



\$155 Million Acquisition of ROV Ltd. Completed; Rayovac Launches Global Marketing Initiative

August 9, 1999

MADISON, Wis., Aug. 9 /PRNewswire/ -- Rayovac Corp. (NYSE: ROV) today announced it has completed the acquisition of the consumer battery operations of ROV Limited for \$155 million. With this acquisition, Rayovac has consolidated control of "Rayovac" brand rights for battery products worldwide, with the exception of Brazil, and setting the stage for a major global marketing launch. The acquisition rejoins the Latin American battery manufacturing and marketing operations with Rayovac Corp., which had been its parent company prior to a 1982 spin-off. It also significantly adds to the company's marketing opportunities in Latin America, the Middle East, Africa and select Asian countries.

"This acquisition represents a significant milestone in our strategy to become a world-class global battery company," said Dave Jones, Rayovac Chairman and CEO. "With the addition of Mexico, Central America, the Dominican Republic and much of South America, we have added a large established consumer base. In addition, the acquisition of Rayovac brand rights in other areas provides us with major global penetration potential. I am very excited about introducing our unique blend of high quality and value priced products to consumers worldwide. I expect that the acquisition should be accretive in the first year."

To facilitate a smooth transition and help grow the Latin American business, Rayovac has announced the formation of a Latin American management team. Heading the operations will be Luis Cancio, Senior Vice President-General Manager. Prior to joining Rayovac, Cancio was a top executive with XCELL Group LLC, a Connecticut based private investment firm where he was a founding principal. Prior to that he held several senior level positions at Duracell, including overall responsibility for operations throughout Latin America.

"Over the next several months, we will be evaluating all our domestic and international operations and focusing our efforts on implementing cost efficiencies on a global scale," said Jones. "It is anticipated that we will take a one time charge later this quarter to allow these restructuring initiatives to take place. The result should allow Rayovac to improve its overall efficiencies, cost structure, and competitiveness over the next several years. We continue to be deeply committed to the value brand strategy that has led to the significant market share and revenue gains recognized since Rayovac's transformation in 1996."

Rayovac entered into new senior credit facilities with a banking syndicate led by Bank of America to finance the entire acquisition and to refinance debt outstanding under Rayovac's existing bank facilities. Rayovac has obtained amendments to the indenture governing its 10 1/4 percent Series B Senior Subordinated Notes to facilitate its growth.

Rayovac's transformation began with a successful IPO in November 1997. Since then, the company has been involved with four acquisitions, launched an intensive marketing campaign featuring Michael Jordan and achieved ambitious financial goals. Most recently, the company announced its seventh consecutive quarter of record sales and earnings.

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 and also markets the number one selling domestic rechargeable brand. The company also is the world leader in hearing aid batteries.

ROV Limited was created in 1982 when Rayovac's then owner, Inco Limited, divested itself of certain international operations. Prior to the acquisition by Rayovac, ROV Limited was a privately held firm with significant market shares in a number of markets in Latin America. The company recorded 1998 sales of \$97 million worldwide.

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.

SOURCE Rayovac Corporation

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