

call2recycle®

2011 ANNUAL REPORT



70 MILLION +

BATTERY RECYCLING
Our Continuing Journey

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Andy Sirjord (Chairman)
Sanyo Energy (USA) Corporation

Linda Biagioni
Stanley Black & Decker Corporation
(Retired)

John Bradford
Interface Americas

James Bremner
Varta Microbattery, Inc.

Roger Dower
The Johnson Foundation

Charlie Monahan
Panasonic Energy Corporation

Doug Smith
Sony Electronics, Inc.

Chip Wildes, Jr.
Saft America, Inc.

Canadian Call2Recycle Board Members

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Sony Canada

Gordon Gow
Gordon W. Gow & Associates, Inc.

Kent Hatton
Energizer Canada, Inc.

Alan Moyer
Panasonic Canada

Susan Nieuwhof
Procter & Gamble Canada

Carl Smith
Call2Recycle

Gary Van Heerwaarden
Rayovac

Call2Recycle Officers

Carl Smith
Chief Executive Officer / President

Greg Broe
Vice President—Finance & Administration

Linda Gabor
Vice President—Marketing & Customer Service

Joe Zenobio
Executive Director—Call2Recycle Canada

Changing of the Guard



Wayne Rifer moves on. In a spirit of gratitude for services rendered, Call2Recycle said farewell to board member Wayne Rifer. A senior executive with the Green Electronics Council, Wayne offered his insights and counsel to Call2Recycle for the past five years. We are indebted to him for his many contributions to our battery recycling mission. Thanks Wayne!



John Bradford comes on board. In January 2011 Call2Recycle welcomed John Bradford, Chief Innovations Officer for Interface Americas, Division of Interface Inc. to its board of directors. John brings a wealth of experience in sustainable innovation, operations and structuring organizations for industry leadership and growth.

8.9 million

pounds of batteries recycled in 2011

© 2012 Call2Recycle® is a program of the Rechargeable Battery Recycling Corporation (RBRC) promoting environmental sustainability by providing free battery and cell phone recycling in North America. Learn more at call2recycle.org or 877.2.RECYCLE.

CALL2RECYCLE® OUR JOURNEY OF STEWARDSHIP

It's the going, not the getting there, that's good. We've all heard various spins on this wise, old adage. At Call2Recycle it has special significance. We have been on a journey of stewardship for nearly eighteen years. Our roadmap has taken us to every state in the U.S. and each Canadian province and territory. Now, well into the passage, we realize that there's no actual arrival time and no hard date completion. Stewardship—in our case, battery stewardship—is ongoing and unending.

But there is a destination and there is an objective. Our mission, unchanged since 1994, is to collect and recycle as many batteries as possible. We've evolved. No longer just a rechargeable battery recycler, we now collect primaries in Canada and are exploring programs to do so in the U.S. 2011 marked two consecutive years of double-digit growth. In fact, we collected 7.6 million pounds of rechargeable batteries, a single year record. We measured a 13 percent increase over 2010 numbers – more significant when you consider that 2010 was also a record-breaking year.

We must acknowledge the Canadian battery recycling achievement and the contributions of our proactive Canadian Board of Directors. The provinces generated 17 percent growth over the preceding year in rechargeable batteries alone. Call2Recycle actually collected more primary batteries in Canada last year than we did rechargeable batteries. British Columbia and Manitoba collections soared in 2011, surpassing our already aggressive expectations. Battery recycling in Quebec is very healthy and we anticipate the launch of an all-battery program as prescribed by regulation in 2012. While Ontario

13%

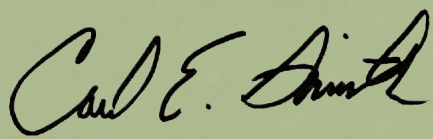
increase in collections over 2010

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discontinued its province-sponsored rechargeable battery recycling program, Call2Recycle plays a vital role in recovery efforts at the retail level. We continue to position Call2Recycle as the best viable solution for Ontario rechargeable battery recycling. Our company will do all it can to foster, promote, and realize battery recycling programs throughout all 10 Canadian provinces in 2012.

In the 3rd quarter of 2011 we introduced GreenVantage, a program designed to bolster and support municipality collection initiatives. We anticipate strong results in 2012. Our partnership with Earth911 continues to be a boon to our growth, and a new TV/Radio public service announcement (PSA) campaign launched in December looks promising. Special commendation goes to RadioShack for reaching the 5 million pound milestone in rechargeable battery collections—more than any other Call2Recycle partner. We also acknowledge and congratulate INMETCO, our battery sorter and processor, for earning ISO 14001 certification. This achievement attests to INMETCO's uncompromising focus on quality performance.

Call2Recycle continues to decode the process of finding and recycling batteries. 2011 was a record-breaking year. We expect 2012 to be even better.



