

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10Q/A

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 28, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 333-17895

Rayovac Corporation

(Exact name of registrant as specified in its charter)

Wisconsin

(State or other jurisdiction of
incorporation or organization)

22-2423556

(I.R.S. Employer
Identification Number)

601 Rayovac Drive, Madison, Wisconsin 53711

(Address of principal executive offices) (Zip Code)

(608) 275-3340

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year,
if changed since last report.)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes () No (X)

The number of shares outstanding of the Registrant's common stock, \$.01 par value, as of June 3, 1997, the most recent practicable date, was 20,581,431.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

RAYOVAC CORPORATION

Condensed Consolidated Balance Sheets
As of December 28, 1996 and September 30, 1996
(In thousands, except per share amounts)

-ASSETS-

	December 28, 1996 (Unaudited)	September 30, 1996 (Audited)
Current assets:		
Cash and cash equivalents	\$4,875	\$4,255
Receivables	80,050	66,476
Inventories	50,488	70,121
Prepaid expenses and other	12,166	14,822
	-----	-----
Total current assets	147,579	155,674
Property, plant and equipment, net	68,039	69,397
Deferred charges and other	18,952	20,177
	-----	-----
Total assets	\$234,570	\$245,248
	=====	=====

-LIABILITIES AND SHAREHOLDERS' DEFICIT-

Current liabilities:		
Current maturities of long-term debt	\$11,019	\$8,818
Accounts payable	41,117	46,921
Accrued liabilities:		
Wages and benefits and other	34,593	21,798
Recapitalization and other special charges	11,895	14,942
	-----	-----
Total current liabilities	98,624	92,479
Long-term debt, net of current maturities	203,881	224,845
Employee benefit obligations, net of current portion	12,875	12,138
Other	1,474	1,506
Shareholders' deficit:		
Common stock, \$.01 par value, authorized 90,000 shares; issued 50,000 shares; outstanding 20,470 shares	500	500
Additional paid-in capital	15,970	15,970
Foreign currency translation adjustment	2,745	1,689
Note receivable officer/shareholder	(500)	(500)
Retained earnings	27,523	25,143
	-----	-----
	46,238	42,802
Less treasury stock, at cost, 29,530 shares	(128,522)	(128,522)
	-----	-----
Total shareholders' deficit	(82,284)	(85,720)
	-----	-----
Total liabilities and shareholders' deficit	\$234,570	\$245,248
	=====	=====

See accompanying notes which are an integral part of these statements.

RAYOVAC CORPORATION
Condensed Consolidated Statements of Operations
For the three-month periods ended December 28, 1996 and December 30, 1995
(Unaudited)
(In thousands, except per share amounts)

	1996	1995
Net sales	\$130,004	\$129,952
Cost of goods sold	79,019	77,488
	-----	-----
Gross profit	50,985	52,464
Selling	26,762	30,804
General and administrative	7,604	8,680
Research and development	1,910	1,329
Other special charges	2,963	--
	-----	-----
Total operating expenses	39,239	40,813
Income from operations	11,746	11,651
Other expense:		
Interest expense	7,974	2,166
Other expense	14	228
	-----	-----
	7,988	2,394
Income before income taxes	3,758	9,257
Income taxes	1,378	3,198
	-----	-----
Net income	\$2,380	\$6,059
	=====	=====
Net income per share	\$0.12	\$0.12
	=====	=====
Average shares outstanding	20,470	49,571
	=====	=====

See accompanying notes which are an integral part of these statements.

RAYOVAC CORPORATION
Condensed Consolidated Statements of Cash Flows
For the three-month periods ended December 28, 1996 and December 30, 1995
(Unaudited)
(In thousands)

	1996	1995
	----	----
Cash flows from operating activities:		
Net income	\$2,380	\$6,059
Non-cash adjustments to net income:		
Amortization	2,373	17
Depreciation	3,060	3,225
Net changes in other assets and liabilities	12,717	4,899
	-----	-----
Net cash provided by operating activities	20,530	14,200
Cash flows from investing activities:		
Purchases of property, plant and equipment	(1,142)	(1,730)
	-----	-----
Net cash used in investing activities	(1,142)	(1,730)
Cash flows from financing activities:		
Reduction of debt	(129,412)	(38,177)
Proceeds from debt financing	110,768	30,081
Distribution from Rayovac International Corporation, a domestic international sales company	--	(3,587)
Other	(119)	(533)
	-----	-----
Net cash used in financing activities	(18,763)	(12,216)
Effect of exchange rate changes on cash and cash equivalents	(5)	(10)
	-----	-----
Net increase in cash and cash equivalents	620	244
Cash and cash equivalents, beginning of period	4,255	2,431
	-----	-----
Cash and cash equivalents, end of period	\$4,875	\$2,675
	=====	=====

See accompanying notes which are an integral part of these statements.

