | Exec. S.I.P. | $ 65,280 | $ 13,331 | ($137,125) | $ 0 | $ 500,555 |
| | Vested Stock Equivs.(5) | $ 140,413 | $ 0 | ($317,485) | $ 0 | $ 839,089 |
| | Total | $ 632,413 | $ 120,011 | ($1,348,509) | $ 0 | $ 3,764,142 |

(1) The officer contributions to our deferred compensation plan during fiscal year 2008 consist of deferred annual and two-year cash bonuses earned with respect to fiscal year 2007.

The officer contributions to our executive savings investment plan during fiscal year 2008 consist of deferred annual and two-year cash bonuses earned with respect to fiscal year 2007.

The officer contributions of vested stock equivalents during fiscal year 2008 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 2007 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 or depreciation in value of each of the investment options in the plans between September 30, 2007 and September 30, 2008. (As no dividends were 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 declined over that period), and

• the depreciation in value of vested restricted stock equivalents (see footnote 5 below) between September 30, 2007 and September 30, 2008, or from the date of vesting and September 30, 2008, 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 - $10,836,078;
· Mr. Sescleifer - $2,980,001;
· Mr. McClanathan – $4,834,231;
· Mr. Hatfield - $999,600; and
· Ms. Stratmann - $497,205.

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. The balances also reflect earnings and losses during the past fiscal year.

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 - $883,672;
· Mr. Sescleifer - $621,154;
· Mr. McClanathan - $521,150;
· Mr. Hatfield - $88,099; and
· Ms. Stratmann - $57,123.

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. The balances also reflect earnings and losses during the past fiscal year.

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 – 47,542 equivalents;
- Mr. Sescleifer – 3,750 equivalents;
- Mr. McClanathan – 29,167 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 – 53,542 equivalents;
- Mr. Sescleifer – 10,417 equivalents;
- Mr. McClanathan - 36,667 equivalents;
- Mr. Hatfield - 3,334 equivalents; and
- Ms. Stratmann – 10,417 equivalents.

The values shown are as of September 30, 2008.

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, 2008, the last day of our fiscal year,
- the market value of our common stock on that date was $80.55 (the actual closing price on September 30, 2008),
- 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.

| | Involuntary Termination | Death | Disability | Retirement After Age 55 |
|---|---|---|---|---|
| Unvested stock options | Accelerated | Accelerated | Accelerated | Accelerated |
| Restricted stock equivalent award granted 5/19/03 | Accelerated | Accelerated | Accelerated | Accelerated |
| Other restricted stock equivalent awards | Accelerated | Accelerated | Accelerated | Forfeited |
| Three year performance awards granted 10/11/05 and 10/09/06 | Accelerated | Accelerated | Accelerated | Forfeited |
| Three year performance awards granted 10/10/07 | Forfeited | Accelerated | Accelerated | Forfeited |

| | | | | |
|---|---|---|---|---|
| Unvested 25% Company match | Accelerated | Accelerated | Accelerated | Accelerated |
| Two-year bonus opportunity under two-year cash bonus program | Accelerated | Accelerated | Accelerated | Forfeited |

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.

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, 2008 is shown in the following chart. The value of accelerated restricted stock equivalents, performance awards and 25% Company match reflects a stock price of $80.55, and the value of accelerated options is the difference between the exercise price and $80.55. Stock market declines since September 30, 2008 are not reflected in these valuations.

| | Accelerated Awards | | | | |
|---|---|---|---|---|---|
| Officer Termination Events | Stock Options | Restricted Stock Equivalents and Three-Year Performance Awards | Unvested 25% Company Match | Two-Year Cash Bonus Opportunity Created after FY 2008 | Total |
| W. M. Klein: 1 | $ 753,000 | $ 16,026,094 | $ 978,803 | $ 0 | $ 17,757,897 |
| D. J. Sescleifer: 1 | $ 86,050 | $ 3,752,288 | $ 301,846 | $ 0 | $ 4,140,184 |
| J. W. McClanathan: 1 | $ 548,600 | $ 4,980,675 | $ 496,999 | $ 0 | $ 6,026,274 |
| J. W. McClanathan: 2 | $ 548,600 | $ 2,000,325 | $ 496,999 | $ 0 | $ 3,045,924 |
| D. P. Hatfield: 1 | $ 129,075 | $ 2,273,859 | $ 209,760 | $ 0 | $ 2,612,694 |
| G. G. Stratmann: 1 | $ 86,050 | $ 3,333,428 | $ 246,183 | $ 0 | $ 3,665,661 |

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, 2008).

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 acquiror;
- 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, while the awards granted in 2007 provide for vesting at target if the change of control occurs within 18 months following grant, and at the greater of target or actual performance if the change of control occurs more than 18 months following grant. 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 $80.55 (the closing price of our common stock on September 30, 2008), and the value of accelerated options is the difference between the exercise price and $80.55. Stock market declines since September 30, 2008 are not reflected in these valuations.

