ENERGIZER HOLDINGS INC
Form 10-K
November 18, 2014

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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 2014

Commission File No. 001-15401

ENERGIZER HOLDINGS, INC.

Incorporated in Missouri IRS Employer Identification No. 43-1863181
533 Maryville University Drive, St. Louis, Missouri 63141
Registrant's telephone number, including area code: 314-985-2000
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $.01 per share	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes: ý No: o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes: o No: ý

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes: ý No: o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes: ý No: o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ý

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting Company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer:	ý	Accelerated filer:	o
Non-accelerated filer: (Do not check if a smaller reporting company)	o	Smaller reporting company:	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2) of the Exchange Act).

Yes: o No: ý

The aggregate market value of the voting common equity held by nonaffiliates of the registrant as of the close of business on March 31, 2014, the last day of the registrant’s most recently completed second quarter: $6,141,175,277.

(For purpose of this calculation only, without determining whether the following are affiliates of the registrant, the registrant has assumed that (i) its directors and executive officers are affiliates, and (ii) no party who has filed a Schedule 13D or 13G is an affiliate. Registrant does not have a class of non-voting equity securities.)

Number of shares of Energizer Holdings, Inc. Common Stock (“ENR Stock”), $.01 par value, outstanding as of close of business on November 14, 2014: 62,097,365.

DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of Energizer Holdings, Inc. 2014 Annual Report (Parts I and II of Form 10-K).

2. Portions of Energizer Holdings, Inc. Notice of Annual Meeting and Proxy Statement (“Proxy Statement”) for our Annual Meeting of Shareholders which will be held January 26, 2015. The Proxy Statement will be filed within 120 days of the end of the fiscal year ended September 30, 2014. (Part III of Form 10-K).

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PART I

Forward-Looking Statements

This document contains both historical and forward-looking statements. Forward-looking statements are not based on historical facts but instead reflect our expectations, estimates or projections concerning future results or events, including, without limitation, statements regarding the planned spin-off of the Household Products business, the timing of any such spin-off, the future earnings and performance of Energizer Holdings or any of its businesses, including the Household Products and Personal Care businesses on a standalone basis if the spin-off is completed. These statements generally can be identified by the use of forward-looking words or phrases such as "believe," "expect," "expectation," "anticipate," "may," "could," "intend," "belief," "estimate," "plan," "target," "predict," "likely," "will," "should," "forecast," "outlook," or other similar words or phrases. These statements are not guarantees of performance and are inherently subject to known and unknown risks, uncertainties and assumptions that are difficult to predict and could cause our actual results to differ materially from those indicated by those statements. We cannot assure you that any of our expectations, estimates or projections will be achieved. The forward-looking statements included in this document are only made as of the date of this document and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances. Numerous factors could cause our actual results and events to differ materially from those expressed or implied by forward-looking statements, including, without limitation:

- Whether the spin-off of the Household Products business is completed, as expected or at all, and the timing of any such spin-off;
- Whether the legal and regulatory conditions to the spin-off can be satisfied;
- Whether the operational, marketing and strategic benefits of the spin-off can be achieved;
- Whether the costs and expenses of the spin-off can be controlled within expectations;
- General market and economic conditions;
- Market trends in the categories in which we operate;
- The success of new products and the ability to continually develop and market new products;
- Our ability to attract, retain and improve distribution with key customers;
- Our ability to continue planned advertising and other promotional spending;
- Our ability to timely execute strategic initiatives, including the planned spin-off of the Household Products business as well as restructurings, in a manner that will positively impact our financial condition and results of operations and does not disrupt our business operations;
- The impact of strategic initiatives, including the planned spin-off of the Household Products business as well as restructurings, on our relationships with employees, customers and vendors;
- Our ability to maintain and improve market share in the categories in which we operate despite heightened competitive pressure;
- Our ability to improve operations and realize cost savings;
- The impact of raw material and other commodity costs;
- The impact of foreign currency exchange rates and currency controls, particularly in Venezuela and Argentina, as well as offsetting hedges;
- The impact of change in accounting position as it relates to the selection of the applicable Venezuela translation rate;
- Goodwill impairment charges resulting from declines in profitability or estimated cash flows related to intangible assets or market valuations for similar assets;
- Our ability to acquire and integrate businesses, and to realize the projected results of acquisitions;
- The impact of advertising and product liability claims and other litigation;
- Compliance with debt covenants and maintenance of credit ratings as well as the impact of interest and principal repayment of our existing and any future debt; or
- The impact of legislative or regulatory determinations or changes by federal, state and local, and foreign authorities, including taxing authorities.

In addition, other risks and uncertainties not presently known to us or that we consider immaterial could affect the accuracy of any such forward-looking statements. The list of factors above is illustrative, but by no means exhaustive. The risk factors set forth in this Annual Report on Form 10-K, in the section entitled "Risk Factors," could affect future results, causing our results to differ materially from those expressed in our forward-looking statements.

All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. Additional risks and uncertainties include those detailed from time to time in Energizer’s publicly filed documents.

PART I

Item 1. Business.

General

Energizer Holdings, Inc., incorporated in Missouri in 1999, is one of the world's largest manufacturers and marketers of primary batteries, portable lighting and personal care products in the wet shave, skin care, feminine care and infant care categories. On April 1, 2000, all of the outstanding shares of common stock of Energizer were distributed in a tax-free spin-off to shareholders of Ralston Purina Company.

Energizer is the successor to over 100 years of expertise in the battery and portable lighting products industry. Its brand names Energizer and Eveready have worldwide recognition for quality and dependability, and are marketed and sold throughout the world.

On March 28, 2003, we completed the acquisition of the Schick-Wilkinson Sword (SWS) business from Pfizer, Inc. SWS is the second largest manufacturer and marketer of men's and women's wet shave products in the world. Our portfolio of wet shave products include: Hydro Silk, Quattro for Women, Intuition, Lady Protector and Silk Effects Plus women's shaving systems and Hydro, Quattro and Protector men's shaving systems, as well as the Hydro, Quattro, Xtreme 3, and Slim Twin/Exacta disposables. SWS has over 75 years of history in the shaving products industry with a reputation for high quality and innovation in shaving technology. SWS products are sold throughout the world.

At the beginning of fiscal 2008, we completed the acquisition of all of the outstanding stock of Playtex Products, Inc. (Playtex), a leading manufacturer and marketer of well-recognized branded consumer products in North America. Its portfolio of products include Playtex feminine care products, Playtex infant care products, Diaper Genie diaper disposal systems, Wet Ones pre-moistened wipes, Banana Boat and Hawaiian Tropic sun care products, and Playtex household gloves.

On June 5, 2009, we completed the acquisition of the Edge and Skintimate shave preparation brands from S.C. Johnson & Son, Inc. (SCJ). This added U.S. market leading shave preparation brands to our existing wet shave product portfolio.

On November 23, 2010, we completed the acquisition of American Safety Razor, LLC (“ASR”), as we acquired substantially all of the assets of ASR, and assumed substantially all of the liabilities of ASR and its U.S. subsidiaries, for a cash purchase price of $301 million. ASR, founded in 1875, is the leading global manufacturer of private label/value wet shaving razors and blades, and industrial and specialty blades.

