

ENERGIZER HOLDINGS INC
Form 10-K/A
March 07, 2007

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

**FORM 10-K/A
Amendment No. 1**

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

For the fiscal year ended September 30, 2006

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
Energizer Holdings, Inc. Common Stock, par value \$.01 per share	New York Stock Exchange, Inc.
Energizer Holdings, Inc. Common Stock Purchase Rights	New York Stock Exchange, Inc.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes: No:

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
Yes: No:

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 and (2) has been subject to such filing requirements for the past 90 days.
Yes: No:

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

Yes: No:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer Accelerated filer Non-accelerated filer

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

Yes: No:

State the aggregate market value of the voting common equity held by nonaffiliates of the Registrant as of the close of business on March 31, 2006, the last day of the Registrant's most recently completed second quarter: \$3,086,370,571.

(Excluded from these figures is the voting stock held by Registrant's Directors and Executive Officers, who are the only persons known to Registrant who may be considered to be its "affiliates" as defined under Rule 12b-2. 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 December 1, 2006: 56,886,392 .

DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of Energizer Holdings, Inc. 2006 Annual Report (Parts I and II of Form 10-K).
2. Portions of Energizer Holdings, Inc. Notice of Annual Meeting and Proxy Statement dated December 5, 2006 (Part III of Form 10-K).

Explanatory Note

This Amendment No. 1 on Form 10-K/A amends certain portions of the Annual Report on Form 10-K of Energizer Holdings, Inc. ("Energizer") for the fiscal year ended September 30, 2005 as filed with the Securities and Exchange Commission on December 5, 2006. In response to a request from the Commission's Division of Corporation Finance, we have amended the certifications filed as Exhibits 32(i) and 32(ii) to include the date of those certifications. No other amendments have been made, and this Form 10-K/A does not reflect events occurring after the filing of the original Annual Report or modify or update those disclosures affected by subsequent events.

PART I

Item 1. *Business.*

General

Energizer Holdings, Inc., incorporated in Missouri in 1999, is one of the world's largest manufacturers of primary batteries, flashlights and men's and women's wet-shave products. 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 lighting products industry. Its brand names "Eveready" and "Energizer" have worldwide recognition for quality and dependability, and are marketed and sold in more than 165 countries.

On March 28, 2003, Energizer completed the acquisition of the Schick-Wilkinson Sword business of Pfizer, Inc. Schick-Wilkinson Sword is the second largest manufacturer and marketer of men's and women's wet shave products in the world. Its portfolio of products, which currently includes the "Quattro" for Women, "Intuition", "Lady Protector" and "Silk Effects Plus" women's shaving systems and the "Quattro", "Xtreme 3" and "Protector" men's shaving systems, as well the "Xtreme 3", and "ST Slim Twin" disposables, has been well-known for over 75 years, with a reputation for high quality and innovation in shaving technology. Schick-Wilkinson Sword products are marketed and sold in more than 125 markets.

Energizer's subsidiaries operate 23 manufacturing and packaging facilities in 14 countries on five continents, and employ over 3,700 employees in the United States and 11,100 in foreign jurisdictions.

Principal Products

Energizer's subsidiaries manufacture and/or market a complete line of primary alkaline and carbon zinc batteries, miniature batteries, specialty photo lithium batteries, rechargeable batteries, and flashlights and other lighting products. Energizer believes it has one of the industry's most extensive product lines, with leading products in three major categories: household batteries, including the premium, performance and price segments; specialty batteries; and lighting products.

In the household category, "Energizer MAX" brand alkaline batteries are the most popular and widely used in the array of Energizer products. The batteries are offered in 1.5 volt, 4.5 volt, 6 volt and 9 volt configurations, and are available in the standard selection of sizes, including AA, AAA, C, D and 9 volt sizes. In the performance segment of that category, Energizer offers an extensive line of products engineered specifically for demanding high-drain batteries, including "Energizer 2 Titanium Technology" performance alkaline and "Energizer 2 Lithium" batteries in AA and AAA sizes. Energizer also offers "Energizer" Rechargeable NiMH batteries and chargers, and the "Energizer" Energi To Go Instant Phone Cell Charger. Price segment offerings include "Eveready" carbon zinc batteries and "Eveready Gold" alkaline batteries.

