SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A
CURRENT REPORT

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

October 1, 2002
(Date of earliest event reported)

Rayovac Corporation

(Exact name of registrant as specified in its charter)

Wisconsin	001-13615	22-2423556
(State or other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

601 Rayovac Drive Madison, WI 53711

(Address of principal executive offices) (Zip Code)

(608) 275-3340

Registrant's telephone number
including area code

Not Applicable

Former Name or Former Address, if Changed Since Last Report

This Amendment to the Current Report on Form 8-K amends the Current Report on Form 8-K filed by Rayovac Corporation (the "Company") on October 16, 2002.

Item 2. ACQUISITION OR DISPOSITION OF ASSETS

On October 16, 2002, the Company filed with the Securities and Exchange Commission a Current Report on Form 8-K with respect to the Company's acquisition, on October 1, 2002, of the consumer battery business of VARTA AG ("VARTA"), other than VARTA's Brazilian joint venture.

This Amendment to the Current Report on Form 8-K is filed solely to include the financial statements and pro forma financial information described in Item 7 below.

Item 7. FINANCIAL STATEMENTS, PRO FORMA INFORMATION AND EXHIBITS

(a) FINANCIAL STATEMENTS OF BUSINESS ACQUIRED. The following financial statements are included as Exhibit 99.1 to this report:

(i) Audited Combined Financial Statements of the Consumer Battery Group of VARTA AG:

Independent Auditors' Report.

Combined Balance Sheets-German GAAP as of September 30, 2002 and December 31, 2001 and 2000.

Combined Statements of Operations-German GAAP for the nine months ended September 30, 2002 and for the years ended December 31, 2001 and 2000.

Combined Statements of Changes in Equity-German GAAP for the nine months ended September 30, 2002 and for the years ended December 31, 2001 and 2000.

Combined Statements of Cash Flows-German GAAP for the nine months ended September 30, 2002 and for the years ended December 31, 2001 and 2000.

Notes to Combined Financial Statements-German GAAP.

(b) PRO FORMA FINANCIAL INFORMATION. The following unaudited pro forma financial information with respect to the Registrant is included as Exhibit 99.2 to this report:

Unaudited Pro Forma Condensed Combined Balance Sheet as of September 30, 2002.

Unaudited Pro Forma Condensed Combined Statement of Operations for the year ended September 30, 2002.

Notes to Unaudited Pro Forma Condensed Combined Financial Statements

(c) EXHIBITS

2.1* Joint Venture Agreement dated July 28, 2002, by and among the Company, VARTA and ROV German Limited GmbH, as amended.

2.2* Third Amended and Restated Credit Agreement, dated October 1, 2002, by and among the Company, VARTA Geratebatterie GmbH, the lenders party thereto, LaSalle Bank National Association, as documentation agent, Citicorp North America, Inc., as syndication agent, and Bank of America, N.A., as administrative agent.

23.1 Consent of Independent Auditors

99.1 Combined Financial Statements of the Consumer Battery Group of VARTA AG (with independent auditors' report).

99.2 Unaudited Pro Forma Condensed Combined Financial Statements.

* Previously filed with the Registrant's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on October 16, 2002, and hereby incorporated by reference herein.

SIGNATURE

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 hereunto duly authorized.

Date: December 16, 2002

RAYOVAC CORPORATION

By: /s/ Randall J. Steward

Randall J. Steward
Executive Vice President and Chief Financial Officer

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
2.1*	Joint Venture Agreement dated July 28, 2002, by and among the Company, VARTA and ROV German Limited GmbH, as amended.
2.2*	Third Amended and Restated Credit Agreement, dated October 1, 2002, by and among the Company, VARTA Geratebatterie GmbH, the lenders party thereto, LaSalle Bank National Association, as documentation agent, Citicorp North America, Inc., as syndication agent, and Bank of America, N.A., as administrative agent.
23.1	Consent of Independent Auditors
99.1	Combined Financial Statements of the Consumer Battery Group of VARTA AG (with independent auditors' report).
99.2	Unaudited Pro Forma Condensed Combined Financial Statements.

* Previously filed with the Registrant's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on October 16, 2002, and hereby incorporated by reference herein.