1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: These financial statements have been prepared by Rayovac Corporation (the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") and, in the opinion of the Company, include all adjustments (all of which are normal and recurring in nature) necessary to present fairly the financial position of the Company at December 28, 1996, results of operations and cash flows for the three month periods ended December 28, 1996 and December 30, 1995. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such SEC rules and regulations.

The condensed consolidated balance sheet at September 30, 1996, has been derived from the annual audited financial statements. It is suggested that these condensed consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto as of September 30, 1996.

2 INVENTORIES

Inventories consist of the following (in thousands):

	Dec. 28, 1996 -----	Sept. 30, 1996 -----
Raw material	\$16,055	\$21,325
Work-in-process	14,668	19,622
Finished goods	19,765	29,174
	-----	-----
	\$50,488	\$70,121
	=====	=====

3 COMMITMENTS AND CONTINGENCIES

The Company has entered into agreements to purchase certain equipment and to pay annual royalties. In a December 1991 agreement, the Company committed to pay annual royalties of \$1,500,000 for the first five years, beginning in 1993, plus \$500,000 for each year thereafter, as long as the related equipment patents are enforceable (2012). In a March 1994 agreement, the Company committed to pay annual royalties of \$500,000 for five years beginning in 1995. Additionally, the Company has committed to purchase tooling of \$2,345,000 related to this equipment at an unspecified date in the future and \$420,000 of manganese ore by March 1998.

The Company has provided for the estimated costs associated with environmental remediation activities at some of its current and former manufacturing sites. In addition, the Company, together with other parties, has been designated a potentially responsible party of various third-party sites on the United States EPA National Priorities List (Superfund). The Company provides for the estimated costs of investigation and remediation of these sites when the amounts can be reasonably estimated. The actual cost incurred may vary from these estimates due to the inherent uncertainties involved. The Company believes that any additional liability in excess of the amounts provided of \$1.8 million, which may result from resolution of these matters, will not have a material adverse effect on the financial condition, liquidity, or cash flows of the Company.

The following condensed consolidating financial data illustrates the composition of the consolidated financial statements. Investments in subsidiaries are accounted for by the Company on an unconsolidated basis and the Guarantor Subsidiary using the equity method for purposes of the consolidating presentation. Earnings of subsidiaries are therefore reflected in the Company's and Guarantor Subsidiary's investment accounts and earnings. The principal elimination entries eliminate investments in subsidiaries and intercompany balances and transactions. Separate financial statements of the Guarantor Subsidiary are not presented because management has determined that such financial statements would not be material to investors.

RAYOVAC CORPORATION AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
As of December 28, 1996
(Unaudited)
(In thousands)