In specialty batteries, Energizer offers a range of miniature batteries for hearing aids, watches and small electronics, and photo batteries for film cameras.

In lighting products, Energizer manufactures and markets a complete line of flashlights and other battery-powered lighting products under the "Energizer" and "Eveready" brands - including premium and value flashlights and lanterns for home, work and outdoors, plus novelty and impulse flashlights. In 2006, Energizer launched its WeatherReady flashlights, lanterns and area lights, designed to meet needs for both hand-held and area lighting in the event of a power outage, and several items under our Disney line of lighting products.

Energizer's Schick-Wilkinson Sword wet shave business, acquired in 2003, manufactures and markets a range of razor systems (i.e. razor handle with refillable blades) and disposable shave products for men and women in all major global markets, as well as shaving products such as lotions and shaving creams. It currently holds the #2 position globally in the wet shave industry. In the spring of 2003, Schick-Wilkinson Sword introduced the "Intuition" women's shaving system, a revolutionary system containing a skin-conditioning solid which lathers when wet, as well as a pivoting triple bladed razor, and in September of 2003, it introduced the "Quattro" men's shaving system, the world's first four-bladed razor, with conditioning strips and an ergonomically designed handle. Since those introductions it has continued to develop enhancements and improvements, launching "Quattro for Women" in 2005, and "Intuition Plus" and "Quattro for Women GO!" in 2006, and in men's shaving systems, the "Quattro Power" battery-powered system in 2005, and "Quattro Titanium" in 2006.

Sources and Availability of Raw Materials

The principal raw materials used in Energizer's businesses - 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, - are sourced on a regional or global basis. Although the price of zinc, in particular, has risen dramatically in the past year, Energizer believes that adequate supplies of the raw materials required for its operations are available at the present time. Energizer, of course, 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.

Energizer's management has extensive experience in purchasing raw materials in the commodity markets. From time to time, management has taken positions in various ingredients to assure supply and to protect margins on anticipated

sales volume.

Sales and Distribution

Energizer's battery and lighting products and wet shave products are marketed primarily through a direct sales force, but also through exclusive and non-exclusive distributors and wholesalers. In the United States, the direct sales team for batteries has been reorganized into a Customer Management Team focused on key business accounts in several categories, including food, mass merchandise and specialty. 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 and military stores.

Although a large percentage of Energizer's sales are attributable to a relatively small number of retail customers, only Wal-Mart Stores, Inc. and its subsidiaries, as a group, account for more than ten percent of Energizer's sales. For fiscal year 2006, this customer accounted for, in the aggregate, approximately 18.5% of Energizer's sales.

Patents, Technology and Trademarks

Energizer's operating subsidiaries own a number of trademarks which Energizer considers of substantial importance and which are used individually or in conjunction with other Energizer trademarks. These include "Eveready", "Energizer", "Energizer", "Energizer Max", "Energizer UltraPlus", "Energizer Ultimate", "Schick", "Wilkinson Sword", "Intuition", "Quattro", "Xtreme", "Xtreme 3", "Protector", "Lady Protector", the Energizer Bunny and the Energizer character.

Energizer's ability to compete effectively in the battery and wet shave industries depends in part on its ability to maintain the proprietary nature of its technology and manufacturing processes through a combination of patent and trade secret protection, non-disclosure agreements, licensing, and cross-licensing agreements. Energizer's subsidiaries own or license from third parties a considerable number of patents, patent applications and other technology which Energizer believes are extremely significant to its business. These primarily relate to battery product and lighting device improvements, additional battery product features, shaving product improvements and additional features, and manufacturing processes.

As of September 30, 2006, Eveready Battery Company, Inc., a subsidiary of Energizer, owned (directly or beneficially) approximately 513 unexpired United States patents which have a range of expiration dates from October 2006 to January 2025, and had approximately 238 United States patent applications pending. It routinely prepares additional patent applications for filing in the United States. Eveready also actively pursues foreign patent protection in a number of foreign countries. As of September 30, 2006, Eveready owned (directly or beneficially) approximately 1,456 foreign patents and had approximately 638 patent applications pending in foreign countries.