Carl Smith
CEO & President

**Our mission,
unchanged since
1994, is to collect
and recycle as many
batteries as possible.
We've evolved.**

-Carl Smith



Carl Smith
CEO & President

2011 – BY ALL COUNTS, A RECORD-BREAKING YEAR

17%

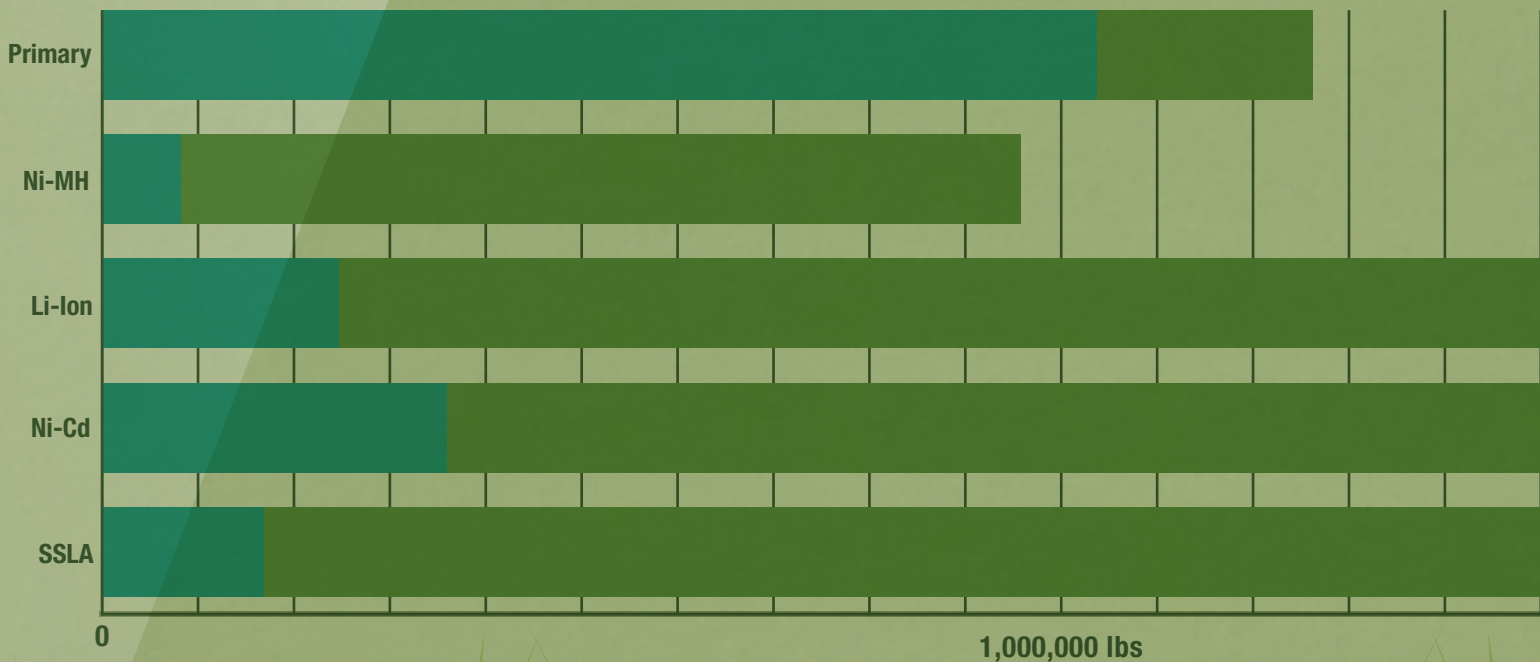
increase in rechargeable
battery collections in Canada

Never in our history has Call2Recycle collected more than 7 million pounds of rechargeable batteries in a calendar year.

We came close in 2008 with a closing tally of 6.9 million pounds. 2011 set the record when Call2Recycle passed the 7.6 million pound mark (3.45 million kilograms) for rechargeable batteries collected. That's the equivalent weight of a Boeing 787 Dreamliner, a remarkable 13.1 percent leap over 2010 figures. In the U.S. growth was particularly robust in Illinois, Pennsylvania and Texas.

Canadian returns were dramatic. Rechargeable battery collections vaulted 17 percent over the previous year with an astounding 157 percent advance in primary battery collection. Much of this