EXHIBIT 23.1

CONSENT OF INDEPENDENT AUDITORS

To the Executive Board of
VARTA Geratebatterie GmbH:

We consent to incorporation by reference in the registration statements on Form S-3 (No. 333-69711) and Form S-8 (Nos. 333-39239, 333-41815, 333-42443 and 333-68250) of Rayovac Corporation of our report dated December 10, 2002 with respect to the combined balance sheets of Consumer Battery Group of VARTA AG as of September 30, 2002, and December 31, 2001 and 2000, and the related combined statements of operations, changes in equity, and cash flows for the nine months ended September 30, 2002 and the years ended December 31, 2001 and 2000 which report appears in the Form 8-K/A of Rayovac Corporation dated December 16, 2002.

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftprufungsgesellschaft

Bielefeld, Germany
December 12, 2002

Exhibit 99.1

CONSUMER BATTERY GROUP

OF VARTA AG

COMBINED FINANCIAL STATEMENTS AS OF AND

FOR THE PERIODS ENDED SEPTEMBER 30, 2002 AND DECEMBER 31, 2001 AND 2000.

INDEX TO FINANCIAL STATEMENTS

	Pages

INDEPENDENT AUDITORS' REPORT

To the Executive Board of VARTA Geratebatterie GmbH:

We have audited the accompanying combined balance sheets of Consumer Battery Group of VARTA AG ("VARTA Consumer Battery Group") as of September 30, 2002, and December 31, 2001 and 2000, and the related combined statements of operations, changes in equity and cash flows for the nine months ended September 30, 2002 and the years ended December 31, 2001 and 2000. These combined financial statements are the responsibility of VARTA Geratebatterie GmbH's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of VARTA Consumer Battery Group as of September 30, 2002, and December 31, 2001 and 2000, and the results of its operations and its cash flows for the nine months ended September 30, 2002 and the years ended December 31, 2001 and 2000, in conformity with accounting principles generally accepted in Germany.

Accounting principles generally accepted in Germany vary in certain respects from accounting principles generally accepted in the United States of America. Application of accounting principles generally accepted in the United States of America would have affected equity as of September 30, 2002 and December 31, 2001 and results of operations for the nine months ended September 30, 2002 and the year ended December 31, 2001 to the extent summarized in Note 22 to the combined financial statements.

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftspruefungsgesellschaft

Bielefeld, Germany
December 10, 2002

VARTA CONSUMER BATTERY GROUP

COMBINED BALANCE SHEETS--GERMAN GAAP

	Notes	September 30, 2002 Euro 000's	December 31, 2001 Euro 000's	December 31, 2000 Euro 000's
ASSETS				
Intangible assets		773	1,018	1,274
Tangible assets		35,289	40,079	41,926
Financial assets		140	98	88
FIXED ASSETS	(2)	36,202	41,195	43,288
Inventories	(3)	64,442	53,209	56,444
Accounts receivable and other current assets	(4)	91,721	83,934	86,668
Short-term investments	(5)	2,977	7,881	8,267
Cash	(6)	10,776	9,447	14,093
CURRENT ASSETS		169,916	154,471	165,472
PREPAID EXPENSES		1,778	926	798
TOTAL ASSETS		207,896	196,592	209,558
EQUITY AND LIABILITIES				
INVESTMENTS BY AND ADVANCES FROM VARTA AG		96,691	57,629	64,922
PROVISIONS	(7)	68,550	71,557	70,343
Liabilities due to banks	(8)	1,814	32,198	35,119
Other liabilities	(9)	40,841	35,208	39,174
LIABILITIES		42,655	67,406	74,293
TOTAL EQUITY AND LIABILITIES		207,896	196,592	209,558

The accompanying notes are an integral part of the combined financial statements.

VARTA CONSUMER BATTERY GROUP

COMBINED STATEMENTS OF OPERATIONS--GERMAN GAAP

	Notes	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
		Euro 000's	Euro 000's	Euro 000's
Sales	(13)	284,020	397,545	398,704
Change in inventories and internal work capitalized	(14)	7,033	-1,459	3,497
TOTAL PERFORMANCE		291,053	396,086	402,201
Other operating income	(15)	16,687	20,822	27,906
Cost of materials	(16)	141,815	184,481	190,630
Personnel costs	(17)	66,155	87,787	95,501
Depreciation on intangible and tangible fixed assets	(2)	7,275	10,757	10,073
Other operating expenses	(18)	80,547	105,764	112,021
Other financial income (expense)		--	4	-1
Net interest expense	(19)	525	1,460	1,141
INCOME FROM ORDINARY ACTIVITIES		11,423	26,663	20,740
Taxes on income	(20)	7,049	10,645	8,512
NET INCOME		4,374	16,018	12,228

The accompanying notes are an integral part of the combined financial statements.