Since publications of discoveries in the scientific or patent literature tends to lag behind actual discoveries by several months, Eveready cannot be certain that it was the first creator of inventions covered by pending patent applications or the first to file patent applications on such inventions.

Seasonality

The battery business tends to be seasonal, with large purchases of batteries by consumers during the December holiday season, and increases in retailer inventories during late summer and autumn. The wet shave business does not exhibit significant seasonal variability. In addition, natural disasters can create conditions that drive exceptional needs for portable power and spike battery sales.

Competition

The battery and the wet shave 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.

Energizer competes in the domestic and global battery markets which have been, in the past, high growth markets. Higher performance primary and rechargeable batteries have been growing at a faster rate than lower-performing batteries. Energizer's principal battery competitors in the United States are Duracell International, Inc., a subsidiary of Procter & Gamble Company, and Spectrum Brands, Inc. Private-label sales by large retailers have also been growing in significance in some parts of the world. Duracell and Panasonic are significant competitors in South and Central America, Asia and Europe, and local and regional battery manufacturers in Asia and Europe also compete for battery sales.

The global shaving products business, comprised of wet shave blades and razors, electric shavers, lotions and creams, is one of the fastest-growing consumer product segments worldwide. The wet shave segment of that business, the segment in which Energizer participates, is further segmented between razor systems and disposable products. Geographically, North America, Western Europe and Japan represent relatively developed and stable markets with demographic trends that result in a stable, predictable number of shaving consumers. These markets are expected to rely primarily on new premium priced product introductions for growth. As a result of demographic trends, however, there is a significant growth trend predicted for the wet shave segment in Latin American, Asian and Eastern European countries. Energizer's principal competitors in the wet shave business worldwide are Procter & Gamble Company, which is the leading company in the global wet shave segment, and Bic Group, which competes primarily in the disposable segment.

Energizer has a significant market position in most geographic markets in which it competes.

Governmental Regulation and Environmental Matters

The operations of the Company, like those of other companies engaged in the battery and shaving products businesses, are subject to various federal, state, foreign and local laws and regulations intended to protect the public health and the environment. These regulations primarily relate to worker safety, air and water quality, underground fuel storage tanks and waste handling and disposal.

The Company has received notices from the U.S. Environmental Protection Agency, state agencies, and/or private parties seeking contribution, that it has 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 seven federal "Superfund" sites. It may also be required to share in the cost of cleanup with respect to two state-designated sites. Liability under the applicable federal and state statutes which mandate cleanup is strict, meaning that liability may attach regardless of lack of fault, and joint and several, meaning that a liable party may be responsible for all of the costs incurred in investigating and cleaning up contamination at a site. However, liability in such matters is typically shared by all of the financially viable responsible parties, through negotiated agreements. Negotiations with the U.S. Environmental Protection Agency, the state agencies that are involved on the state-designated sites, and other PRPs are at various stages with respect to the sites. Negotiations involve determinations of the actual responsibility of the Company and the other PRPs at the site, appropriate investigatory and/or remedial actions, and allocation of the costs of such activities among the PRPs and other site users.

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.

In addition, the Company undertook certain programs to reduce or eliminate the environmental contamination at the rechargeable battery facility in Gainesville, Florida, which was divested in November 1999. Responsibility for those programs was assumed by the buyer at the time of the divestiture. In 2001, the buyer, as well as its operating subsidiary which owned and operated the Gainesville facility, filed petitions in bankruptcy. In the event that the buyer and its affiliates become unable to continue the programs to reduce or eliminate contamination, the Company could be required to bear financial responsibility for such programs as well as for other known and unknown environmental conditions at the site. Under the terms of the Reorganization Agreement between the Company and Ralston Purina Company, however, which has been assumed by an affiliate of The Nestle Corporation, Ralston's successor is obligated to indemnify the Company for 50% of any such liabilities in excess of \$3 million.