2011 Call2Recycle North American Battery Collections

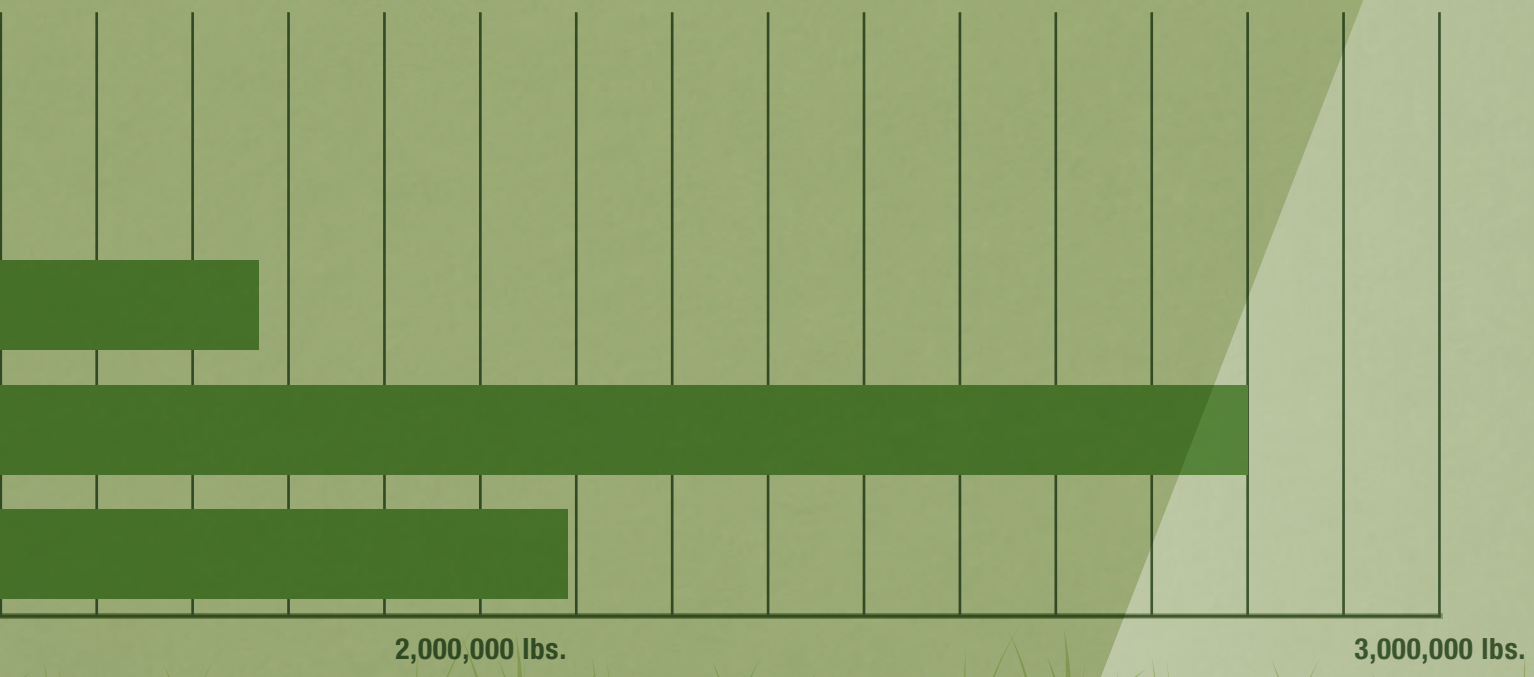
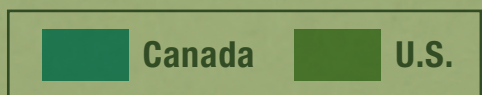


performance can be attributed to all-battery legislation in British Columbia and Manitoba, and collection programs that generated 150 percent growth and 211 percent growth respectively.

Most market sectors in both countries showed wholesome gains, including healthcare, home improvement, and e-waste. Municipality collections led all sectors, outpacing the retail and business sectors with a stellar 37 percent growth swell.

At Call2Recycle we have always acknowledged that, when it comes to battery collections, we can't do it alone. This is, and always will be, a team effort of like-minded environmental stewards. RadioShack, more than any other Call2Recycle partner, underscores this point.

When it comes to battery collections, we can't do it alone. This is, and always will be, a team effort of like-minded environmental stewards.



We're proud that we can divert such a large volume of batteries... from the waste stream, conveniently and at no cost to our customers.

-John Ripperton
Senior VP of RadioShack



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RadioShack reaches
5 million pound
milestone in rechargeable
battery collections.

