



Rayovac to Acquire Microlite S.A.

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MADISON, Wis., Feb. 25 /PRNewswire-FirstCall/ -- Rayovac Corporation (NYSE: ROV) announced today that it has entered into an agreement to purchase Microlite S.A., a Brazilian battery company, for approximately \$28 million in cash plus future payments based on Microlite's performance through June 30, 2005. Microlite, headquartered in Sao Paulo, Brazil, is currently owned by VARTA AG of Germany and Tabrizta Brasil Empreendimentos Ltda. of Brazil.

Under the agreement, Rayovac will purchase all the outstanding stock of Microlite, which owns the Rayovac brand name in Brazil. Rayovac is the market-leading brand in Brazil, with a 49 percent value share of the alkaline and zinc carbon market as measured by AC Nielsen Brazil. Brazil is the largest market in Latin America, representing approximately 30 percent of the region's volume.

Microlite manufactures and sells both alkaline and zinc carbon batteries as well as battery-operated lighting products, and it reported sales of approximately \$53 million in 2003. Microlite operates two battery manufacturing facilities in Recife, Brazil and has several strategically located sales and distribution centers throughout Brazil. The all-cash transaction, subject to various closing conditions, is expected to close within the next 60-90 days. Rayovac intends to use its cash flow from operations and its existing senior credit facility to fund the transaction.

"The acquisition of Microlite achieves several key strategic objectives for our company and is the final step in reacquiring the worldwide rights to the Rayovac brand name," said David Jones, Rayovac chairman and CEO. "This acquisition will give us a significant presence in Brazil, the largest battery market in Latin America, and will further strengthen our position as the number one selling battery brand throughout the region."

Rayovac estimates the acquisition will have minimal impact on earnings in fiscal year 2004 and be accretive thereafter.

Microlite has operated as an independent company since 1982 when then owner Inco Limited divided up the worldwide operations of Rayovac and sold them to three separate purchasers: Rayovac Corp., ROV Ltd. and Microlite. In 1999, Rayovac acquired ROV Ltd., a Latin American battery company that held the rights to the Rayovac name in Latin America (except Brazil) and certain countries in the Middle East and Africa. The acquisition of Microlite will consolidate Rayovac's rights to the Rayovac brand around the world, giving Rayovac an even stronger market presence in Latin America.

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.

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, (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 most recently filed Form 10-Q and Annual Report on Form 10-K.

SOURCE Rayovac Corporation