VARTA CONSUMER BATTERY GROUP

COMBINED STATEMENTS OF CHANGES IN EQUITY--GERMAN GAAP

	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
BEGINNING EQUITY	57,629	64,922	71,206
Net income	4,374	16,018	12,228
Foreign currency translation adjustment	-7,506	741	- 1,991
Profit transfer to VARTA AG	-14,042	-15,825	-12,224
Other changes in investments by and advances from VARTA AG, net	56,236	-8,227	- 4,297
ENDING EQUITY	96,691	57,629	64,922

The accompanying notes are an integral part of the combined financial statements.

VARTA CONSUMER BATTERY GROUP

COMBINED STATEMENTS OF CASH FLOWS--GERMAN GAAP

	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Net income	4,374	16,018	12,228
Depreciation	7,275	10,757	10,073
Depreciation and impairment-Hagen	--	1,460	1,434
Net loss (gain) from disposal of fixed assets	81	-694	-2,432
Changes in assets and liabilities:			
Inventories	-12,833	3,317	-11,292
Accounts receivable and other current assets (1)	-14,051	2,483	8,154
Prepaid expenses	-927	-172	809
Other liabilities (1)	7,086	-3,972	1,397
Provisions	-1,604	964	11,927
CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	-10,599	30,161	32,298
Investments in tangible and intangible fixed assets	-4,292	-10,102	-6,608
Proceeds from disposals of tangible fixed assets	710	1,645	7,026
Investments in financial fixed assets	-42	-10	-3
Change in short-term investments	4,690	424	-1,447
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,066	-8,043	-1,032
Net contributions from (distributions to) VARTA Group (2)	42,194	-25,512	-17,955
Proceeds from bank borrowings	--	1,632	1,033
Repayments of bank borrowings	-29,926	-3,493	-7,689
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	12,268	-27,373	- 24,611
CHANGES RESULTING FROM FOREIGN CURRENCY TRANSLATION	-1,406	609	-110
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,329	-4,646	6,545
Cash, beginning of period	9,447	14,093	7,548
CASH, END OF PERIOD	10,776	9,447	14,093

(1) 2002 includes repurchase of accounts receivable (see note 4).

(2) 2001 reduced by Euro 1,460 (2000: Euro 1,434) thousand depreciation included in Hagen charge (see note 18).

During 2002, interest payments and receipts amounted to Euro 1,191 (2001: Euro 2,747; 2000: Euro 2,280) thousand and Euro 434 (2001: Euro 758; 2000: Euro 1,073) thousand, respectively. Income taxes of Euro 2,760 (2001: Euro 6,023; 2000: Euro 5,699) thousand were paid.

The accompanying notes are an integral part of the combined financial statements.

(1) DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND ACCOUNTING AND VALUATION PRINCIPLES

On July 27, 2002, VARTA AG ("VARTA") entered into a sale and purchase agreement (the "Agreement") with Rayovac Corporation ("Rayovac") to sell a substantial portion of the assets and liabilities VARTA employs in the manufacture and distribution of consumer batteries. The combined businesses to be acquired by Rayovac are collectively referred to as "VARTA Consumer Battery Group".

VARTA's consumer and micro battery businesses have historically comprised the Portable Battery Division of VARTA. In some geographic regions, the consumer and micro battery businesses were conducted through separate legal entities while in other regions these businesses were operated jointly as single legal entities. In 2001, VARTA began separating the assets and liabilities associated with the consumer and micro battery businesses. As of September 30, 2002, certain assets and liabilities, primarily related to the VARTA Consumer Battery Group, have been transferred to the legal entities which will be acquired according to the Agreement. This process of separating the assets and liabilities of the consumer battery business is referred to as the "Formation".