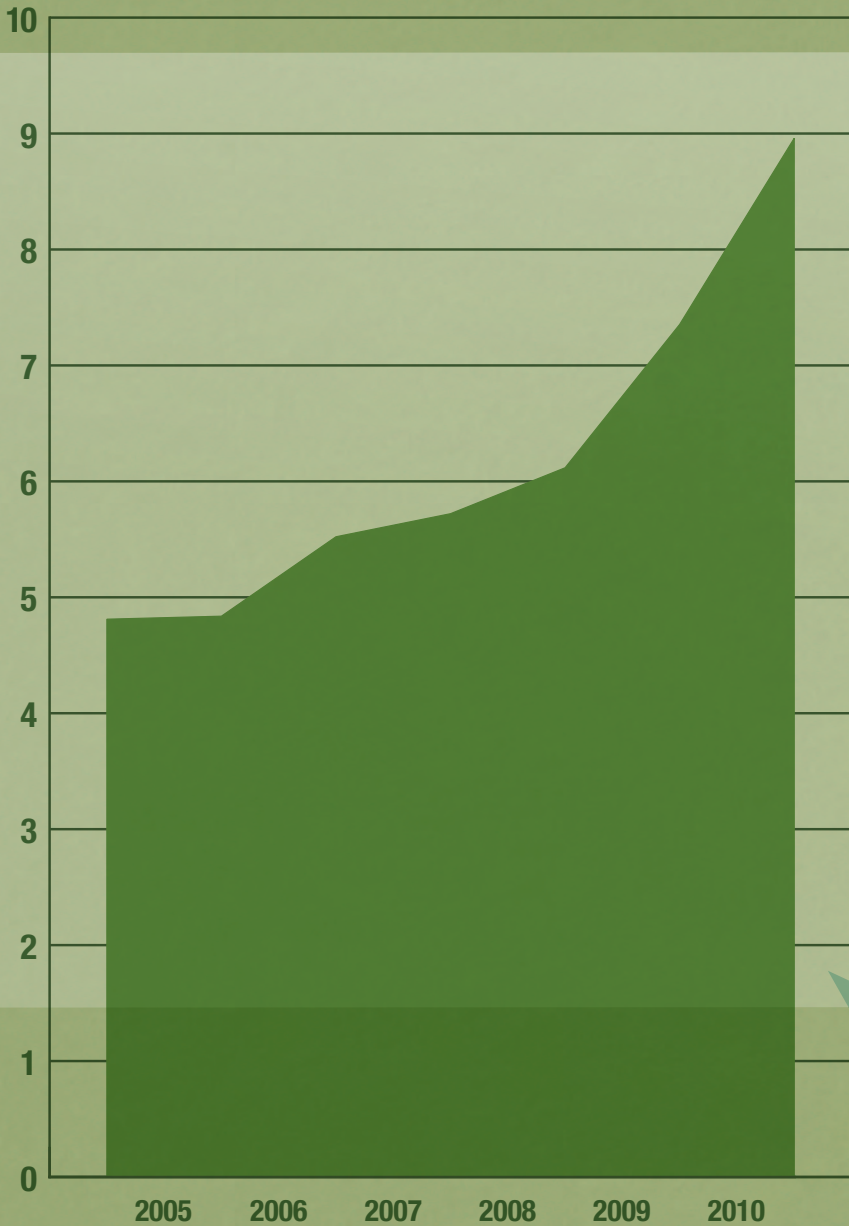
RADIOSHACK SURPASSES 5 MILLION POUNDS OF BATTERY COLLECTIONS

In 2011 Ft. Worth, TX-based RadioShack Corporation passed the 5 million pound milestone in rechargeable battery collections since the beginning of its program participation. It is the most collections recorded by any Call2Recycle partner in any market sector. This prolific performance represents 7 percent of the rechargeable batteries recovered since Call2Recycle's founding in 1994.

RadioShack announced the milestone at its September 8th Business Summit in Dallas, TX. John Ripperton, the company's senior vice president for supply chain management, noted, "Consumers have come to expect recycling options for materials they use or discard. RadioShack was one of the first national retailers to offer this service starting in 1994, and two years later in partnership with Call2Recycle. We're proud that we can divert such a large volume of batteries... from the waste stream, conveniently and at no cost to our customers."

The RadioShack-Call2Recycle partnership began in 1996. It was a momentous achievement to enlist a retail affiliate of this magnitude and not surprising that, during the next fifteen years, RadioShack would account for 1 out of every 14 rechargeable batteries sent to INMETCO. "RadioShack has consistently demonstrated their commitment to their customers and the environment by including battery recycling in their corporate practices," said Carl Smith, CEO and President of Call2Recycle. "As a champion of rechargeable battery recycling efforts, their participation has continually increased each year."

Call2Recycle Total Battery Collections 2005-2011 (Pounds in Millions)

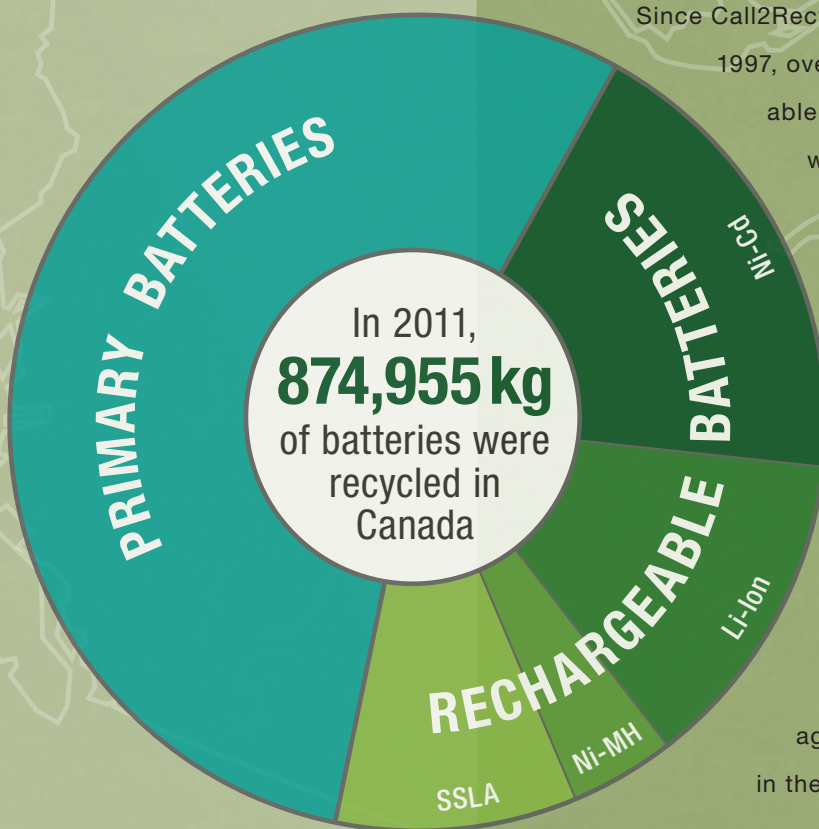


Over the last 15 years
RadioShack has accounted
for 1 out of every 14
rechargeable batteries sent
to INMETCO.
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CALL2RECYCLE CANADA MAKES SIGNIFICANT HEADWAY

October 17, 2011, was a very important date for Call2Recycle Canada. In Winnipeg to celebrate Waste Reduction Week, Premier Greg Selinger announced that the province of Manitoba now had an all-household battery collection program. Manitobans could recycle any household battery at more than 300 collection locations across the province. “We’re excited that Call2Recycle Canada is expanding the services they offer to include recycling all household batteries,” Premier Selinger said. “I want to encourage Manitobans to recycle their batteries and cell phones and keep this kind of waste out of our landfills.”