On October 23, 2013, we completed the acquisition of the Stayfree pad, Carefree liner and o.b. tampon feminine hygiene brands in the U.S., Canada and the Caribbean from McNeil PPC, Inc. and Johnson & Johnson, Inc., members of the Johnson & Johnson Family of Consumer Companies, for an aggregate cash purchase price of $187.1, inclusive of a $1.8 working capital adjustment. This acquisition provided a solid complement to our existing Playtex feminine care brands and strengthened our overall feminine care product portfolio.

Our subsidiaries operate a number of manufacturing and packaging facilities in multiple countries, as listed in Item 2 below, and as of September 30, 2014, employed approximately 12,500 colleagues worldwide.

When we use the terms “Energizer,” the “Company,” “we,” “us” or “our” in this Annual Report on Form 10-K, we mean Energizer Holdings, Inc. and its subsidiaries on a consolidated basis, unless we state or the context implies otherwise.

We use Energizer, Schick, Wilkinson Sword, Playtex, Edge, Skintimate, Personna, Stayfree, Carefree and o.b. and the Energizer, Schick, Wilkinson Sword, Playtex, Edge and Skintimate logos as our trademarks or those of our subsidiaries. Product names appearing throughout in italics are trademarks of Energizer Holdings, Inc. or its subsidiaries. This Annual Report on Form 10-K also may refer to brand names, trademarks, service marks and trade names of other companies and organizations, and these brand names, trademarks, service marks and trade names are the property of their respective owners.

Unless we indicate otherwise, we base the information concerning our industry contained or incorporated by reference herein on our general knowledge of and expectations concerning the industry. Our market position, market share and industry market size is based on our estimates using our internal data and estimates, based on data from various industry analyses, our internal research and adjustments and assumptions that we believe to be reasonable. We have not independently verified data from industry analyses and cannot guarantee their accuracy or completeness. In addition, we believe that data regarding the industry, market size and our market position and market share within such industry provide general guidance but are inherently imprecise. Further, our estimates and assumptions involve risks and uncertainties and are subject to change based on various factors, including those discussed in the “Risk Factors” section. These and other factors could cause results to differ materially from those expressed in the estimates and assumptions.

Retail sales for purposes of market size, market position and market share information are based on retail sales in U.S. dollars.
Industries

We manufacture and sell products in six product categories: wet shave, skin care, feminine care, infant care, battery and portable lighting products. Our two largest categories by revenue are battery products and wet shave.

The battery category has two primary competitors--Energizer, with our Energizer and Eveready brands, and The Procter & Gamble Company with its Duracell brand. We estimate Energizer and The Procter & Gamble Company collectively represent approximately 65% share in the markets in which we compete. The wet shave category comprises two primary competitors, The Procter & Gamble Company's Gillette and Energizer's Schick-Wilkinson Sword, which we estimate collectively represent more than 80% of the global wet shave market. For information about net sales, earnings before income taxes, depreciation and amortization, total assets and capital expenditures of each of our segments, and geographic segment information, including net sales to customers and long-lived assets, refer to Note 21 of the Notes to Consolidated Financial Statements.

Personal Care

The Personal Care division includes wet shave products sold under the Schick, Wilkinson Sword, Edge, Skintimate and Personna brand names, skin care products sold under the Banana Boat, Hawaiian Tropic, Wet Ones and Playtex brand names, and feminine care and infant care products sold under the Playtex and Diaper Genie brand names globally. As a result of the acquisition on October 23, 2013, we began selling products under the Stayfree, Carefree and o.b. brand names in the U.S., Canada and the Caribbean.

We manufacture and distribute Schick and Wilkinson Sword razor systems, composed of razor handles and refillable blades, and disposable shave products for men and women. We market our wet shave products throughout the world. SWS' primary markets are the U.S., Japan and the larger countries of Western Europe. We believe we maintain the #2 global market share position in wet shaving. The category is extremely competitive with competitors vying for consumer loyalty and retail shelf space.

SWS has gained recognition for its innovation and development of new products designed to improve the shaving experience, including the introduction of the Intuition women's system in 2003, a unique system incorporating a three-bladed razor surrounded by a skin conditioning solid which lathers, shaves and provides extra moisture in one step. In 2003, SWS introduced the Quattro men's shaving system, the first four blade razor system for men. In 2010, SWS introduced the Schick Hydro men's shaving system, which incorporates new technologies including innovative skin protectors that act to smooth skin between blade tips and an advanced hydrating gel reservoir that lubricates throughout the shaving process. Schick Hydro is available in three- and five-blade models. Following the launch of Schick Hydro, SWS has introduced additional innovative products under the Hydro franchise including, Schick Hydro Silk for women, Schick Hydro 5 Power Select, Schick Hydro Trimmer and Schick Hydro men's and women's disposable razors.

In the U.S., we also sell market-leading shave preparation products, including shaving gels and creams under the Edge and Skintimate brands.

We also manufacture, distribute and sell a complete line of private label and value-priced wet shaving disposable razors, shaving systems and replacement blades. These wet shave products are sold primarily under a retailer's store name or under value brand names such as Personna and GEM.

In skin care, we market sun care products under the Banana Boat and Hawaiian Tropic brands. We believe these brands, on a combined basis, hold a leading market share position in the U.S. sun care category. The sun care category in the U.S. is segmented by product type such as general protection, tanning and babies; as well as by method of application such as lotions and sprays. We compete across this full spectrum of sun care products. We also offer Wet Ones, the leader in the U.S. portable hand wipes category, and Playtex household gloves, the branded household glove leader in the U.S.

In feminine care, we market products under the Playtex brand, and in the U.S., Canada and the Caribbean, under the Stayfree, Carefree and o.b. brands. We offer plastic applicator tampons under the Playtex Gentle Glide and Playtex Sport brands. We also sell Playtex Personal Cleansing Cloths, a pre-moistened wipe for feminine hygiene as well as pads, liners and tampons under the Stayfree, Carefree and o.b. brands.

In Infant Care, we market a broad range of products including bottles, cups, and mealtime products under the Playtex brand name. We also offer a line of pacifiers, including the Ortho-Pro and Binky pacifiers. We believe our Playtex Diaper Genie brand of diaper disposal systems leads the U.S. diaper pail category. The Diaper Genie brand consists of the diaper pail unit and refill liners. The refill liners seal diapers in an odor-proof plastic film. We also market Litter Genie, a waste disposal solution for cat owners originating from our Diaper Genie technology.

Household Products

Energizer's Household Products division manufactures and markets one of the most extensive product portfolios in household batteries, specialty batteries and lighting products under the Energizer and Eveready brands.

In household batteries, we offer batteries using carbon zinc, alkaline, rechargeable and lithium technologies. These products are marketed and sold in the price, premium and performance segments. This allows us to penetrate a broad range of the market and meet most consumer needs. In addition, Energizer has a portable lighting products business that has evolved with changes in consumer tastes and demands.

The battery category is highly competitive as brands compete for consumer acceptance and retail shelf space. Recent studies have indicated that an increasing number of devices are using built-in rechargeable battery systems, particularly in developed markets. We believe this continues to create a negative impact on the demand for primary batteries. This trend, coupled with aggressive competitive activity in the U.S. and other markets, has and could continue to put additional pressure on segment results going forward.

