



Rayovac Provides Additional Information on Microlite Acquisition

August 12, 2004

ATLANTA, Aug. 12 /PRNewswire-FirstCall/ -- Rayovac (NYSE: ROV)'s Form 10-Q for the quarter ended June 27, 2004 included information reflecting pro forma results of operations assuming that the Microlite business had been included in Rayovac's consolidated results beginning after September 30, 2002. Management believes that the following additional information about these pro forma results is helpful to an overall understanding of the ongoing impact of Microlite on Rayovac's financial results.

Microlite's pro forma results reflect the historical results of the Microlite business prior to the acquisition and do not take into consideration the capital structure changes and other business changes that have occurred since the acquisition. Also, Microlite's pro forma results as reported in the Form 10-Q include a number of charges which are not reflective of the ongoing business. These charges include interest expense which will be significantly reduced as a result of Rayovac's recapitalization of assumed debt and lowered interest rates and hedging costs which will be significantly lower due to the recapitalized debt and access to more efficient capital markets. In addition, the pro forma results include the charges related to the establishment of valuation allowances for certain deferred tax assets prior to the acquisition.

In addition to these one-time cost savings, Rayovac has taken significant actions to improve the operating results of the Microlite business, including;

- Installed a new general manager effective the first day of ownership,
- Rationalized Microlite's product line, discontinuing certain low margin products,
- Announced price increases across all battery product lines,
- Implemented operational improvements through which the company expects to generate significant manufacturing efficiencies and savings that will benefit fiscal year 2005.

In addition, Microlite's manufacturing facilities will support Rayovac's current business throughout the South American region, resulting in more efficient product sourcing with lower unit costs.

In conjunction with the information provided above, Rayovac reiterates its previous earnings guidance for fiscal years 2004 and 2005. Rayovac's net sales for the fiscal year ending September 30, 2004, are expected to be within a range of \$1.35 to \$1.4 billion, with pro forma diluted earnings per share of \$1.78 to \$1.81. In fiscal 2005, Rayovac expects diluted earnings per share of \$2.05 to \$2.10. A reconciliation of expected pro forma basic and diluted earnings per share to GAAP basic and diluted earnings per share is attached.

This earnings guidance, which was originally provided by management in its July 22, 2004 quarterly earnings release, incorporates the projected financial impact of the Microlite acquisition. In fiscal 2005, Microlite is projected to generate net sales of \$55 to \$60 million and is expected to have an insignificant impact on earnings. The company expects Microlite to generate losses through the first half of fiscal 2005 and to return to profitability in the second half of the year.

About Microlite S.A.

Microlite, headquartered in Sao Paulo, Brazil, owns the rights to the Rayovac brand 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. Rayovac's acquisition of Microlite consolidates the company's rights to the Rayovac brand around the world. Consideration paid for the acquisition was approximately \$29 million in cash and assumed debt, plus an additional prepaid consideration of \$7 million to be earned based on Microlite's performance through June 30, 2005.

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 shavers 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.

RAYOVAC CORPORATION
Reconciliation of GAAP EPS Guidance to Pro Forma EPS Guidance
For Fiscal Year Ended September 30, 2004

	EPS Range	
	F04	F05
Diluted Earnings Per Share	\$1.58 - \$1.60	\$2.05 - \$2.10
Pro Forma Adjustments		
Restructuring Charges, Net of Tax	\$0.19 - \$0.20	--
Discontinued Operations, Net of Tax	\$0.01 - \$0.01	--
Pro Forma Diluted Earnings Per Share	\$1.78 - \$1.81	\$2.05 - \$2.10

SOURCE Rayovac Corporation