Since Call2Recycle launched its Manitoba collection program in 1997, over 72,000 kilograms (158,000 pounds) of rechargeable batteries have been recovered and processed. It was gratifying that in 2011 Manitoba Conservation and Green Manitoba selected Call2Recycle as the official collection program for household batteries, including alkalines. “We are pleased to expand our collection and recycling program in Manitoba to include all household batteries. The broadening of the program will allow us to grow our efforts in diverting batteries and cell phones from landfills,” noted Joe Zenobio, Executive Director of Call2Recycle Canada. “Call2Recycle is leveraging its relationships with retailers, municipalities, businesses and public agencies to swiftly and efficiently collect batteries in the places that Manitobans live, work and shop.”



Battery collections continue to soar in British Columbia, more so after the province inaugurated all-household battery recycling in 2010. BC boasts over 1,200 collection locations throughout the province, second only to Ontario.

On March 6, 2011, City of Hamilton residents celebrated the success of Ontario's "Easy as 1-2-3 Battery Collection Drive" conducted the previous year. The campaign successfully diverted more than 6,300 kilograms (13,900 pounds) of batteries from the provinces' landfills. Call2Recycle co-hosted the event with the City of Hamilton and hockey legend Guy Lafleur. Attendees who brought used rechargeable or primary batteries for recycling received an autographed photo of Lafleur and fellow hockey legends.

In 2011 Call2Recycle continued its sponsorship of the Legendary Oldtimers' Hockey Challenge, which for 23 years has put NHL legends back on the ice to raise money for charities—to date more than \$3 million. 2011 marked the eighth year that Call2Recycle has participated in this noble cause. In the process, hundreds of thousands of Canadian consumers have heard the call to recycle their rechargeable and primary batteries. A highlight of the 2011 Challenge was partnering with London Drugs on a four-city tour in western Canada that featured Vancouver, Victoria, Edmonton and Calgary.

2012 looks equally promising in Canada, especially with new battery recycling initiatives that will get underway in the province of Quebec.



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Guy Lafleur, hockey great, speaks to residents about Ontario's successful collection drives.



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Joe Zenobio, Executive Director of Call2Recycle Canada, represented Call2Recycle at the City of Hamilton's battery collection drive celebration.



.....
Hockey legends Bobby Hull & Dale Hawerchuk at the all-battery launch in Manitoba.

Call2Recycle's GreenVantage program couldn't come at a better time. Municipalities throughout the U.S. are facing budget tightening and resource stretching.

GreenVantage

GreenVantage launched in 2011 to assist municipalities with battery collection.

ADDING MUSCLE TO MUNICIPALITY RECYCLING

Call2Recycle launches GreenVantage

Call2Recycle depends on its municipal partners to collect rechargeable batteries – tons of them, in fact. To facilitate the battery collection process Call2Recycle introduced GreenVantage last year. GreenVantage recognizes that municipalities are instrumental in educating consumers about this critical need and responsibility. Not only do municipalities have direct contact and access at the community level, they are essential as collection sites.

GreenVantage is a tailored, packaged program that helps municipal officials offset the costs of battery collections in their cities and towns. Incentives are customized for select municipalities and based on bulk shipments. Initial feedback and battery returns have been encouraging.

Call2Recycle's GreenVantage program couldn't come at a better time. Municipalities throughout the U.S. are facing budget tightening and resource stretching, especially in areas that are deemed labor-intensive. All are trying to do more with less, including the management of recycling programs that target used rechargeable batteries. GreenVantage helps municipalities run more efficient and cost-effective battery recycling programs.

Call2Recycle touts stewardship via webinars

Webinars are proving to be powerful vehicles for Call2Recycle outreach.

During 2011, Call2Recycle sponsored municipality-directed webinars with King County and the City of Spokane in Washington State, Austin Resource Recovery in Texas, and the Onondaga County Resource Recovery Agency (OCRRA) in New York State. The webinars featured “Lessons from the Experts”—segments that marshaled the knowledge and experience of recycling managers, coordinators and household hazardous waste supervisors to guide webinar participants in implementing recycling and extended producer responsibility (EPR) programs.

In New York State the subject was compliance with sweeping battery legislation that went into effect on December 5, 2011. Call2Recycle partnered with the New York Product Stewardship Council and New York State Association for Reduction, Reuse and Recycling (NYSAR3) to discuss the state’s new rechargeable battery take-back law.

All of our Call2Recycle webinars generated strong participation among municipal agencies, fostered better understanding of our battery recycling missions and sparked informative Q & A exchanges.



Call2Recycle’s webinar series reached close to 500 viewers.

SOCIAL MEDIA DELIVERS A POWERFUL MESSAGE

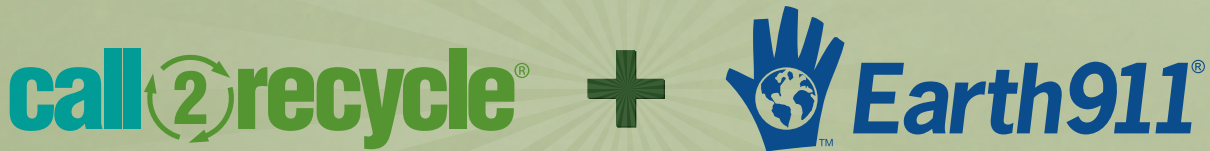


Each year our partnerships with online organizations and social media bolster Call2Recycle brand expansion. However, Earth911 may be first among equals. During 2011 it was an outreach force to be reckoned with, publishing 40 articles that addressed battery recycling, nine of which referenced Call2Recycle as the viable solution. Earth911.com visitors devoted more than 670 hours to reading and absorbing Call2Recycle-sponsored articles and resource materials. Resource pages featuring rechargeable batteries recorded 13,703 page views.

