



Rayovac to Acquire 85% of Ningbo Baowang China Battery Company

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MADISON, Wis., Jan. 19 /PRNewswire-FirstCall/ -- Rayovac (NYSE: ROV) of Madison, Wisconsin, today announced that it has signed an agreement to acquire 85 percent of the equity interest in Ningbo Baowang Battery Company of Ninghai, China. The remaining 15 percent equity interest in the operation will continue to be held by Ningbo Baowang Investment Company and founder/general manager of Ningbo Baowang, Mr. Dunyong Qian.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20020716/ROVLOGO>)

The transaction, subject to customary closing conditions including approval by the Rayovac board of directors and the Chinese government, is expected to close within 60-90 days. Rayovac's investment will be \$24 million and is expected to be accretive in the first year.

Ningbo Baowang, founded in 1995, produces alkaline and heavy duty batteries for retail, OEM and private label customers. The company exports its batteries to customers throughout North and South America, Europe and Asia. In addition to export sales, Ningbo Baowang has been building its distribution and market share in China and now has 26 branches and regional sales offices and distribution throughout China. The Baowang brand has also been recognized as a "Famous Brand" in China.

In addition to Ningbo Baowang Investment Co., Ltd., other principal selling shareholders include: Ningbo Veken Group Co., Ltd.; Polar Win Limited; and Heirigs & Associates, LLC. Heirigs & Associates will continue to serve as consultants following the close of the transaction.

"With the alkaline battery market in China experiencing rapid growth and our global customers expanding throughout Asia, it is imperative that we increase our manufacturing capacity in that part of the world," said Dave Jones, Rayovac chairman and CEO. "The acquisition of Ningbo Baowang will enable us to accomplish this objective."

"As one of the leading manufacturers of high-performance batteries in China, Ningbo Baowang is pleased to join Rayovac's worldwide group," said Mr. Dunyong Qian of Ningbo Baowang Investment Company and founder/general manager of Ningbo Baowang. "Rayovac's strengths in technology leadership and worldwide distribution will help drive Baowang's future growth."

"Ningbo Baowang is a high performing company with a very successful operating team led by Mr. Qian and a strong market network," said Mr. Guangyao Zhu, the current board chairman of Ningbo Baowang and representative of the controlling shareholder, Ningbo Veken Group Co., Ltd. "The board of directors and I would like to thank all the employees and managers for their hard work and their great achievement. We also sincerely hope that the cooperation between Ningbo Baowang and Rayovac will be an exciting new chapter in both of their histories."

Facts About Rayovac

Rayovac Corporation is a global consumer products company with a diverse portfolio of world-class brands, including Rayovac, VARTA and Remington. The Company holds many leading market positions including: the world's leader in hearing aid batteries; the top selling rechargeable battery brand in North America and Europe; and the number one selling brand of men's and women's foil electric razors in North America. Rayovac markets its products in more than 100 countries and trades on the New York Stock Exchange under the ROV symbol.

Facts About Ningbo Baowang

Ningbo Baowang is a rapidly growing China manufacturer and marketer of a complete portfolio of high-performance alkaline and heavy duty batteries and other products. Sales are projected to grow to \$35 million in 2004. Ningbo Baowang's manufacturing capacity will be increased to approximately one billion batteries by the end of 2004. Baowang has received a number of awards recognizing their achievements, including the highest national honor of the "China Leading Brand."

Facts About Ningbo Veken Group Co., Ltd.

Ningbo Veken Group Co., Ltd. is a global company listed on the Shanghai Stock Exchange. Its holdings include a united import and export subsidiary, an investment subsidiary, a real estate company and an energy and technology investment company. It is one of China's 500 most competitive enterprises and one of China's 100 largest export companies. It also owns the "China Famous Brand" Veken Home Textiles and controls Ningbo Baowang, which owns the "China Famous Brand" Baowang.

Certain matters discussed in this news release, with the exception of historical matters, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to a number of risks, uncertainties and other factors that could cause results to differ materially from those anticipated as of the date of this release. Actual results may differ materially from these statements as a result of (1) changes in external competitive market factors, such as introduction of new product features or technological developments, development of new competitors or competitive brands or competitive promotional activity or spending, (2) changes in consumer demand for the various types of products offered by Rayovac or Remington, (3) changes in the general economic conditions where we do business, such as stock market prices, interest rates, currency exchange rates, inflation and raw material costs, (4) our ability to successfully implement manufacturing, distribution and other cost efficiencies and (5) various other factors, including those discussed herein and those set forth in Rayovac's and Remington's most recent Form 10-Q, Annual Report on Form 10-K and the Registration Statement on Form S-4/A for Rayovac's most recent offering of its senior subordinated notes.

SOURCE Rayovac Corporation