Under the terms of the Stock and Asset Purchase Agreement between Pfizer, Inc. and the Company, relating to the acquisition of the SWS business, environmental liabilities related to pre-closing operations of that business, or associated with properties acquired, are generally retained by Pfizer, subject to time limitations varying from 2 years to 10 years following closing with respect to various classes or types of liabilities, minimum thresholds for indemnification by Pfizer, and maximum limitations on Pfizer's liability, which thresholds and limitations also vary with respect to various classes or types of liabilities.

Many European countries, as well as the European Union, have been very active in adopting and enforcing environmental regulations. In many developing countries in which the Company operates, there has not been significant governmental regulation relating to the environment, occupational safety, employment practices or other business matters routinely regulated in the United States. As such economies develop, it is possible that new regulations may increase the risk and expense of doing business in such countries.

Accruals for environmental remediation are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, based on current law and existing technologies. These accruals are adjusted periodically as assessments take place and remediation efforts progress, or as additional technical or legal information becomes available.

It is difficult to quantify with certainty the potential financial impact of actions regarding expenditures for environmental matters, particularly remediation, and future capital expenditures for environmental control equipment. Nevertheless, based upon the information currently available, the Company believes that its ultimate liability arising from such environmental matters, taking into account established accruals of \$8.3 million for estimated liabilities at September 30, 2006, should not be material to the business or financial condition of the Company.

Available Information

Energizer regularly files periodic reports with the Securities and Exchange Commission ("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 <http://www.sec.gov>. These filings are also available free of charge on Energizer's website, at www.energizer.com, as soon as reasonably practicable after their electronic filing with the SEC.

Other Matters

The descriptions of the business of, and the summary of selected financial data regarding Energizer appearing under "ENERGIZER HOLDINGS, INC. - MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION - Battery Business Overview, and Razors and Blades Business Overview" on page 10, "ENERGIZER HOLDINGS, INC. - MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION - Highlights" on pages 10 and 11, "ENERGIZER HOLDINGS, INC. - MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION - Liquidity and Capital Resources" on pages 14 and 15, "ENERGIZER HOLDINGS, INC. -

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION - Operating Results and Segment Results" on pages 11 through 13, "ENERGIZER HOLDINGS, INC. - MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION - Operating Results - Research and Development" on page 11, "ENERGIZER HOLDINGS, INC. - NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Segment Information" on pages 40 through 42, of the Energizer Holdings, Inc. 2006 Annual Report, are hereby incorporated by reference.

Item 1A. Risk Factors.

Investing in ENR Stock involves risks. Energizer may amend or supplement the risk factors described below from time to time by other reports it files with the SEC in the future.

General economic conditions can significantly affect Energizer's financial results.

Energizer's financial results can be significantly affected by general economic conditions, inflationary pressures, high labor or material and commodity costs and unforeseen changes in consumer demand or buying patterns. In the past year, substantial increases in the cost of zinc, a key ingredient in primary batteries, impacted results and necessitated an across-the-board price increase. Changes in Energizer's ability to generate sufficient internal cash flows, as well as access to capital markets, interest rate fluctuations and other conditions which impact the ability to borrow, may negatively affect Energizer's ability to support capital expansion plans, share repurchase programs, general operations, research and development activity, and advertising and promotional activities.

Energizer operates in a highly competitive industry.

The battery industry and the wet-shave industry are highly competitive, both in the United States and on a global basis, as a limited number of large manufacturers compete for consumer acceptance and, increasingly, limited retail shelf space. 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:

- Energizer's primary competitor, The Procter & Gamble Company, has substantially greater financial, marketing and other resources, and greater market share, than Energizer does, as well as significant scale and negotiating leverage with retailers.
- Energizer's competitors, in both of the industries in which it competes, may have lower production, sales and distribution costs, and higher profit margins, than Energizer, which may enable them to compete more aggressively in offering retail discounts and other promotional incentives.
 - Loss of key retail customers to competitors may erode Energizer's market share.