The VARTA Consumer Battery Group manufactures and externally sources a variety of general use primary and rechargeable round cells and markets these primarily to wholesalers and retailers in Europe and Latin America. The types of batteries manufactured and distributed include among others: alkaline-manganese, zinc-carbon, lithium and rechargeable batteries in sizes D, C, AA, AAA and 9-volt. The VARTA Consumer Battery Group also distributes certain batteries of VARTA and its subsidiaries (together, "VARTA Group"). Where such products will continue to be distributed by VARTA Consumer Battery Group subsequent to the planned acquisition by Rayovac, associated revenues and costs have been included in the accompanying combined statements of operations.

Basis of Presentation

The combined financial statements have been prepared in accordance with the German Commercial Code (Handelsgesetzbuch), referred to as accounting principles generally accepted in Germany ("German GAAP"), as if VARTA Consumer Battery Group had operated as a stand-alone entity for all periods prior to September 30, 2002.

The combined financial statements include the historical assets, liabilities and results of operations of VARTA Consumer Battery Group as derived from the historical accounting records of VARTA. Certain assets and liabilities employed by VARTA Group in the manufacture and distribution of consumer batteries are not being acquired by Rayovac and are not included in the combined financial statements. VARTA Group will retain significant operating assets related to the manufacture and distribution of consumer batteries in its Brazilian subsidiary, Microlite S.A.

Certain other assets and liabilities historically used, in part, in the manufacture and/or distribution of consumer batteries have been excluded from the accompanying combined balance sheet as they will not be transferred subject to the Agreement. However, to the extent such assets or liabilities are associated with VARTA

Consumer Battery Group activities, any related expenses incurred have been allocated to VARTA Consumer Battery Group and included in the accompanying statements of operations. Such allocations were performed based on the use of time estimates, headcount and transaction statistics and certain similar activity-based data. While, in the opinion of management, the allocation methods and resulting allocations are reasonable, they may not be indicative of the costs that would have been incurred if VARTA Consumer Battery Group operated as a separate entity.

INDEBTEDNESS AND INTEREST

Historically, VARTA Consumer Battery Group has participated in a central treasury function under the control of VARTA. In connection with this central treasury function, VARTA Group deposits its excess cash in overnight investments. As the consolidated net monetary position of the VARTA Consumer Battery Group is, to a large degree, the result of VARTA entity-wide financing decisions, amounts related to financing provided by or to the central treasury function have been classified as investments by and advances from VARTA AG in the accompanying combined balance sheets and statements of equity.

Prior to the Formation, certain interest bearing and non-interest bearing loans existed between VARTA Consumer Battery Group and VARTA Group. As it is not possible to recreate the financing structure of VARTA Consumer Battery Group assuming it had operated as a separate entity, interest income and expense related to such loans have been excluded from the accompanying combined statements of operations. Related party loans which will be settled in connection with closing of the Agreement have been included in the accompanying combined balance sheets as a component of investments by and advances from VARTA AG.

External indebtedness of VARTA Consumer Battery Group and related interest expense have been included in the combined financial statements. Similarly, related party loans from VARTA Group which remain outstanding beyond closing of the Agreement are included in other liabilities.

The capital structure and related interest expense and income may not be indicative of the capital structure and interest expense and income that VARTA Consumer Battery Group would have incurred and earned, respectively, as a separate entity.

TAXATION

Income taxes have been calculated as if VARTA Consumer Battery Group had always existed and filed separate tax returns in all periods presented. Other structures and tax strategies may have been in place if VARTA Consumer Battery Group had operated as a group of separate legal entities. Therefore, income tax expense reflected in the accompanying combined statements of operations may not be indicative of income tax expense that VARTA Consumer Battery Group would have incurred had it operated as a group of separate legal entities.

As part of the Formation, legal ownership of most of the subsidiaries of the VARTA Consumer Battery Group was transferred to VARTA prior to September 30, 2002. The determination of deferred tax liabilities related to investments in foreign subsidiaries has been prepared as if this restructuring did not take place.

EQUITY

The difference between the assets and liabilities allocated to VARTA Consumer Battery Group in the combined financial statements is presented as investments by and advances from VARTA AG and comprises the entire equity in the accompanying combined balance sheets and statements of changes in equity.

SCOPE OF COMBINATION

The combined financial statements of VARTA Consumer Battery Group include assets and liabilities of 3 German and 14 foreign subsidiaries (2001 and 2000: 3 German and 13 foreign subsidiaries) in which VARTA Consumer Battery Group currently has a direct or indirect shareholding of more than 50%. For all periods presented, one foreign company has not been combined because its exclusion does not affect the requirement to fairly present the Group's financial position and results of operations and cash flows.

