

Eveready

FROM P. 9

annualized basis). This represents a current yield of 5.7 percent based on the volume-weighted average price of all fund units traded on the Toronto Stock Exchange on the 10 trading days preceding September 11, 2008.

If approved, the conversion will have an anticipated effective date of January 1, 2009. Unitholders will receive one common share of the corporation for each unit held as at the conversion's effective date.

Eveready believes the proposed corporate structure better aligns its core business model of growth and capital appreciation for unitholders. With the federal government's October 31, 2006 announcement and subsequent legislation to impose additional income taxes on publicly traded income trusts and limited partnerships, the value enhancement of the trust structure was eliminated. As a result, management of Eveready and the board believe the best opportunity to create unitholder value is to continue to reinvest a significant portion of Eveready's cash flow back into the business and to focus on overall per common share earnings and cash flow growth, as well as debt reduction. At the same time, management and the board recognize many of Eveready's existing unitholders require or prefer an element of cash yield from their investment. By converting into a growth oriented, dividend paying corporation,

management and the board believe Eveready will be better positioned to aggressively pursue identified growth opportunities while providing a cash yield to existing Eveready unitholders, who have supported the Fund in the past.

(Meanwhile Eveready Industrial and Winterhawk Enterprises (which was originally established at Provost) are currently in the process of integrating their operations to run under one name "Eveready Energy Services". Over the next few months Winterhawk will be making this change locally).

The board believes the conversion will position Eveready to capitalize on the "tremendous growth opportunities that lie ahead. In 2008, Eveready believes its revenue

could exceed \$640 million, which if achieved, will represent revenue growth of 23 percent from 2007. In addition, Eveready is targeting to achieve \$1 billion in revenue by 2011."

The conversion to a public corporation and establishment of a quarterly cash dividend is expected to:

- Better position Eveready to pursue significant opportunities for growth and expansion that are expected to arise and allow Eveready to strengthen its execution strategy for creating investor value;
- Provide, in the aggregate, a more active and attractive market for the corporation's common shares than currently exists for the Fund's units;
- Result in a higher equity valuation, as its

financial and operational performance would be more easily valued relative to its common share peers;

- Maximize Eveready's overall earnings and cash flow growth on a per common share basis with the elimination of Eveready's "in-kind" distribution;

- Attract new investors, including non-resident investors;

- Remove the federal government's "normal growth" and "undue expansion" limitations, which currently apply to income trusts and limit the Fund's flexibility in making acquisitions in furtherance of its strategy to create value through growth; and

- Reduce the tax obligation of unitholders by paying out eligible dividends instead of fully taxable distributions.

Previously, Eveready declared to its unitholders "in-kind" distributions, which were intended to maximize the amount of tax pools Eveready could carry forward until 2011. During the first six months of 2008, Eveready's "in-kind" distributions allowed the Fund to eliminate its cash income taxes payable for the fiscal

year. In addition, Eveready increased its net tax pools by approximately \$12 million to help shelter future cash income taxes payable. Management and the Board believe the current price of Eveready's units is not reflecting the value of the tax savings created through the quarterly "in-kind" distribution. This is evidenced by the fact that Eveready's EV/EBITDA multiple is at a substantial discount to those of its peers. Eliminating the "in-kind" distribution eliminates the dilutive impact of issuing units at such low multiples.

With the announced change in Eveready's distribution policy, Eveready will now begin to utilize its tax pools in 2009 and 2010 to reduce its cash taxes payable. In 2009 and 2010, Eveready expects the majority of its cash taxes payable will be shielded by its available tax pools. However, as a result of

the reduction in the estimated tax pools available to the corporation in 2011, Eveready expects to recognize future income tax expense of approximately \$10 million in the third quarter of 2008.

• About Eveready

Eveready is a growth oriented income fund that provides industrial and oilfield maintenance and production services to the energy, resource, and industrial sectors. Operating from 79 locations in Canada, the United States, and internationally, Eveready currently employs over 2,700 employees and operates a service fleet of over 1,300 trucks. Eveready is a leading provider of infrastructure services in Alberta's fast growing oil sands sector. The fund units of Eveready trade on the Toronto Stock Exchange under the trading symbol "EIS.UN".

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SPECIAL DENTAL CARE FOR EXPECTANT MOTHERS

Due to hormone changes, pregnant women are more susceptible to different dental problems. Special precautions are taken when treating pregnant patients for dental care to continue during pregnancy. Even with good oral hygiene before pregnancy, hormone changes can cause the gums to be more irritated, making them red and inflamed, which bleed easily during flossing and brushing. This may cause the gums to recede and makes it easier for bacteria to get at the roots of the teeth and may even enter the bloodstream causing an even more serious infection. Morning sickness can further aggravate this condition by making it more difficult to brush due to a gagging reflex. Dental X-rays, while not recommended during pregnancy, may be taken in emergency situations if the proper precautions are taken to protect the baby. Dentists and pregnant patients must weigh the risk vs. the benefit before considering taking x-rays on a pregnant woman, as a severe dental infection could be very harmful to an unborn baby. A woman planning on having a baby should try to get all dental treatment done before pregnancy. Good oral care is the best means to prevent any dental problems while pregnant. If already pregnant, a woman should get the dental treatment done that is necessary at the time. This may include more frequent cleanings, especially with pregnancy gingivitis. If possible, major dental treatment should be postponed until after delivery. It is a myth that pregnancy causes tooth decay. Many women complain of teeth falling apart after pregnancy, but there is no evidence to support this. A woman's body does not steal calcium from her teeth. While frequent snacking, poor oral hygiene and morning sickness may have an effect on the teeth, pregnancy does not. If you have any questions or concerns about dental care before or during pregnancy, be sure to ask your dentist.

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Prime Minister Stephen Harper and our Conservative Government did what we said we would do:

- We said we would lower the GST from 7% to 5% - and we did;
- We said we would make government more accountable - and we did;
- We said we would get tough on violent crime, property crime and youth crime in our communities - and we did;
- We said we would ensure our borders are secure, our sovereignty protected and that our country remains united, strong and free - and we have.
- We said we would manage the economy responsibly by lowering taxes and targeting spending - and we have;
- In short, we have done what we said we would do.

Some accomplishments in which I played a key role:

- Through the Own Use Import program, farmers saved thousands of dollars by allowing them to import glyphosate from the USA. Its replacement GROU will allow many more products to be imported from the USA saving farmers thousands more;
- Made 2% liquid strychnine available to farmers saving millions of dollars;
- Brought forward a bill to provide protection to unborn victims of violent crime; and
- I have been Chair for the Committee on International Trade and more recently, the Chair for the Committee on Natural Resources.

I need your vote to continue to work for you.

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Authorized by Dorothy Felgate, Official Agent for Leon Benoit

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