2013 Restructuring Project

In November 2012, the Company’s Board of Directors authorized an enterprise-wide restructuring.
As previously disclosed, the primary objectives of the 2013 restructuring project included reduction in workforce, consolidation of G&A functional support across the organization, reduced overhead spending, creation of a center-led purchasing function, and rationalization and streamlining of the Household Products operations facilities, product portfolio and marketing organization.
In January 2014, the Company's Board of Directors authorized an expansion of scope of the previously announced 2013 restructuring project. As a result of the expanded scope of the Company's restructuring efforts, the project is expected to generate additional savings and the Company expects to incur additional charges in order to execute the planned initiatives.
Through September 30, 2014, the Company estimates that project-to-date savings are approximately $255 million. The Company expects to achieve $300 million of savings prior to the anticipated closing of the planned spin-off transaction on June 30, 2015. Estimated total project savings have been increased to $330 million.
Project-to-date restructuring and restructuring related costs have totaled approximately $260 million through September 30, 2014. The Company estimates total pre-tax restructuring related costs (including the original and expanded scope) needed to execute this program will be near $350 million.
Proposed Spin-off Transaction

On April 28, 2014, the Board of Directors authorized management to pursue a plan to spin-off the Company's Household Products business and thereby create two independent, publicly traded companies. The separation is planned as a tax-free spin-off to the Company's shareholders and is expected to be completed by July 1, 2015. The proposed spin-off is subject to further due diligence as appropriate and customary conditions, including receipt of regulatory approvals, an opinion of counsel regarding the tax-free nature of the proposed spin-off transaction, the effectiveness of a Form 10 filing with the Securities and Exchange Commission (SEC), and final approval by the Company's Board of Directors. The Company may, at any time and for any reason until the proposed spin-off is complete, abandon the spin-off or modify or change its terms. The Company can make no assurance that any spin-off transaction will ultimately occur, or if one does occur, the terms or timing of a transaction.

We expect to file a Form 10 registration statement with the SEC in early calendar 2015.

Sources and Availability of Raw Materials

The principal raw materials used by Energizer include electrolytic manganese dioxide, zinc, silver, nickel, acetylene black, graphite, steel cans, nylon, brass wire, separator paper, and potassium hydroxide, for batteries, and steel, zinc, various plastic resins, synthetic rubber resins, soap based lubricants and various packaging materials, for wet shave products, and certain naturally derived fibers, resin-based plastics and certain chemicals for the Playtex product lines - are sourced on a regional or global basis. The prices and availability of these raw materials have fluctuated over time. Energizer believes that adequate supplies of the raw materials required for its operations are available at the present time, although we cannot predict the future availability or prices of such materials. These raw materials are generally available from a number of different sources, and the prices of those raw materials are susceptible to currency fluctuations and price fluctuations due to transportation, government regulations, price controls, economic climate, or other unforeseen circumstances. In the past, Energizer has not experienced any significant interruption in availability of raw materials. We believe we have extensive experience in purchasing raw materials in the commodity markets. From time to time, management has purchased materials or entered into forward contracts for various ingredients to assure supply and to protect margins on anticipated sales volume.

Sales and Distribution

Energizer's products are marketed primarily through a direct sales force, but also through exclusive and non-exclusive distributors and wholesalers. In the U.S., the Household Products and Personal Care segments have separate dedicated commercial organizations, reflecting the scale and importance of these businesses. Outside the U.S., the commercial teams currently market our full portfolio of product offerings. In connection with the proposed spin-off transaction, we are in the process of establishing separate dedicated commercial organizations globally. Energizer distributes its products to consumers through numerous retail locations worldwide, including mass merchandisers and warehouse clubs, food, drug and convenience stores, electronics specialty stores and department stores, hardware and automotive centers, military stores and e-commerce.

Although a large percentage of Energizer's sales are attributable to a relatively small number of retail customers, in fiscal 2014, only Wal-Mart Stores, Inc. and its subsidiaries, as a group, accounted for more than ten percent of Energizer's annual sales. For fiscal year 2014, this customer accounted for, in the aggregate, approximately 17.2% of Energizer's sales. Because of the short period between order and shipment date (generally less than one month) for most of our orders, the dollar amount of current backlog is not material and is not considered to be a reliable indicator of future sales volume.

Patents, Technology and Trademarks

Energizer owns a number of U.S., Canadian and foreign trademarks, which Energizer considers of substantial importance and which are used individually or in conjunction with other Energizer trademarks. These include Eveready, Energizer, Energizer Max, Schick, Schick Hydro, Schick Hydro Silk, Wilkinson Sword, Intuition, Hydro, Quattro, Xtreme, Protector, Silk Effects, Slim Twin, Exacta, Edge, Skintimate, Personna, Capri, Matrix 3, Magnum 5, Speed 3, Vogue, Dermablade, Banana Boat, Hawaiian Tropic, Coolzone, Sport Performance, Ultramist, Binky, Diaper Genie, Drop-Ins, Lil' Gripper, Coolster, Gentle Glide, Play On, 360° Protection & Design, HandSaver, Twist 'N Click & design, Sipster, Sport, VentAire, Wet Ones, Stayfree, Carefree, o.b. and the Energizer Bunny and the Energizer Man character. As a result of the Playtex acquisition, Energizer also owns royalty-free licenses in perpetuity to the Playtex and Living trademarks in the United States, Canada and many foreign jurisdictions related to certain feminine hygiene, baby care, gloves and other products, but excluding certain apparel related products.

Energizer's ability to compete effectively in the battery and portable lighting, wet shave, skin care, feminine care and infant care categories depends, in part, on our ability to maintain the proprietary nature of technology and manufacturing processes through a combination of patent and trade secret protection, non-disclosure agreements and licensing agreements. Energizer owns or licenses from third parties a considerable number of patents, patent applications and other technology which Energizer believes are significant to its business. These relate primarily to battery product and lighting device improvements, additional battery product features, shaving product improvements and additional features, plastic applicators for tampons, baby bottles and nipples, disposable liners and plastic holders for the nurser systems, children's drinking cups, pacifiers, sunscreen formulations, diaper disposal systems, breast pump products and improvements, and manufacturing processes.

As of September 30, 2014, Energizer owned (directly or beneficially) approximately 1,460 unexpired United States patents which have a range of expiration dates from October 2014 to December 2033 and had approximately 188 United States patent applications pending. We routinely prepare additional patent applications for filing in the United States. Energizer also actively pursues foreign patent protection in a number of foreign countries. As of September 30, 2014, Energizer owned (directly or beneficially) approximately 3,349 foreign patents and had approximately 584 patent applications pending in foreign countries.

We rely on trademark, trade secret, patent and copyright laws to protect our intellectual property rights. We cannot be sure that these intellectual property rights will be effectively utilized or, if necessary, successfully asserted. There is a risk that we will not be able to obtain and perfect our own intellectual property rights, or, where appropriate, license from others intellectual property rights.

Seasonality

Sales and operating profit for Household Products tends to be seasonal, with increased purchases of batteries by consumers during the December holiday season, and increases in retailer inventories during autumn. In addition, natural disasters such as hurricanes can create conditions that drive increased needs for portable power and spike battery and flashlight sales.

Sales of women's wet shave products are moderately seasonal, with increased consumer demand in the spring and summer months. Customer orders for sun care products are highly seasonal, which has historically resulted in higher sun care sales to retailers during the late winter through mid-summer months.