Web banner ads featured on Earth911.com earned a strong 0.37 percent feedback rate, with our highest-performing article pulling an impressive 0.66 percent—double the national average.

Consumers were tweeting too. Call2Recycle articles elicited more than a quarter million impressions via Twitter.

We expect this swell of buzz and consumer endorsement for the Call2Recycle brand to carry through 2012.



The positive results of Call2Recycle contributing to Earth911's facebook page



CALL2RECYCLE AND INTERSTATE BATTERIES SPONSOR EARTH DAY CONTEST

Call2Recycle did something different last year to honor Earth Day.

Partnering with Interstate Battery, Call2Recycle sponsored a photo caption contest on Facebook during the month of April. Call2Recycle posted two photographs each week with Earth Day themes and invited global Facebook users to offer their favorite captions. Winners were selected based on the number of “likes” that were logged. A total of 584 “likes” were generated for the 64 posted creative captions. The grand prize winner, Jolan Kozma, hailed from Hungary. Her caption, “The future, our children and environmentalist education”, produced 209 “likes”. Other captions were equally worthy: “Each generation holds the future of the world in their hands...”, “Keeping the planet healthy is still within our reach”, and “Material wealth, maybe...but the inheritance of a healthy planet is something we are ALL capable of gifting our children”.

The contest was valuable for another reason. While Facebook users voted their “likes” and submitted their captions, they learned about our Call2Recycle cause.



The Call2Recycle and Interstate Battery Earth Day photo caption contest created a lot of buzz on Facebook.

584 likes
were generated by the Earth Day Facebook photo caption contest

PSA MESSAGING GOES “MOBILE”



Call2Recycle's radio PSA aired
135 times on west coast stations

Call2Recycle has always tapped the power of public service announcements (PSAs) to educate our consumer audiences.

Near the end of 2011 we unveiled a new TV PSA and a new radio PSA. The message was cornerstone Call2Recycle: In an age when mobile handheld devices are prolific, each of us has the responsibility to recycle the rechargeable batteries that power those devices. Going mobile means going green. The PSAs directed viewers and listeners to Call2Recycle.org for information and battery recycling orientation.

Call2Recycle's TV PSA aired on national networks, including CNN, the Cooking Channel, DIY, the Food Network, Great American Country, the Travel Channel, HGTV and ION Life. ION Life distributed our PSA to affiliates on a national feed, giving Call2Recycle a much broader reach. The year closed with 192 airings generating nearly 6 million consumer impressions. Stations donated just under \$84,000 of free airtime.

By yearend west coast radio stations aired our PSA 135 times, logging 325,000 impressions. Call2Recycle is grateful to all the media outlets that embraced our stewardship cause and echoed our stewardship message.



Call2Recycle's
television PSA produced
over **6 million**
impressions nationally

BUILDING AWARENESS VIA TRADESHOWS AND CONFERENCES

Call2Recycle took to the road numerous times during 2011, showcasing our battery recycling programs at key tradeshows, conferences and symposia.

In the U.S.

On April 5 and 6, Call2Recycle joined 80 other stakeholders in Dallas, TX as a participant in the U.S. Battery Recycling Summit. Sponsored by leading U.S. primary battery manufacturers, the Summit focused on developing a nationwide sustainable system to minimize the environmental impact of spent battery materials. Stakeholders included manufacturers, private branders and retailers, all sharing their battery recycling expertise and experience. The assembly recommended a turnkey approach and practical framework for a national voluntary battery recycling solution.

In August Call2Recycle presented battery collection awards to individual RadioShack stores during the company’s annual RadioShack Summit in Dallas. As noted earlier, the RadioShack family of retail stores has collected more than 5 million pounds of rechargeable batteries since 1996.

Call2Recycle participated in the U.S. Battery Recycling Summit that focused on developing a nationwide sustainable system for minimizing the environmental impact of spent battery materials.



Manitoba launched an all-household battery collection program in 2011.

BUILDING AWARENESS VIA TRADESHOWS AND CONFERENCES (CONT'D)

Call2Recycle was prominent at the Resource Recycling show in Indianapolis, IN held in August, followed in September by the North American Hazardous Materials Management Association (NAHMMA) conference in Portland, OR where CEO & President Carl Smith addressed the significance of battery recycling stewardship. In October Call2Recycle exhibited at the Retail Sustainability Conference (sponsored by the Retail Industry Leaders Association – RILA) in Orlando, FL. In November Call2Recycle participated in the National League of Cities Congress & Expo, which convened in Phoenix, AZ, and the Battery Safety & Lithium Battery Power Conference in Las Vegas, NV.

In Canada

The Recycling Council of British Columbia's Zero Waste Conference was a key venue for our Call2Recycle message. The June event took place in Whistler, BC. In August Call2Recycle exhibited at Sourcefest in Toronto, an annual show hosted by our retail partner, The Source. The year closed with four important recycling shows for Call2Recycle Canada: September's Conference on Canadian Stewardship in Halifax, NS, and at Greenbuild in Toronto, the Coast Waste Management Association's Annual Conference and Trade Fair in Victoria, BC during October and the Association of Manitoba Municipalities Annual Convention in Brandon, MB in November.