Both the battery and the wet shave industries have been notable for the pace of innovations in product life, product design and applied technology. Energizer and its competitors have made and continue to make significant investments in research and development with the goal of further innovation. If competitors introduce new or enhanced products that significantly outperform Energizer's, or if they develop or apply manufacturing technology which permits them to manufacture at a significantly lower cost relative to Energizer's, Energizer may be unable to compete successfully in the market segments affected by these changes.

Energizer's foreign operations are very significant to it, and results can be impacted by a number of risks specific to international operations.

Energizer's businesses are currently conducted on a worldwide basis, with more than half of its sales arising out of foreign operations, and a significant portion of its production capacity located overseas. Consequently, Energizer is subject to a number of significant risks associated with its subsidiaries doing business in foreign countries. The operating profits of Energizer may decline because of changes in the value of local currencies, or because of

hyperinflationary conditions in developing economies. Other risks and considerations include:

- the effect of foreign income and withholding taxes and the U.S. tax implications of foreign source income and losses, and other restrictions on the flow of capital between countries;
 - the possibility of expropriation, confiscatory taxation or price controls;
 - adverse changes in local investment or exchange control regulations;
- political instability, government nationalization of business or industries, government corruption, and civil unrest.

In addition, the descriptions of risk factors impacting Energizer appearing under “ENERGIZER HOLDINGS, INC. - MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION - Battery Business Overview, and Razors and Blades Business Overview” on page 10, “ENERGIZER HOLDINGS, INC. - MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION - Liquidity and Capital Resources” on pages 14 and 15, “ENERGIZER HOLDINGS, INC. - MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION - Inflation” on page 16, “ENERGIZER HOLDINGS, INC. - MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION - Environmental Matters” on page 15, “ENERGIZER HOLDINGS, INC. - MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION - Market Risk Sensitive Instruments and Positions” on pages 15 and 16, “ENERGIZER HOLDINGS, INC. - MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION - Critical Accounting Policies” on pages 16 and 17, and “ENERGIZER HOLDINGS, INC. - MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION - Forward-Looking Information” on pages 17 and 18, of the Energizer Holdings, Inc. 2006 Annual Report, are hereby incorporated by reference.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties

A list of Energizer’s principal plants and facilities as of the date of filing follows. Energizer believes that such plants and facilities, in the aggregate, are adequate, suitable and of sufficient capacity for purposes of conducting its current business. During the fiscal year ended September 30, 2005, alkaline manufacturing facilities were utilized on average 72%, based on an essentially 100% 7/24 mode. Energizer’s carbon zinc facilities were utilized on average at approximately 70%. Wet shave products manufacturing facilities were utilized, on average, at approximately 70% of capacity.

BATTERY PRODUCTS

North America

Asheboro, NC (2)
Bennington, VT
Garrettsville, OH
Marietta, OH
Maryville, MO
St. Albans, VT
Walkerton, Ontario, Canada (5)
Westlake, OH (3)

Europe

La Chaux-de-Fonds, Switzerland

Asia

Bogang, People’s Republic of China (1)
Cimanggis, Indonesia
Ekala, Sri Lanka
Johor, Malaysia
Jurong, Singapore
Mandaue Cebu, Philippines
Tianjin, People’s Republic of China

Africa

Alexandria, Egypt
Nakuru, Kenya (4)

Tanfield Lea, U.K. (1)

WET SHAVE PRODUCTS

North America

Milford, CT

Europe

Solingen, Germany

South America

Caracas, Venezuela (1)

Asia

Guangzhou, People's Republic of China

ADMINISTRATIVE AND EXECUTIVE OFFICES

St. Louis, Missouri (1)

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.

- (1) Leased (2) Two plants (3) Research facility
(4) Less than 20% owned interest (5) Bulk packaging or labeling

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 business. 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 ultimate liability, if any, arising from pending legal proceedings, asserted legal claims and known potential legal claims which are likely to be asserted, should not be material to the Company's financial position, taking into account established accruals for estimated liabilities. These liabilities, however, could be material to results of operations or cash flows for a particular quarter or year.

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

Item 4. *Submission of Matters to a Vote of Security Holders.*

Not applicable.

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, 2006.