Competition

The Personal Care and Household Products businesses are highly competitive, both in the United States and on a global basis, as large manufacturers with global operations compete for consumer acceptance and, increasingly, limited retail shelf space. Competition is based upon brand perceptions, product performance, customer service and price.

The global shaving products category is comprised of wet shave blades and razors, electric shavers, shave preparations (gels, lotions and creams). The wet shave segment of that business is further segmented between razor systems and disposable products. Geographically, North America, Western Europe, Australia and Japan represent relatively developed and stable markets. Our principal competitors in the wet shave business worldwide are The Procter & Gamble Company, which owns the Gillette brand and is the leading company in the global wet shave segment, and Bic Group, which competes primarily in the disposable segment.

The markets for skin care, feminine care and infant care products are also highly competitive, characterized by the frequent introduction of new products, accompanied by major advertising and promotional programs. Our competitors in these product lines consist of a large number of domestic and foreign companies, including The Procter & Gamble Company and Kimberly-Clark Corp. in feminine care, Bayer AG and Johnson & Johnson in skin care, and a variety of competitors in the fragmented infant care market.

Our principal battery competitors are Duracell, a subsidiary of The Procter & Gamble Company, and Spectrum Brands, Inc. We believe private-label sales by large retailers also has an impact on the market in some parts of the world, particularly in Europe.

Governmental Regulation and Environmental Matters

Energizer's operations are subject to various federal, state, foreign and local laws and regulations intended to protect the public health and the environment.

Energizer has received notices from the U.S. Environmental Protection Agency, state agencies, and/or private parties seeking contribution, that we have been identified as a “potentially responsible party” (PRP) under the Comprehensive Environmental Response, Compensation and Liability Act, and may be required to share in the cost of cleanup with respect to a number of federal “Superfund” sites. We may also be required to share in the cost of cleanup with respect to state-designated sites, and certain international locations, as well as any of our own properties.

The amount of the Company's ultimate liability in connection with those sites may depend on many factors, including the volume and toxicity of material contributed to the site, the number of other PRPs and their financial viability, and the remediation methods and technology to be used. Total environmental capital expenditures and operating expenses are not expected to have a material effect on our total capital and operating expenditures, consolidated earnings or competitive position. However, current environmental spending estimates could be modified as a result of changes in our plans or our understanding of the underlying facts, changes in legal requirements, including any requirements related to global climate change, or other factors.

Many European countries, as well as the European Union, have been very active in adopting and enforcing environmental regulations. In addition, certain regulations have been enacted or are being considered in North America and certain European and Latin American countries with respect to battery recycling programs. As such programs develop, it is possible that new regulations may increase the risk and expense of doing business in such countries.

Certain of Energizer's products are subject to regulation under the Federal Food, Drug and Cosmetic Act and are regulated by the U.S. Food and Drug Administration (FDA).

Available Information

Energizer regularly files periodic reports with the SEC, including annual reports on Form 10-K and quarterly reports on Form 10-Q, as well as, from time to time, current reports on Form 8-K, and amendments to those reports. The SEC maintains an Internet site containing these reports, and proxy and information statements, at www.sec.gov. These filings are also available free of charge on Energizer's website, at www.energizerholdings.com, as soon as reasonably practicable after their electronic filing with the SEC. Information on Energizer's website does not constitute part of this Form 10-K.

Other Matters

Additional descriptions of the business of Energizer in response to Item 1, and the summary of selected financial data appearing under “ENERGIZER HOLDINGS, INC. - MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION” and appearing under “ENERGIZER HOLDINGS, INC. - NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Note 21 - Segment Information,” are included in Exhibit 13 attached hereto and incorporated herein by reference. This information will also appear in the Energizer Holdings, Inc. 2014 Annual Report.

Item 1A. Risk Factors.

The following risks and uncertainties could materially adversely affect our business, results of operations, consolidated financial condition and cash flows. Energizer may amend or supplement the risk factors described below from time to time in other reports it files with the SEC.

Energizer faces risks associated with global economic conditions.

Unfavorable global economic conditions, unemployment levels and uncertainty about future economic prospects could reduce consumer demand for our products as a result of a reduction in discretionary spending or a shift of purchasing patterns to lower-cost options such as private label or price brands. Similarly, our retailer customers could reduce their inventories, shift to different products or require us to lower our prices to remain on shelf. Declining financial performance by certain of our retailer customers could impact their ability to pay us on a timely basis, or at all. Worsening economic conditions could harm our sales and profitability. Additionally, disruptions in financial markets could reduce our access to debt and equity capital markets, negatively affecting our ability to implement our business plan and strategy.

Competition in Energizer's industries may hinder our ability to execute our business strategy, achieve profitability, or maintain relationships with existing customers.

The categories in which Energizer operates are mature and highly competitive, both in the United States and globally, as a limited number of large manufacturers compete for consumer acceptance, limited retail shelf space and e-commerce opportunities. Because of the highly competitive environment in which we operate as well as increasing retailer concentration, our retailer customers, including on-line retailers, frequently seek to obtain pricing concessions or better trade terms, resulting in either reduction of our margins, or losses of distribution to lower cost competitors.

Competition is based upon brand perceptions, product performance and innovation, customer service and price. Energizer's ability to compete effectively may be affected by a number of factors, including:

- our primary competitor in batteries, wet shave and feminine care products, The Procter & Gamble Company, and our other competitors, may have substantially greater financial, marketing, research and development and other resources and greater market share in certain segments than Energizer does, which could provide them with greater scale and negotiating leverage with retailers and suppliers;
- our competitors may have lower production, sales and distribution costs, and higher profit margins, which may enable them to offer aggressive retail discounts and other promotional incentives;
- our competitors may be able to obtain exclusive distribution rights at particular retailers, or favorable in-store placement; and

- we may lose market share to private label brands sold by retail chains, which are typically sold at lower prices than our products.

Loss of reputation of our leading brands or failure of our marketing plans could have an adverse effect on our business.

We depend on the continuing reputation and success of our brands, particularly the Energizer, Eveready, Schick, Wilkinson Sword, Edge, Skintimate, Playtex, Diaper Genie, Wet Ones, Banana Boat, Hawaiian Tropic, Stayfree, Carefree and o.b. brands. Our operating results could be adversely affected if one of our leading brands suffers damage to its reputation due to real or perceived quality issues.
Further, the success of these brands can suffer if our marketing plans or new product offerings do not have the desired impact on our brand's image or ability to attract and retain consumers. Additionally, claims made in our marketing campaigns may become subject to litigation alleging false advertising, which if successful could cause us to alter our marketing plans in ways that may materially and adversely affect sales, or result in the imposition of significant damages against us. Further, a boycott or other campaign critical of Energizer, through social media or otherwise, could negatively impact product sales.

Loss of any of our principal customers could significantly decrease our sales and profitability.

Wal-Mart, together with its subsidiaries, is our largest customer, accounting for approximately 17.2% of net sales in fiscal 2014. Generally, sales to our top customers are made pursuant to purchase orders and we do not have supply agreements or guarantees of minimum purchases from them. As a result, these customers may cancel their purchase orders or reschedule or decrease their level of purchases from us at any time. The loss or a substantial decrease in the volume of purchases by any of our top customers would harm our sales and profitability. For example, our net sales and earnings beginning in the fourth quarter of fiscal 2013 and continuing into fiscal 2014 were negatively impacted by distribution losses at two U.S. retail customers. Additionally, increasing retailer customer concentration could result in reduced sales outlets for our products, as well as greater negotiating pressures and pricing requirements on Energizer.