In Asia

Call2Recycle went global in 2011 with CEO & President Carl Smith addressing the 6th World Recycling Forum in Hong Kong during September. In his presentation, entitled “North America’s Capacity to Recycle Consumer Batteries,” Carl discussed processing trends: “Even the most optimistic in the battery industry expect that most of North America will fall under mandatory extended producer responsibility (EPR) for batteries within the next three to five years.”

Regional

Call2Recycle also participated in many regional tradeshows during 2011, all of them devoted to solid waste management, environmental stewardship and best recycling practices. Key regional shows included the California Resource Recovery Association Conference, Georgia Recycling Coalition Annual Conference, Association of Ohio Recyclers, Massachusetts Recycling Coalition, State of Texas Alliance for Recycling (STAR) and many others.

Recharging the planet. Recycling your batteries.™ **call2recycle**

什么是 Call2Recycle?
Call2Recycle® 是北美唯一由行业提供资金的蓄电池和干手机回收计划。自 1996 年以来, Call2Recycle 已通过 30000 个公共收集点从固体废物中转移出超过 6000 万磅的蓄电池。Call2Recycle 创立于 1994 年, 是一家由 NBRC 运作的非营利组织。

为什么要参加 Call2Recycle 计划?
监管方案: 满足生产在美国和加拿大的回收要求 (包括符合州、省和联邦法规)。参加 Call2Recycle 计划应遵守下列机构的规定:
• 美国运输部: 在 Call2Recycle 计划接受并通过严格的安全和合规性测试后, 美国运输部向该计划提供收集器站的特别许可。
• 美国环境保护署: Call2Recycle 已获得该机构认可, 符合联邦法律。
此外, 一些州和省对蓄电池和小型密封式铅酸电池也有具体要求:

禁止弃置小型铅酸电池 (Pb) 的州:
康涅狄格 缅因 新泽西
佛罗里达 马里兰 罗德岛
艾奥瓦 明尼苏达 佛蒙特

对所有蓄电池进行回收立法的州:
加利福尼亚 纽约

在加拿大, 有电池回收要求的省:
不列颠哥伦比亚 曼尼托巴 魁北克

对小型密封式铅酸电池生产而言, 参加 Call2Recycle 计划是符合美国和加拿大所有法律法规的最具成本效益的方法。

欲了解更多信息, 请访问 call2recycle.org

Call2Recycle made appearances from Hong Kong to British Columbia to Florida. Above is an example of marketing materials customized for a trip to China.

7.6
million lbs.
of rechargeable
batteries recycled

INMETCO EARNS PRESTIGIOUS QUALITY RECOGNITION

**ISO 14001
certification
underscores the
safe collection,
transport and
processing of
batteries in which
INMETCO plays
such a vital role
for Call2Recycle.**



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Battery sorting at
INMETCO—Since 1996,
INMETCO has served as
Call2Recycle's battery
sorter, smelter and processor.

In 1996 Call2Recycle contracted the International Metals Reclamation Company (INMETCO) in Ellwood City, PA to serve as our rechargeable battery sorter, smelter and processor.

A fully permitted Resource Conservation and Recovery Act (RCRA) recycling facility, INMETCO was the logical choice to handle the Nickel Cadmium tonnage that Call2Recycle anticipated it would need. Our 15-year partnership has been highly productive, as Call2Recycle has evolved to include many other rechargeable battery chemistries.

In 2011 INMETCO successfully completed the rigorous certification and audit process required to merit ISO 14001 distinction. Among other things, ISO 14001 certification underscores the safe collection, transport and processing of batteries in which INMETCO plays such a vital role for Call2Recycle. The certification provides assurance to management that it is in control of the organizational processes and activities having an impact on the environment. It also assures employees that they are working for an environmentally responsible organization.

To date, INMETCO has recycled the bulk of all rechargeable batteries that Call2Recycle has collected since our founding. We are encouraged that the sorting and processing of those batteries will be even safer in the future. Call2Recycle extends its congratulations to our long-standing partner.

MAKING A DIFFERENCE IN THE COMMUNITY

When your mission is to make environmental stewardship a reality throughout North America, it's easy to lose sight of community contributions that happen on the hometown level.

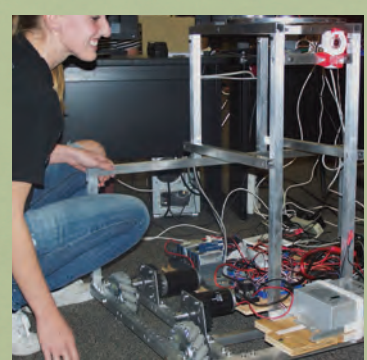
2011 marked the third year that Call2Recycle has supported the Families First Adopt-A-Family program. Adopt-A-Family effectively assists families in need, providing them the means to acquire the essentials and staples for everyday life. In 2011 Call2Recycle associates selected a seven-member family in Georgia and gifted clothing, household items, and children's toys. We are proud to participate in a program like this that measurably improves the quality of life for American families in need.



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The Call2Recycle team spreads some festive cheer to a local family in need during the holiday season through Adopt-A-Family.