-ASSETS-	Parent	Guarantor Subsidiary	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
	-----	-----	-----	-----	-----
Current assets:					
Cash and cash equivalents	\$2,940	\$57	\$1,878	--	\$4,875
Receivables	69,246	88	20,696	(9,980)	80,050
Inventories	36,766	--	14,423	(701)	50,488
Prepaid expenses and other	10,515	180	1,471	--	12,166
	-----	-----	-----	-----	-----
Total current assets	119,467	325	38,468	(10,681)	147,579
Property, plant and equipment, net	60,604	--	7,435	--	68,039
Deferred charges and other	16,925	--	2,027	--	18,952
Investment in subsidiaries	13,262	13,169	--	(26,431)	--
	-----	-----	-----	-----	-----
Total assets	\$210,258	\$13,494	\$47,930	(\$37,112)	\$234,570
	=====	=====	=====	=====	=====
-LIABILITIES AND SHAREHOLDERS' DEFICIT-					
Current liabilities:					
Current maturities of long-term debt	\$4,500	--	\$6,519	--	\$11,019
Accounts payable	34,751	--	16,034	(9,668)	41,117
Accrued liabilities:					
Wages and benefits and other	27,434	26	7,133	--	34,593
Recapitalization and other special charges	7,601	--	4,294	--	11,895
	-----	-----	-----	-----	-----
Total current liabilities	74,286	26	33,980	(9,668)	98,624
Long-term debt, net of current maturities	203,100	--	781	--	203,881
Employee benefit obligations, net of current portion	12,875	--	--	--	12,875
Other	1,268	206	--	--	1,474
Shareholders' deficit:					
Common stock	500	--	12,072	(12,072)	500
Additional paid-in capital	15,970	3,525	750	(4,275)	15,970
Foreign currency translation adjustment	2,745	2,745	2,745	(5,490)	2,745
Note receivable officer/shareholder	(500)	--	--	--	(500)
Retained earnings	28,536	6,992	(2,398)	(5,607)	27,523
	-----	-----	-----	-----	-----
Less treasury stock	(128,522)	--	--	--	(128,522)
	-----	-----	-----	-----	-----
Total shareholders' deficit	(81,271)	13,262	13,169	(27,444)	(82,284)
	-----	-----	-----	-----	-----
Total liabilities and shareholders' deficit	\$210,258	\$13,494	\$47,930	(\$37,112)	\$234,570
	=====	=====	=====	=====	=====

RAYOVAC CORPORATION
Condensed Consolidating Statements of Operations
For the three-month period ended December 28, 1996
(Unaudited)
(In thousands)

	Parent	Guarantor Subsidiary	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
	-----	-----	-----	-----	-----
Net sales	\$114,104	\$--	\$23,677	(\$7,777)	\$130,004
Cost of goods sold	70,435	--	16,366	(7,782)	79,019
	-----	-----	-----	-----	-----
Gross profit	43,669	--	7,311	5	50,985
Selling	23,124	--	3,638	--	26,762
General and administrative	6,003	(190)	1,786	5	7,604
Research and development	1,910	--	--	--	1,910
Other special charges	1,500	--	1,463	--	2,963
	-----	-----	-----	-----	-----
Total operating expenses	32,537	(190)	6,887	5	39,239
Income from operations	11,132	190	424	--	11,746
Other expense:					
Interest expense	7,805	--	169	--	7,974
Equity in profit of subsidiary	(150)	(15)	--	165	--
Other expense	(340)	(17)	371	--	14
	-----	-----	-----	-----	-----
Income before income taxes	3,817	222	(116)	(165)	3,758
Income taxes	1,437	72	(131)	--	1,378
	-----	-----	-----	-----	-----
Net income	\$2,380	\$150	\$15	(\$165)	\$2,380
	=====	=====	=====	=====	=====

RAYOVAC CORPORATION AND SUBSIDIARIES
Condensed Consolidating Statements of Cash Flows
For the three-month period ended December 28, 1996
(Unaudited)
(In thousands)

	Parent	Guarantor Subsidiary	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
	-----	-----	-----	-----	-----
Net cash provided by operating activities	\$21,234	\$--	(\$704)	\$--	\$20,530
Cash flows from investing activities:					
Purchases of property, plant and equipment	(929)	--	(213)	--	(1,142)
Net cash used in investing activities	(929)	--	(213)	--	(1,142)
Cash flows from financing activities:					
Reduction of debt	(128,189)	--	(1,223)	--	(129,412)
Proceeds from debt financing	107,841	--	2,927	--	110,768
Other	--	--	(119)	--	(119)
Net cash used in financing activities	(20,348)	--	1,585	--	(18,763)
Effect of exchange rate changes on cash and cash equivalents	--	--	(5)	--	(5)
Net increase in cash and cash equivalents	(43)	--	663	--	620
Cash and cash equivalents, beginning of period	2,983	57	1,215		4,255
Cash and cash equivalents, end of period	\$2,940	\$57	\$1,878	\$--	\$4,875
	=====	=====	=====	=====	=====

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DATE: June 3, 1997

RAYOVAC CORPORATION

By /s/ Kent J. Hussey

Kent J. Hussey
Chief Financial Officer

By /s/ James A. Broderick

James A. Broderick
Vice President