The performance of the primary battery product category may be impacted by further changes in technology and device trends, which could impair Energizer's operating results and growth prospects.

We believe an increasing number of devices are using built-in rechargeable battery systems, particularly in developed markets, leading to a declining volume trend in the battery category, which we expect will continue. This has and will likely continue to have a negative impact on the demand for primary batteries. This trend has and will continue to put additional pressure on segment results going forward, both directly through reduced consumption and indirectly as manufacturers aggressively price and promote their products to seek to retain market share or gain battery shelf space. Development and commercialization of new battery or device technologies not available to Energizer could also negatively impact our results and prospects.

Energizer is subject to risks related to its international operations, including currency fluctuations, which could adversely affect our results of operations. Such risks are currently particularly acute in Venezuela.

Energizer's businesses are currently conducted on a worldwide basis, with nearly 50% of our sales in fiscal 2014 arising from foreign countries, and a significant portion of our production capacity and cash located overseas. Consequently, Energizer is subject to a number of risks associated with doing business in foreign countries, including:

- the possibility of expropriation, confiscatory taxation or price controls;

- the inability to repatriate foreign-based cash, which constitutes substantially all of our overall cash, for strategic needs in the U.S., either at all or without incurring significant income tax and earnings consequences, as well as the heightened counter-party, internal control and country-specific risks associated with holding cash overseas;
- the effect of foreign income taxes, value-added taxes and withholding taxes, including the inability to recover amounts owed to Energizer by a government authority without extended proceedings or at all;
- the effect of the U.S. tax treatment of foreign source income and losses, and other restrictions on the flow of capital between countries;
- adverse changes in local investment or exchange control regulations, particularly in Venezuela and Argentina;
- restrictions on and taxation of international imports and exports;
- currency fluctuations, including the impact of hyper-inflationary conditions in certain economies, particularly where exchange controls limit or eliminate our ability to convert from local currrency;

- political or economic instability, government nationalization of business or industries, government corruption, and civil unrest, including political or economic instability in the countries of the Eurozone, Egypt and the Middle East and across Latin America, including Venezuela and Argentina;
- legal and regulatory constraints, including tariffs and other trade barriers;
- difficulty in enforcing contractual and intellectual property rights; and
- a significant portion of Energizer's sales are denominated in local currencies but reported in U.S. dollars, and a high percentage of product costs for such sales are denominated in U.S. dollars. Therefore, although we may hedge a portion of the exposure, the strengthening of the U.S. dollar relative to such currencies can negatively impact our reported sales and operating profits.

Many of the risks described above are particularly acute in Venezuela. The operating environment in Venezuela has been and remains challenging, with high inflation, political instability, governmental restrictions in the form of currency exchange, import restrictions, price and margin controls and the possibility of government actions such as further devaluations, business occupations and intervention or expropriation of assets. In addition, foreign exchange controls in Venezuela limit our ability to convert significant portions of our local currency cash balances from bolivars into an alternative currency, remit dividends and pay intercompany balances. Due to the substantial uncertainty regarding our ability to convert significant portions of our local currency cash balances from bolivars into an alternative currency or remit our local currency cash balances from Venezuela, we cannot give assurance as to the exchange rate at which such balances might be converted in the future or when we might be able to repatriate such balances, if at all. Our inability to convert such balances into U.S. dollars at a favorable exchange rate and to repatriate them could have a material effect on our financial position and the results of our operations. See Note 6 to the Consolidated Financial Statements.

A failure of a key information technology system could adversely impact our ability to conduct business.

We rely extensively on information technology systems, including some which are managed by third-party service providers, in order to conduct business. These systems include, but are not limited to, programs and processes relating to communicating within Energizer and with other parties, ordering and managing materials from suppliers, converting materials to finished products, shipping products to customers, processing transactions, summarizing and reporting results of operations, and complying with regulatory, legal or tax requirements. These information technology systems could be damaged or cease to function properly due to the poor performance or failure of third-party service providers, catastrophic events, power outages, security breaches, network outages, failed upgrades or other similar events. If our business continuity plans do not effectively resolve such issues on a timely basis, we may suffer interruptions in conducting our business which may adversely impact our operating results. In addition, we are undertaking a significant amount of work to transform our information technology systems globally to facilitate the planned spin-off transaction. During this implementation, we face a heightened risk of system interruptions and deficiencies or failures in our internal controls involving our information systems and processes.

Our plan to spin-off our Household Products business and thereby create two independent publicly traded companies is subject to material conditions and may not be completed on the currently contemplated timeline or at all and may negatively impact earnings.

In April 2014, we announced a plan to spin-off the Household Products business and thereby create two independent publicly traded companies, which is subject to a number of conditions including approval by our Board of Directors of the final terms. Unanticipated developments, including possible delays in obtaining various tax opinions or rulings, regulatory approvals or clearances, covenant waivers, uncertainty of the financial markets and challenges in establishing infrastructure or processes, could delay or prevent the proposed spin-off or cause the proposed spin-off to occur on terms or conditions that are less favorable or different than expected. We may seek or be required to repay or refinance some or all of our outstanding indebtedness, which may result in incurrence of make-whole or prepayment penalties. In connection with the proposed spin-off transaction we may choose to repatriate some or all cash held by our foreign affiliates. While we will seek to mitigate the tax impact associated with the repatriation, we may incur significant tax costs. Expenses incurred to accomplish the proposed spin-off will be significant and may be significantly higher than what we currently anticipate, and may not yield the anticipated benefits if we do not execute the transaction. Executing the proposed spin-off also requires significant time and attention from management and employees, which could distract them from other tasks in operating our business and, as a result, negatively impact earnings.

If the proposed spin-off is consummated, we may not realize some or all of the anticipated benefits due to a number of factors.

Even if the transaction is completed, we may not realize some or all of the anticipated strategic, financial or other benefits from the spin-off. If consummated, the two independent companies will be smaller, less diversified with a narrower business focus and may be more vulnerable to changing market conditions, which could materially and adversely affect our business, financial condition and results of operations. Execution of the spin-off transaction presents a number of significant risks to our internal processes, including the failure to maintain an adequate control environment due to changes to our IT systems and financial reporting processes, both as we execute the transaction and following consummation. There may also be dis-synergies from separating the businesses that could negatively impact the balance sheets, gross margins and profits of both businesses. Changes to our commercial operating model, including outsourcing of certain support functions and the use of distributors in markets where we have historically maintained a presence, could negatively impact our results of operations. Further, the combined value of the common stock of the two publicly-traded companies may not be equal to or greater than what the value of our common stock would have been had the proposed spin-off not occurred.

We face risks arising from the restructuring of our operations and uncertainty with respect to our ability to achieve the estimated cost savings.

In November 2012, we announced a company-wide restructuring project. In January 2014, the Company's Board of Directors authorized an expansion of scope of the previously announced project. We have incurred and expect to continue to incur additional significant charges related to the restructuring project, which will reduce our profitability in the periods incurred. If we incur unexpected charges related to the restructuring, or in connection with any potential future restructuring project, our financial condition and results of operations may suffer further.