COMBINATION PRINCIPLES

Combination is based on the net book value method whereby the cost of investments in subsidiaries are off-set against the portion of equity acquired at the time of acquisition or initial combination. Any resulting difference is allocated to assets and liabilities where their fair values differ from book value. Any remaining difference is recorded in equity (investments by and advances from VARTA AG) in the year of initial combination.

Intra-group receivables and liabilities are eliminated. Intra-group sales are off-set against the related expenses, or are stated as changes in inventories or internal work capitalized. All other intra-group income and expenses are eliminated. Deferred taxes, affecting net income, related to elimination of transactions are taken into consideration.

CLASSIFICATION

To improve clarity, certain balance sheet and statement of operations items have been combined with the detail provided in the notes. The combined statements of operations were prepared using the total-cost format. Under the total-cost format, operating expenses are disclosed by type of expense.

ACCOUNTING AND VALUATION PRINCIPLES

Accounting, valuation and classification within the combined financial statements are based on a uniform basis of accounting except as noted otherwise.

a. Fixed Assets

Intangible fixed assets are carried at acquisition cost less accumulated depreciation. Tangible fixed assets are generally valued at acquisition or production cost less scheduled depreciation where such assets are subject to normal wear and tear. Production costs include direct material and labour costs as well as an appropriate portion of material and production overheads including depreciation attributable to production; interest costs are not capitalized. Carrying values are adjusted by statutory indexation and revaluations in high-inflation countries where these adjustments compensate for currency devaluation.

Depreciation is based on expected useful lives using the straight-line method. Assets of low value are written off in full in the year of acquisition in accordance with value limits. Unscheduled depreciation is applied to fixed assets which are considered to have undergone a permanent diminution of value at the balance sheet date.

b. Investments

Shares in an unconsolidated affiliated company are valued at cost. Other investments of less than 20%, where no significant influence exists, and long-term securities are valued at cost. Interest-bearing loans are valued at nominal values; interest-free and low-interest-bearing loans are discounted to their net present value.

c. Inventories

Inventories are stated at the lower of acquisition or production cost and replacement or net realizable values. Production costs include direct material and labour costs, as well as an appropriate portion of material and production overheads, including depreciation attributable to production; interest costs are not capitalized. For work in progress and finished goods, if the expected sales revenue less costs still to be incurred prior to sale is lower than carrying value, this lower value is applied. Appropriate and sufficient write-downs are made to cover risks of obsolescence and reduced marketability. Inventory is reduced for payments received on account that are directly attributable to specific inventories.

d. Receivables and other current assets

Accounts receivable and other current assets are valued at their nominal value less allowances for all identifiable specific risks. The general credit risk is covered by an additional allowance for doubtful accounts. Interest-free or low-interest bearing receivables with a term of more than one year are discounted. Short-term investments are carried at the lower of cost or market value.

e. Pensions and other provisions

Provisions for pensions and similar commitments, which primarily relate to German operations, are recorded actuarially on the basis of a 6% interest rate. Other provisions are recorded to cover all identifiable risks and uncertain liabilities in an adequate and appropriate manner.

f. Liabilities

Liabilities are valued in general at their repayment amounts. Discounts on loans are recorded in prepaid expenses.

g. Unrecognized contingent liabilities and other financial commitments

Unrecognized contingent liabilities are disclosed at the nominal value of obligations existing at the balance sheet date. Other financial commitments are disclosed in the notes at the nominal values of the commitments until the end of the term of the contracts giving rise to them.

h. Taxes

Deferred taxes are calculated on timing differences between the results of operations for financial reporting and for taxation purposes recorded by the individual VARTA Consumer Battery Group businesses as well as on combination transactions affecting net income. Deferred tax assets and liabilities at each subsidiary are combined. Net deferred tax assets resulting after combining deferred tax assets and liabilities at the subsidiary level are not recognized except to the extent they arise on timing differences due to combination. Net deferred tax asset or liability balances are shown under prepaid expenses or provisions, respectively.

i. Currency translation

Foreign currency receivables and liabilities not hedged by forward exchange contracts are translated at the buying or selling rate of exchange in force at the date of the transaction. Hedged transactions are translated at the hedge rate. Unrealised losses from currency fluctuations on the balance sheet date are recorded; unrealised gains are not recorded.