Who will design the next generation of electronic systems, devices, and batteries? There's a good chance that some of them will be graduates of Poway High School's FIRST (For Inspiration and Recognition of Science and Technology) Robotics Team. Dubbed Team Spyder 1622, this group of young enterprising scientists and engineers raises funds each year to build a robot that can vie in national competitions, including FIRST Robotics, CyberPatriot, and VEX Robotics. These "varsity sports for the mind" inspire students to pursue science and engineering by creating robots that can perform a variety of difficult tasks. Students involved in FIRST are 50 percent more likely to attend college than are students with similar backgrounds in math and science. Continuing our tradition, Call2Recycle sponsored and co-funded Team Spyder during 2011 so that members could travel, compete, and advance electronics stewardship.



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Call2Recycle's traditional sponsorship of Team Spyder 1622 allows the team and its robots to compete in robotics competitions.

RECHARGEABLE BATTERY RECYCLING CORPORATION AND AFFILIATE

Condensed 2011 and 2010 Combined Financial Statements

Condensed Combined Statements of Financial Position

Reported in U.S. Dollars

| | 2011 | | | 2010 |
|--|------------------|---------------|------------------|------------------|
| | (\$'000) | | | (\$'000) |
| Years Ended December 31, | USA | Canada | Combined | Combined |
| ASSETS: | | | | |
| Cash and Cash Equivalents | \$ 360 | \$ 20 | \$ 380 | \$ 476 |
| Receivables, No Allowance Deemed Necessary | 2,564 | 326 | 2,890 | 3,710 |
| Due From (To) Affiliate | 49 | (49) | - | - |
| Prepaid expense and other assets | 410 | 79 | 489 | 293 |
| Long-term investments | 21,640 | - | 21,640 | 20,540 |
| Net property and equipment | 349 | 1 | 350 | 402 |
| Total Assets | 25,372 | 377 | 25,749 | 25,421 |
| LIABILITIES and NET ASSETS | | | | |
| Accounts Payable and Accrued Expenses | 785 | 278 | 1,063 | 1,404 |
| Unearned revenue | 7,085 | 0 | 7,085 | 7,258 |
| Total liabilities | 7,870 | 278 | 8,148 | 8,662 |
| Net assets | | | | |
| Unrestricted net assets | 17,502 | 165 | 17,667 | 16,777 |
| Cumulative Translation Adjustment | - | (66) | (66) | (18) |
| Total net assets | 17,502 | 99 | 17,601 | 16,759 |
| Total liabilities and net assets | \$ 25,372 | \$ 377 | \$ 25,749 | \$ 25,421 |

INDEPENDENT AUDITORS' REPORT

Board of Directors

Rechargeable Battery Recycling Corporation and Rechargeable Battery Recycling Corporation of Canada

We have audited, in accordance with auditing standards generally accepted in the United States of America, the combined statement of financial position of the Rechargeable Battery Recycling Corporation and Rechargeable Battery Recycling Corporation of Canada (non-profit organizations collectively referred to as "RBRC") as of December 31, 2011 and 2010, and the related statements of activities, changes in net assets, and cash flows for the years then ended (not presented herein); and in our report dated March 26, 2012, we expressed an unqualified opinion on those combined statements.

In our opinion, the information set forth in the accompanying condensed combined financial statements is fairly stated, in all material respects, in relation to the combined financial statements from which it has been derived.

March 26, 2012

Smith + Howard



RECHARGEABLE BATTERY RECYCLING CORPORATION AND AFFILIATE

Condensed 2011 and 2010 Combined Financial Statements

Condensed Combined Statements of Activities and Changes in Net Assets

Reported in U.S. Dollars

| | 2011 | | | 2010 |
|---|------------------|----------------|------------------|------------------|
| | (\$'000) | | | (\$'000) |
| Years Ended December 31, | USA | Canada | Combined | Combined |
| OPERATING ACTIVITIES: | | | | |
| Revenue | | | | |
| License fees | \$ 9,675 | \$ 11 | \$ 9,686 | \$ 10,033 |
| All Battery Collection Program Fees | - | 1,625 | 1,625 | 892 |
| Recovered Metals Proceeds, net | 3,070 | 343 | 3,413 | 2,835 |
| Other | 147 | - | 147 | 214 |
| Total Revenues | 12,892 | 1,979 | 14,871 | 13,974 |
| Expenses: | | | | |
| Program expenses | | | | |
| Collection and recycling | 6,307 | 2,273 | 8,580 | 7,363 |
| Public education | 1,934 | 602 | 2,536 | 2,561 |
| Seal administration | 282 | - | 282 | 306 |
| Total program expenses | 8,523 | 2,875 | 11,398 | 10,230 |
| Management and general expenses | 1,738 | 648 | 2,386 | 2,051 |
| Total Expenses | 10,261 | 3,523 | 13,784 | 12,281 |
| Increase (decrease) in unrestricted net assets before non-operating activities | 2,631 | (1,544) | 1,087 | 1,693 |
| NON-OPERATING ACTIVITIES: | | | | |
| Intercompany fees | (1,592) | 1,592 | - | - |
| Investment Income | (197) | - | (197) | 2,169 |
| Increase (decrease) in unrestricted net assets | 842 | 48 | 890 | 3,862 |
| Unrestricted net assets, beginning of year | 16,660 | 99 | 16,759 | 12,909 |
| Translation adjustment | 0 | (48) | (48) | (12) |
| Unrestricted net assets, end of year | \$ 17,502 | \$ 99 | \$ 17,601 | \$ 16,759 |



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