Execution of the restructuring project, or any potential future restructuring project, presents a number of significant risks, including:

- actual or perceived disruption of service or reduction in service standards to customers;
- the failure to preserve adequate internal controls as we restructure our general and administrative functions, including our information technology and financial reporting infrastructure;
- the failure to preserve supplier relationships and distribution, sales and other important relationships and to resolve conflicts that may arise;
- loss of sales as we reduce or eliminate staffing on non-core product lines;
- diversion of management attention from ongoing business activities; and
- the failure to maintain employee morale and retain key employees while implementing benefit changes and reductions in the workforce.

Because of these and other factors, we cannot predict whether we will realize the purpose and anticipated benefits of these measures and, if we do not, our business and results of operations may be adversely affected.

Additionally, there may be delays in implementing the restructuring activities or a failure to achieve the anticipated levels of cost savings and efficiency as a result of the restructuring activities, each of which could materially and adversely impact our business and results of operations. Further restructuring or reorganization activities may also be required in the future beyond what is currently planned, which could further enhance the risks associated with these activities.

Impairment of our goodwill and other intangible assets would result in a reduction in net income.

Energizer has a material amount of goodwill, trademarks and other intangible assets, as well as other long-lived assets, which are periodically evaluated for impairment in accordance with current accounting standards. Declines in our profitability and/or estimated cash flows related to specific intangible assets, as well as potential changes in market valuations for similar assets and market discount rates may result in an impairment charge, which could have an adverse impact on our operating results.

If Energizer cannot continue to develop new products in a timely manner, and at favorable margins, it may not be able to compete effectively.

The battery and portable lighting products, wet shave, skin care, feminine care and infant care industries have been notable for the pace of innovations in product life, product design and applied technology, and our success depends on future innovations. The successful development and introduction of new products requires retail and consumer acceptance and overcoming the reaction from competitors. New product introductions in categories where we have existing products will likely also reduce the sales of our existing products. Our investments in research and development may not result in successful products or innovation that will recover the costs of such investments. Our customers or end consumers may not purchase our new products once introduced. Additionally, new products could require regulatory approval which may not be available or may require modification to the product which could impact the product success. Our competitors may introduce new or enhanced products that significantly outperform ours, or develop manufacturing technology which permits them to manufacture at a lower cost relative to ours and sell at a lower price. If we fail to develop and launch successful new products, or fail to reduce our cost structure to a competitive level, we may be unable to grow our business and compete successfully.

Energizer's business is subject to regulation in the U.S. and abroad.

The manufacture, packaging, labeling, storage, distribution, advertising and sale of our products are subject to extensive regulation in the U.S., including by the Food and Drug Administration, the Consumer Product Safety Commission, the Environmental Protection Agency, and by the Federal Trade Commission with respect to advertising. Similar regulations have been adopted by authorities in foreign countries where we sell our products, and by state and local authorities in the U.S. New or more restrictive regulations or more restrictive interpretations of existing regulations, particularly in the battery, skin care and feminine care industries, are likely and could have an adverse impact on our business. Legislative and regulatory changes by taxing authorities have an impact on our effective tax rate, and we may be subject to additional costs arising from new or changed regulations, including those relating to health care and energy. Additionally, a finding that we are in violation of, or not in compliance with, applicable laws or regulations could subject us to material civil remedies, including fines, damages, injunctions or product recalls, or criminal sanctions. Even if a claim is unsuccessful, is not merited or is not fully pursued, the negative publicity surrounding such assertions could jeopardize our reputation and brand image and have a material adverse effect on our businesses, as well as require resources to rebuild our reputation.

We must comply with various environmental laws and regulations in the jurisdictions in which we operate, including those relating to the handling and disposal of solid and hazardous wastes, recycling of batteries, and the remediation of contamination associated with the use and disposal of hazardous substances. A release of such substances due to accident or an intentional act could result in substantial liability to governmental authorities or to third parties. We have incurred, and will continue to incur, capital and operating expenses and other costs in complying with environmental laws and regulations, including remediation costs relating to our current and former properties and third party waste disposal sites. We could become subject to additional environmental liabilities in the future that could cause a material adverse effect on our results of operations or financial condition.

The resolution of Energizer's tax contingencies may result in additional tax liabilities, which could adversely impact our cash flows and results of operations.

Significant estimation and judgment is required in determining our tax provisions for taxes in the U.S. and jurisdictions outside the U.S. In the ordinary course of our business, there are transactions and calculations in which the ultimate tax determination is uncertain. We are regularly under audit by tax authorities, and although we believe our tax positions are defensible and our tax provision estimates are reasonable, the final outcome of tax audits and related litigation could be materially different than that reflected in our income tax provisions and accruals. The unfavorable resolution of any audits or litigation could have an adverse impact on future operating results and our financial condition.

Changes in production costs, including raw material prices, could erode Energizer's profit margins and negatively impact operating results.

Pricing and availability of raw materials, energy, shipping and other services needed for our business can be volatile due to general economic conditions, labor costs, production levels, import duties and tariffs and other factors beyond our control. There is no certainty that Energizer will be able to offset future cost increases. This volatility can significantly affect our production cost, and may, therefore, have a material adverse effect on our business, results of operations and financial condition. If the proposed spin-off is completed, the two independent companies will be smaller and have less consolidated purchasing scale. As a result, raw material and other goods and services prices may increase.

Energizer's manufacturing facilities or supply channels may be subject to disruption from events beyond our control.

Operations of our manufacturing and packaging facilities worldwide may be subject to disruption for a variety of reasons, including availability of raw materials, work stoppages, industrial accidents, disruptions in logistics, loss or impairment of key manufacturing sites, product quality or safety issues, licensing requirements and other regulatory issues, trade disputes between countries in which we have operations, such as the U.S. and China, and acts of war, terrorism, pandemics, fire, earthquake, flooding or other natural disasters. The supply of our raw materials may be similarly disrupted. There is also a possibility that third party manufacturers, which produce a significant portion of certain of our products, could discontinue production with little or no advance notice, or experience financial problems or problems with product quality or timeliness of product delivery, resulting in manufacturing delays or disruptions, regulatory sanctions, product liability claims or consumer complaints. If a major disruption were to occur, it could result in delays in shipments of products to customers or suspension of operations. The

Company maintains business interruption insurance to potentially mitigate the impact of business interruption, but such coverage may not be sufficient to offset the financial or reputational impact of an interruption.

Energizer has a substantial level of indebtedness and is subject to various covenants relating to such indebtedness, which limits its discretion to operate and grow its business.

Energizer's current debt level is approximately $2.3 billion. We may be required to dedicate a substantial portion of our cash to debt service, thereby reducing funds available to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes. Our failure to make scheduled interest payments or to repay or refinance the indebtedness at maturity or obtain additional financing as needed could have a material adverse effect on our business.

Additionally, many of our debt instruments are subject to certain financial and other covenants, including debt ratio tests. We may be in breach of such covenants in the event of future declines in our operating cash flows or earnings performance, foreign currency movements, or other events. In the event of such breach, our lenders may be entitled to accelerate the related debt as well as any other debt to which a cross-default provision applies, and we could be required to seek amendments or waivers under the debt instruments or to refinance the debt. There is no assurance that we would obtain such amendments or waivers or effect such refinancing, or that we would be able to do so on terms similar to our current debt instruments. The covenants and financial ratio requirements contained in our debt instruments could also increase our vulnerability to general adverse economic and industry conditions, limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate, place us at a competitive disadvantage as compared to our competitors that have greater financial flexibility or limit, among other things, our ability to borrow additional funds.