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. Mr. Klein joined Ralston Purina Company in 1979. 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. Age: 51.

Joseph McClanathan - President and Chief Executive Officer, Energizer Battery since January, 2004. Prior to his current position, he served as President, North America from 2002 to 2004. Mr. McClanathan joined the Eveready Battery division of Union Carbide Corporation in 1974. He served as Vice President, North America of Energizer from 2000 to 2002, as Vice President and Chairman, North America of Eveready Battery Company, Inc. from 1999 to 2000, as Vice President, Chief Technology Officer from 1996 to 1999, and as Vice President, General Manager, Energizer Power Systems division from 1993 to 1996. Age: 54.

Joseph E. Lynch - President and Chief Executive Officer, Schick-Wilkinson Sword since January, 2004. Prior to his current position, he served as President, Schick-Wilkinson Sword from March, 2003 to January, 2004. Mr. Lynch became an officer of Energizer upon the acquisition of the Schick-Wilkinson Sword business on March 28, 2003. Prior to that time, he served as the President of the Schick-Wilkinson Sword division of Pfizer, Inc. and its predecessor in interest, Warner-Lambert Company since November, 2000. He joined Warner-Lambert in 1995 as Vice President and Controller, and served in that position until being appointed to the Schick position in 2000. Age: 55.

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. Age: 44.

Gayle G. Stratmann - Vice President and General Counsel of Energizer since March, 2003. Ms. Stratmann joined Eveready Battery Company, Inc. in 1990. Prior to her current position, she served as Vice President, Legal Matters - Operations of Eveready Battery Company, Inc. since 2002. From 1996 to 2002, she served as Assistant General Counsel - Domestic. Age: 50.

Peter J. Conrad - Vice President, Human Resources of Energizer since March, 2000. Mr. Conrad joined Eveready Battery Company, Inc. in 1997. Prior to his current position, he 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 1995-97. Age: 46.

David P. Hatfield - Executive Vice President and Chief Marketing Officer, Energizer Battery since March, 2004. Prior to his current position, he served as Vice President, North American and Global Marketing, from 1999 to 2004, and as Vice President, Europe, Marketing, from 1997 to 1999. Age: 46.

PART II**Item 5. Market for Registrant's Common Stock and Related Stockholder Matters.**

Energizer's common stock ("ENR Stock") is listed on the New York Stock Exchange. As of September 30, 2006, there were 13,807 shareholders of record of the ENR Stock.

The following table sets forth the range of market prices for the ENR Stock for the period from October 1, 2004 to September 30, 2006. No dividends were declared or paid on the ENR Stock during that period, and the Company does not currently intend to pay dividends during fiscal year 2006.

Market Price Range

	FY2006	FY2005
First Quarter	\$46.12 - \$56.75	\$43.60 - \$50.00
Second Quarter	\$49.08 - \$57.31	\$48.00 - \$61.13
Third Quarter	\$49.19 - \$60.29	\$56.25 - \$64.48
Fourth Quarter	\$53.79 - \$71.99	\$54.87 - \$65.44

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

Issuer Purchases of Energizer Common Stock during the quarter ended September 30, 2006:

	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Programs (1)	(d) Maximum Number of Shares that may yet be purchased under the current Program (1)
07/01/06 to 07/31/06	-	-	-	10,000,000
08/01/06 to 08/31/06	386,800	\$64.83	386,800	9,613,200
09/01/06 to 09/30/06	824,600	\$68.77	824,600	8,788,600
Quarter 4 of FY 2006	1,211,400	\$67.51	1,211,400	8,788,600

(1) On July 25, 2006, the Company announced Board approval of a new authorization for the Company to acquire up to 10,000,000 shares of its common stock. From October 1 through December 1, 2006, 225,000 shares of common stock have been acquired. On August 28, 2006, the Company also entered into a Rule 10b5-1 Repurchase Plan with an independent broker, authorizing the broker to acquire shares on behalf of the Company. Purchases by the Company from September 1, 2006 until November 7, 2006 were pursuant to the Plan, which by its terms has now expired.

Item 6. Selected Financial Data.