



Rayovac Enters Into Definitive Agreement for the Acquisition of ROV Limited's Business Operations

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MADISON, Wis., June 16 /PRNewswire/ -- Rayovac Corp. (NYSE: ROV) today announced it has entered into agreements to acquire the consumer battery business of ROV Limited for approximately \$155 million. Privately held, ROV Limited is a leading battery manufacturer and marketer in Latin America with 1998 sales of \$97 million. On closing of this acquisition Rayovac will control the Rayovac brand rights for battery products worldwide, with the exception of Brazil.

ROV Limited was created in 1982 when Rayovac's owner at the time, Inco Limited, divested itself of certain Rayovac international operations. ROV Limited has significant consumer battery market share in Mexico, Central America, the Dominican Republic, Venezuela and other markets in Latin America. It also serves markets outside Latin America including the Middle East and Africa. ROV Limited has manufacturing plants in Mexico, Guatemala, Honduras, the Dominican Republic and Venezuela. It currently controls the Rayovac brand rights for Latin America (other than Brazil), Africa, the Middle East and selected Asian countries.

"Bringing the worldwide brand rights to the Rayovac name back into the Rayovac family is a fundamental part of our long-term strategy," stated Dave Jones, Rayovac chairman and CEO. "Following the close, we will concentrate our efforts on capitalizing on opportunities in these new geographic areas."

Jones went on to add that the transaction should be accretive in the first year with growth potential in revenue and earnings over the next several years. "Our goal is to build upon the market shares held by ROV Limited in Latin America and increase our brand presence in the Middle East, Africa and Asian markets."

Rayovac intends to enter into amended senior secured credit facilities with a banking syndicate led by Bank of America to finance the entire \$155 million purchase and refinance debt outstanding under Rayovac's existing bank facilities. Rayovac will solicit the consent of holders of its senior subordinated notes to amend the indenture governing the notes to facilitate the purchase and its financing. Closing of this acquisition depends upon the satisfaction or waiver of certain conditions.

This is Rayovac's fourth acquisition since the Company went public in November 1997. This acquisition is intended to further Rayovac's strategy to grow its brand globally. Other recent developments to achieve this strategy include Rayovac's entry into the China market, launching of Rayovac alkaline rechargeable batteries in Europe and increasing Rayovac's brand visibility through the licensing of related products.

Rayovac is the third largest U.S. manufacturer of batteries. According to data provided by A.C. Nielsen, Rayovac is the fastest growing U.S. battery company. The company also markets the number one domestic selling rechargeable brand, and is the world leader in hearing aid batteries. Rayovac is traded on the New York Stock Exchange under the ROV symbol.

Certain statements contained in this release are forward-looking statements. These statements involve risks and uncertainties, and actual results could differ materially from the Company's present expectations. Certain of the factors that could cause such material differences are set forth in the Company's Form 10-K for the year ended September 30, 1998 filed under the Securities Exchange Act of 1934. The Company undertakes no obligation to update or publish in the future any forward-looking information.

Rayovac Acquisition of ROV Limited Fact sheet

Deal

- Rayovac Corp. will acquire ROV Limited's operational entities relating to the battery portion of its business. ROV Limited will continue to be a privately held company, but will no longer be in the battery business. Rayovac will acquire certain minority interests in the Central American subsidiaries in a related, but separate transaction.
- Transaction value approximately \$155 million.
- Financed entirely through amended senior secured credit facilities with a banking syndicate led by Bank of America. Closing of this purchase is subject to satisfaction or waiver of certain conditions.
- Rayovac will own the world-wide brand rights to Rayovac (with the exception of Brazil).
- This is Rayovac's 4th acquisition since the Company went public in November 1997.

ROV Limited

- Created in 1982 as a spin-off of Rayovac Corporation's international operations by Rayovac's then-owner, Inco Limited.
- Privately held.
- Sales of \$97mm for FY98.

- Operates five manufacturing plants in Dominican Republic, Guatemala, Honduras, Mexico, and Venezuela.
- Owns rights to Rayovac brand in Latin America (except Brazil), Africa, Middle East and selected Asian countries.
- Market leaders in Central America and Caribbean.

Rayovac Corporation

Financials

- Sales for the fiscal year ended September 30,1998 were \$495.7 million, up 15% from the same period in 1997.
- Pro forma diluted earnings per share for FY1998 were \$0.74 compared to \$0.45 in FY1997.
- Completed successful IPO in November 1997.
- Company has met or exceeded analyst expectations in each of six quarters since becoming a public company.

General

- Third largest U.S. manufacturer of batteries and battery-operated lighting products.
- World leader in hearing aid and computer clock batteries.
- World headquarters in Madison, WI.

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