Accelerated or Additional Benefits—Termination following Change of Control

| | Cash Severance | Retirement Benefits | 25% Company Match | Options | Restricted Stock Equivs. and Three-Year Performance Awards | Benefits | Excise Tax Gross-Up | Total |
|---|---|---|---|---|---|---|---|---|
| W. M. Klein | $ 7,160,413 | $ 3,323,339 | $ 978,803 | $ 1,105,913 | $ 18,281,494 | $ 122,479 | $ 10,958,816 | $ 41,931,257 |
| D. J. Sescleifer | $ 3,381,801 | $ 561,646 | $ 301,846 | $ 86,050 | $ 4,316,138 | $ 122,479 | $ 0 | $ 8,769,960 |
| J. W. McClanathan | $ 3,829,976 | $ 1,397,623 | $ 496,999 | $ 548,600 | $ 5,544,525 | $ 122,479 | $ 3,356,466 | $ 15,296,668 |
| D. P. Hatfield | $ 3,012,875 | $ 955,735 | $ 209,760 | $ 129,075 | $ 2,837,709 | $ 105,001 | $ 0 | $ 7,250,155 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| G. Stratmann | $ 2,431,413 | $ 595,323 | $ 246,183 | $ 86,050 | $ 3,736,178 | $ 122,479 | $ 2,035,410 | $ 9,253,036 |

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, 2008, including volatility of 22.2%, an expected term of 5 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 Black-Scholes at normal vesting and the present value of the options at the time vesting is accelerated, with present value based on 120% of the IRS applicable federal rate: 2.84% for short-term and 4.12% for mid-term using September, 2008 rates.

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 Equivalentsand Performance Awards | | Excise Tax Gross-Up | | Total |
|---|---|---|---|---|---|---|---|---|---|
| W. M. Klein | 0 | $ | 1,105,913 | $ | 18,281,494 | $ | 5,017,333 | $ | 24,404,740 |
| D. J. Sescleifer | 0 | $ | 86,050 | $ | 4,316,138 | | 0 | $ | 4,402,188 |
| J. W. McClanathan | 0 | $ | 548,600 | $ | 5,544,525 | | 0 | $ | 6,093,125 |
| D. P. Hatfield | 0 | $ | 129,075 | $ | 2,837,709 | | 0 | $ | 2,966,784 |
| G. G. Stratmann | 0 | $ | 86,050 | $ | 3,736,178 | | 0 | $ | 3,822,228 |

## 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 depositary 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 2008, there were no transactions with executive officers, directors or their immediate family members which were in an amount in excess of $100,000, 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, 2008, 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, 2008 be included in the Company's Annual Report on Form 10-K for that year.

| | |
|---|---|
| John R. Roberts—Chairman | Richard A. Liddy |
| Bill G. Armstrong | Joe R. Micheletto |
| John E. Klein | 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, 2008.

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 2010 ANNUAL MEETING

Any proposals to be presented at the 2010 annual meeting of shareholders, which is expected to be held on January 25, 2010, must be received by the Company, directed to the attention of the secretary, no later than August 4, 2009 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 our bylaws.

In order for a shareholder to nominate a candidate for director, under our bylaws timely notice of the nomination must be received by us 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 28, 2009 for the 2010 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; the nominee's "disclosable interests", which includes: shares of common stock; options, warrants, convertible securities, stock appreciation rights, or similar rights with respect to our common stock; any proxy, contract, arrangement, understanding, or relationship conveying a right to vote common stock; any short interest with respect to common stock; any derivative instruments held by a partnership in which the nominee has a partnership interest; and rights to any performance-related fee based on any increase or decrease in the value of common stock or any related derivative instrument; and a description of all monetary or other material arrangements between the nominating shareholder and the nominee during the prior three years. In addition, the nominating shareholder must provide their name and address and disclosable interests. The shareholder must be present at the annual meeting of shareholders at which the nomination is to be considered, and must provide a completed questionnaire regarding the nominee's background and qualification and compliance with our corporate governance, conflict of interest, and other pertinent policies and guidelines. To assist in the evaluation of shareholder-recommended candidates, the Nominating and Executive Compensation 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 for the proposal, the name and address of the shareholder making the proposal, any financial or other interests of the shareholder in the proposal made, and the shareholder's disclosable interests. 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 our bylaws will be provided without charge upon written request to the secretary.

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

December 5, 2008

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 25, 2009.

Vote Your Proxy on the Internet:
Go to 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

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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 Nominees For All Withhold For All Except
o o o

Nominees: 01 Bill G. Armstrong, 02 J. Patrick Mulcahy, 03 Pamela M. Nicholson.

To withhold authority to vote for any nominees listed 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.

2. Proposal to approve 2009 Incentive Stock Plan and performance criteria. FOR AGAINST ABSTAIN
o o o

Please be sure to sign and date this Proxy Card.

IF YOU WISH TO VOTE ELECTRONICALLY
PLEASE READ THE INSTRUCTIONS ABOVE

Mark box at right if you plan to attend the Annual Meeting o
on January 26, 2009.

COMPANY ID:

PROXY NUMBER:

ACCOUNT NUMBER:

Signature______________________________________________________Signature________________________________

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.

2009 ANNUAL MEETING ADMISSION TICKET

ENERGIZER HOLDINGS, INC.
2009 ANNUAL MEETING OF SHAREHOLDERS
Monday, January 26, 2009
3:00 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 26, 2009

P R O X Y

This proxy when properly executed will be voted in the manner directed herein by the undersigned Shareholder. If no direction is made, this Proxy will be voted "FOR" Item 1 and Item 2. 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 21, 2008, at the Annual Meeting of Shareholders to be held on January 26, 2009 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

December 5, 2008

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 26, 2009. 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 21, 2008. Shares credited to your account as of November 14, 2008 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 15, 2008 and November 21, 2008, 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 21, 2009.

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

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 2009 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 26, 2009 at 3:00 p.m., local time, for the following purposes:

- To elect three directors to serve three-year terms ending at the Annual Meeting held in 2012, or until their respective successors are elected and qualified; and
- To approve the 2009 Incentive Stock Plan and performance criteria for performance awards under that Plan.

Shareholders of record at the close of business on November 21, 2008, 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 2008 Annual Report and Proxy Statement, please go to the Website www.energizer.com, click on About Energizer and then click on Investor Relations. You will then see two direct links - one for the 2008 Proxy Statement and one for the 2008 Annual Report.

VOTE YOUR PROXY

To vote your proxy over the Internet, please go to the Website 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.