Our credit ratings are important to our cost of capital.

The major credit rating agencies periodically evaluate our creditworthiness and have given us specified credit ratings. These ratings are based on a number of factors, which include our financial strength and financial policies as well as our strategies, operations and execution. These credit rating agencies have also indicated that our proposed spin-off transaction and the capital structure of each business following the transaction could cause them to re-evaluate their credit ratings. We have historically aimed to maintain our current ratings as they serve to lower our borrowing costs and facilitate our access to sources of capital on terms that we consider advantageous to our business. In connection with our proposed spin-off transaction, however, we may be unable to do so or choose not to do so. Failure to maintain our credit ratings could adversely affect the interest rate in future financings, liquidity, competitive position and access to capital markets.

There can be no guarantee that we will continue to make dividend payments or repurchase stock.

Although our Board of Directors has authorized a share repurchase program and initiated a quarterly cash dividend payable on our Common Stock, any determinations to continue to repurchase Common Stock or to continue to pay cash dividends will be based primarily upon our financial condition, results of operations, available U.S. cash, business requirements and the Board of Directors' continuing determination that the repurchase program and the payment of dividends under the dividend policy are in the best interests of shareholders and are in compliance with all laws and agreements applicable to the repurchase and dividend programs. Additionally, following the proposed spin-off transaction, our Board of Directors may reduce or eliminate the share repurchase program or our quarterly cash dividend.

If Energizer fails to adequately protect its intellectual property rights, competitors may manufacture and market similar products, which could adversely affect our market share and results of operations.

The vast majority of our total revenues are from products bearing proprietary trademarks and brand names. In addition, Energizer owns or licenses from third parties a considerable number of patents, patent applications and other technology. Energizer relies on trademark, trade secret, patent and copyright laws to protect our intellectual property rights. There is a risk that Energizer will not be able to obtain and perfect or maintain our own intellectual property rights or, where appropriate, license intellectual property rights necessary to support new product introductions. In addition, even if such rights are protected in the United States, the laws of some other countries in which Energizer's products are or may be sold do not protect intellectual property rights to the same extent as the laws of the United States. We cannot be certain that our intellectual property rights will not be invalidated, circumvented or challenged in the future, and Energizer could incur significant costs in connection with legal actions relating to such rights. As patents expire, we could face increased competition or decreased royalties, either of which could negatively impact our operating results. If other parties infringe our intellectual property rights, they may dilute the value of our brands in the marketplace, which could diminish the value that consumers associate with our brands and harm our sales.

Energizer's business involves the potential for product liability and other claims against us, which could affect our results of operations and financial condition and result in product recalls or withdrawals.

We face exposure to claims arising out of alleged defects in our products, including for property damage, bodily injury or other adverse effects. We maintain product liability insurance, but this insurance does not cover all types of claims, particularly claims that do not involve personal injury or property damage or claims that exceed the amount of insurance coverage. Further, we may not maintain such insurance on acceptable terms, or at all. In addition to the risk of monetary judgments not covered by insurance, product liability claims could result in negative publicity that could harm our products' reputation and in certain cases require a product recall. Product recalls or product liability claims, and any subsequent remedial actions, could have a material adverse effect on our business, reputation, brand value, results of operations and financial condition.

We may not be able to attract, retain and develop key personnel.
Our future performance depends in significant part upon the continued service of our executive officers and other key personnel. The loss of the services of one or more of our executive officers or other key employees could have a material adverse effect on our business, prospects, financial condition and results of operations. Our success also depends on our continuing ability to attract, retain and develop highly qualified personnel. Competition for such personnel is intense, and there can be no assurance that we can retain and motivate our key employees or attract and retain other highly qualified personnel in the future. The proposed spin-off transaction may heighten this risk. Additionally, the escalating costs of offering and administering health care, retirement and other benefits for employees could result in reduced profitability.

We may experience losses or be subject to increased funding and expenses related to our pension plans.

The funding obligations for Energizer's pension plans, including those assumed in the ASR acquisition, are impacted by the performance of the financial markets, interest rates and governmental regulations. While in November 2012, we approved and communicated changes to our U.S. pension plan so that, effective January 1, 2014, the pension benefit earned to date by active participants under the legacy Energizer U.S. pension plan was frozen and future retirement service benefits no longer accrued under this retirement program, our pension obligations are expected to remain significant. If the investment of plan assets does not provide the expected long-term returns, interest rates change, or if governmental regulations change the timing or amounts of required contributions to the plans, we could be required to make significant additional pension contributions which may have an adverse impact on our liquidity, our ability to comply with debt covenants and may require recognition of increased expense within our financial statements. If the proposed spin-off transaction is completed, we may need to restore some of our pension plans. As a result, additional contributions may be required.

We may not be able to continue to identify and complete strategic acquisitions and effectively integrate acquired companies to achieve desired financial benefits.

We have completed a number of significant acquisitions since becoming an independent company in 2000, including, most recently, the acquisition of the Stayfree, Carefree and o.b. brands in the U.S., Canada and the Caribbean in October 2013. We expect to continue making acquisitions if appropriate opportunities arise. However, we may not be able to identify and successfully negotiate suitable strategic acquisitions at attractive valuations, obtain financing for future acquisitions on satisfactory terms or otherwise complete future acquisitions. Following the proposed spin-off transaction, our reduced size may make completing desirable acquisitions more challenging.

Even if we can complete future acquisitions, we face significant challenges in consolidating functions and effectively integrating procedures, personnel, product lines, and operations in a timely and efficient manner. The integration process can be complex and time consuming, may be disruptive to our existing and acquired business, and may cause an interruption of, or a loss of momentum in, the business. Even if we can successfully complete the integration of acquired businesses into our operations, there is no assurance that anticipated cost savings, synergies, or revenue enhancements will be realized within the expected time frame, or at all.

Additional descriptions of risks impacting Energizer appearing under “ENERGIZER HOLDINGS, INC. - MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION” are included in Exhibit 13 attached hereto, which will also appear in the Energizer Holdings, Inc. 2014 Annual Report to Shareholders.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties

Below is a list of Energizer's principal plants and facilities as of the date of filing. Management believes that the Company's production facilities are adequate to support the business and the properties and equipment have been well maintained.

HOUSEHOLD PRODUCTS

North America
Asheboro, NC (2)
Bennington, VT
Garrettsville, OH
Marietta, OH
Walkerton, Ontario, Canada (5)
Westlake, OH (3)

Asia
Bogang, People's Republic of China (1)(9)
Cimanggis, Indonesia (8)
Ekala, Sri Lanka
Jurong, Singapore (8)
Tianjin, People's Republic of China (1)

Europe, Middle East and Africa
Alexandria, Egypt
Nakuru, Kenya (4)

PERSONAL CARE

North America
Milford, CT
Verona, VA
Obregon, Mexico (1)
Mexico City, Mexico (1)
Knoxville, TN
Dover, DE (6)
Sidney, OH (7)
Ormond Beach, FL
Allendale, NJ (1)(3)
Montreal, Quebec, Canada (10)

Europe, Middle East and Africa
Nove Modlany, Czech Republic (1)
Solingen, Germany
Nazareth, Israel

South America
Santa Catarina, Brazil (1)

Asia
Guangzhou, People's Republic of China (1)

ADMINISTRATIVE AND EXECUTIVE OFFICES

St. Louis, MO (1)
Shelton, CT (1)
Mississauga, Ontario, Canada (1)
Cedar Knolls, NJ (1)

(1) Leased (2) Two plants and separate packaging facility (3) Research facility (4) Less than 20% owned interest (5) Bulk packaging or labeling (6) Three facilities, one of which is leased (7) Two facilities, one of which is leased (8) Facility is owned, but land is leased (9) Two facilities (10) Announced closure, anticipated in early 2017.

