



Rayovac Announces Restructuring Initiatives

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MADISON, Wis., Sept. 15 /PRNewswire/ -- Consistent with its previously disclosed plans to restructure for global growth, Rayovac Corp. (NYSE: ROV) announces a series of operational initiatives to take advantage of the global marketing opportunities afforded through its recent acquisition of the ROV Ltd. consumer battery operations.

The initiatives will affect three main areas: manufacturing/distribution; marketing; and support functions. The initiatives reflect the restructuring of the organization to streamline and better serve global markets and improve the company's overall operating efficiencies, the restructuring of manufacturing operations to position the company for future growth, and the termination of non-performing foreign distributors.

"These changes will position Rayovac to compete more aggressively in its primary markets," said Dave Jones, Rayovac Chairman and CEO. "The manufacturing facilities in Latin America will be restructured to eliminate inefficient manufacturing activities, and position these facilities for future growth. Rayovac is today the leading supplier of Heavy Duty batteries to the U.S. market and purchases 100% of these batteries from third parties. Our plan is to return manufacturing of these products to Rayovac facilities in Latin America."

As previously announced, the company is taking a one-time restructuring charge of \$6.3 million pre-tax to be recorded in the fourth quarter of Fiscal 1999. Cash cost of the restructuring program will total \$2.5 million. Cost savings related to these initiatives are projected at \$3.4 million pre-tax annually with full realization expected in Fiscal 2001.

Worldwide over-capacity for silver-oxide watch cells has rendered low volume manufacturing non-economic. Therefore, as part of this restructuring, Rayovac will cease the manufacture of watch batteries at its Portage plant and will source these products from one of the world's largest manufacturers of watch batteries. This will allow the Portage plant to focus on hearing aid manufacturing as well as expanding capacity to meet surging demand for lithium coin cells sold to the computer, telecommunications and auto industries.

Rayovac also announces an extraordinary charge net of taxes of \$2.4 million to reflect full write-off of prior capitalized financing costs. Rayovac entered into a new \$325 million credit facility in conjunction with its acquisition of the battery business of ROV Limited.

"Rayovac continues to make aggressive inroads in the battery marketplace," said Jones. "Our general battery business growth is more than three times the overall industry growth rate. Our U.S. market share is at an all-time high and we gain new retail distribution each day."

Rayovac is the third largest U.S. battery manufacturer. 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 is also the world leader in hearing aid batteries. Rayovac recently announced its seventh straight quarter of record sales and earnings.

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 recent expectations. Certain of the factors 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 and Exchange Act of 1934. The company undertakes no obligation to update or publish in the future any forward-looking statements.

SOURCE Rayovac Corporation

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