In addition to the properties identified above, Energizer and its subsidiaries own and/or operate sales offices, regional offices, storage facilities, distribution centers and terminals and related properties.

Item 3. Legal Proceedings

The Company and its subsidiaries are parties to a number of legal proceedings in various jurisdictions arising out of the operations of the Company's businesses. Many of these legal matters are in preliminary stages and involve complex issues of law and fact, and may proceed for protracted periods of time. The amount of liability, if any, from these proceedings cannot be determined with certainty. However, based upon present information, the Company believes that its liability, if any, arising from such pending legal proceedings, asserted legal claims and known potential legal claims which are likely to be asserted, are not reasonably likely to be material to the Company's financial position, results of operations, or cash flows, taking into account established accruals for estimated liabilities.

See also the discussion captioned “Governmental Regulation and Environmental Matters” under Item 1 above.

Item 4. Mine Safety Disclosure

None.

Item 4A. Executive Officers Of The Registrant.

A list of the executive officers of Energizer and their business experience follows. Ages shown are as of December 31, 2014. Executive officers are appointed by, and hold office at the discretion of, our Board of Directors, subject to the terms of any employment agreements.

Ward M. Klein- Chief Executive Officer of Energizer since January, 2005. Prior to his current position he served as President and Chief Operating Officer from 2004 to 2005, and as President, International from 2002 to 2004. He also served as President and Chief Operating Officer - Asia Pacific and PanAm from 2000 to 2002, as Vice President - Asia Pacific for Energizer from March to September, 2000, as Vice President and Area Chairman, Asia Pacific, Africa and Middle East for battery operations from 1998 to 2000, as Area Chairman, Latin America from 1996-98, as Vice President, General Manager Global Lighting Products, 1994-96 and as Vice President of Marketing, 1992-94. Mr. Klein joined Ralston Purina Company in 1979. Age: 59.

David P. Hatfield- President and Chief Executive Officer, Energizer Personal Care since November, 2007. Prior to his current position and title, he served as President and Chief Executive Officer, Schick-Wilkinson Sword from April to November, 2007, as Executive Vice President and Chief Marketing Officer, Energizer Battery from 2004 to 2007, as Vice President, North American and Global Marketing, from 1999 to 2004. Age: 54.

Alan R. Hoskins- President and Chief Executive Officer, Energizer Household Products since April 2012. Previously, Mr. Hoskins served as Vice President, Asia-Pacific, Africa and Middle East from 2008 to 2012; Vice President, North America Household Products Division from 2005 to 2008; Vice President, Sales and Trade Marketing from 1999 to 2005 and Director, Brand Marketing from 1996 to 1999. Age: 53.

Daniel J. Sescleifer- Executive Vice President and Chief Financial Officer of Energizer since October, 2000. Mr. Sescleifer served as Vice President and Treasurer of Solutia Inc. from July-October, 2000, as Vice President and Treasurer of Ralcorp Holdings, Inc, from 1996 to 2000, and as Director, Corporate Finance of Ralcorp Holdings, Inc. from 1994 to 1996. Mr. Sescleifer has informed the Company that he plans to depart following completion of the proposed spin-off transaction. Age: 52.

Peter J. Conrad- Vice President, Human Resources of Energizer since March, 2000. Mr. Conrad joined Eveready Battery Company, Inc. in 1997 and served as Vice President, Human Resources from 1997 to 2000. Mr. Conrad served as Vice President, Human Resources for Protein Technologies International, Inc., a former subsidiary of Ralston Purina Company, from 1995 to 1997. Age: 54.

Brandon P. Davis - Vice President, Global Business Transformation of Energizer since October, 2013. Mr. Davis joined Energizer in 1997 and prior to his current position he served as General Manager of Australia. Prior to that role he served in positions of increasing responsibility including Vice President, Trade Marketing and Vice President, Wal-Mart/Sam's. Age: 41.

Mark S. LaVigne- Vice President, General Counsel and Secretary since April 2012. Previously, Mr. LaVigne served as Vice President, Secretary and Assistant General Counsel from 2010 to 2012 and as a partner in the law firm Bryan Cave LLP from 2007 to 2010. Age: 43.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters and Issuer Purchases of Equity Securities.

ENR Stock is listed on the New York Stock Exchange. As of September 30, 2014, there were approximately 9,800 shareholders of record of the the Company's Common Stock.

The following table sets forth the range of market prices for ENR Stock for the period from October 1, 2012 to September 30, 2014.

Market Price Range

	FY2014			FY2013		
First Quarter	$91.11	-	$113.16	$69.46	-	$83.33
Second Quarter	$92.02	-	$109.42	$80.78	-	$100.25
Third Quarter	$96.34	-	$122.62	$92.43	-	$102.98
Fourth Quarter	$114.17	-	$125.81	$90.59	-	$108.50

There have been no unregistered offerings of registrant's equity securities during the period covered by this Annual Report on Form 10-K.

The following table sets forth the quarterly dividends paid by the Company over the past two fiscal years.

Quarterly Dividend Payments (per share)	FY2014	FY2013
First Quarter	$0.50	$0.40
Second Quarter	$0.50	$0.40
Third Quarter	$0.50	$0.40
Fourth Quarter	$0.50	$0.50

The Company expects to continue its policy of paying regular quarterly cash dividends, although future dividends may be lower either prior to or following the completion of the proposed spin-off transaction. Future dividends are dependent on future earnings, capital requirements and the Company's financial condition and are declared in the sole discretion of the Company's Board of Directors.

Issuer Purchases of Equity Securities. The following table reports purchases of equity securities during the fourth quarter of fiscal 2014 by Energizer and any affiliated purchasers pursuant to SEC rules, including any treasury shares withheld to satisfy employee withholding obligations upon vesting of restricted stock and the execution of net exercises.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares purchased(1)	Average price paid per shares	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(2)	Maximum Number that May Yet Be Purchased Under the Plans or Programs
July 1, 2014-July 31, 2014	3,164	$122.54	—	5,019,739
August 1, 2014-August 31, 2014	1,802	$118.61	—	5,019,739

September 1, 2014 – September 30, 2014	164	$121.71	—	5,019,739

(1) 5,130 shares purchased during the quarter relate to the surrender to the Company of shares of common stock to satisfy tax withholding obligations in connection with the vesting of restricted stock or execution of net exercises.

(2) On April 30, 2012, the Board of Directors approved a new share repurchase authorization for the repurchase of up to ten million shares. This authorization replaced the prior share repurchase authorization. 1,000,000 shares were repurchased on the open market during the fiscal year under this share repurchase authorization.