Foreign businesses initially report in the currency of the country of their primary economic environment. The balance sheets of foreign businesses not stated in Euros are translated into Euros using rates in effect at the balance sheet date (the current rate method). Revenues and expenses, with the exception of change in inventories, depreciation, and taxes on income, are translated at rates which approximate exchange rates on the dates transactions occur. Depreciation and taxes on income are translated at balance sheet date rates and change in inventories is determined with reference to the change in the translated opening and closing balance sheet amounts. The net gain or loss arising from translation of statements of operations is recorded in other operating expenses.

(2) Fixed Assets

INTANGIBLE ASSETS

NET BOOK VALUE

	September 30, 2002 Euro 000's	December 31, 2001 Euro 000's	December 31, 2000 Euro 000's
INTANGIBLE ASSETS	773	1,018	1,274

DEVELOPMENT

	Nine months ended September 30, 2002 Euro 000's	Year ended December 31, 2001 Euro 000's	Year ended December 31, 2000 Euro 000's
COST			
Opening balance	7,628	7,432	7,656
Exchange rate differences	-185	13	-38
Additions	269	401	481
Disposals	243	218	667
CLOSING BALANCE	7,469	7,628	7,432
ACCUMULATED DEPRECIATION			
Opening balance	6,610	6,158	6,111
Exchange rate differences	-123	33	2
Additions	433	582	619
Disposals	224	163	574
CLOSING BALANCE	6,696	6,610	6,158
NET BOOK VALUE	773	1,018	1,274

Intangible assets comprise application software. Depreciation includes Euro 85 thousand unscheduled depreciation for the nine months ended September 30, 2002 due to impairment of the related assets.

TANGIBLE ASSETS

NET BOOK VALUE

	September 30, 2002 Euro 000's	December 31, 2001 Euro 000's	December 31, 2000 Euro 000's
Land, titles to land, and buildings including buildings on leased land	1,836	2,231	2,772
Technical equipment and machinery	25,500	25,324	29,121
Other equipment, factory and office equipment	7,694	8,713	9,567
Payments on account and construction in progress	259	3,811	466
TOTAL	35,289	40,079	41,926

DEVELOPMENT

	Nine months ended September 30, 2002 Euro 000's	Year ended December 31, 2001 Euro 000's	Year ended December 31, 2000 Euro 000's
COST			
Opening balance	130,442	130,151	142,991
Exchange rate differences	-2,653	-1,565	651
Additions	4,023	9,701	6,127
Disposals	4,720	7,845	19,618
CLOSING BALANCE	127,092	130,442	130,151
ACCUMULATED DEPRECIATION			
Opening balance	90,363	88,225	92,343
Exchange rate differences	-1,454	-1,088	1,545
Additions	6,842	10,175	9,454
Disposals	3,948	6,949	15,117
CLOSING BALANCE	91,803	90,363	88,225
NET BOOK VALUE	35,289	40,079	41,926

Depreciation includes unscheduled depreciation for the nine months ended September 30, 2002 of Euro 4 (2001: Euro 94; 2000: Euro 5) thousand.

FINANCIAL ASSETS

NET BOOK VALUE

	September 30, 2002	December 31, 2001	December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Participations	62	20	10
Loans to companies in which an equity interest is held	78	78	78
TOTAL	140	98	88

DEVELOPMENT

	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
COST			
Opening balance	108	98	96
Additions	42	10	2
CLOSING BALANCE	150	108	98
ACCUMULATED IMPAIRMENT			
OPENING AND CLOSING BALANCE	10	10	10
NET BOOK VALUE	140	98	88

(3) Inventories

	September 30, 2002 Euro 000's	December 31, 2001 Euro 000's	December 31, 2000 Euro 000's
Raw materials and supplies	21,756	18,745	18,308
Work in progress	6,913	6,258	7,006
Finished goods and goods for resale	35,773	28,154	31,094
Payments on account	--	52	36
	64,442	53,209	56,444

(4) Accounts receivable and other current assets

As of September 30, 2002:

	Thereof due in one year Euro 000's	Thereof due after one year Euro 000's	Total Euro 000's
Accounts receivables for goods and services	84,039	--	84,039
Accounts receivable from VARTA Group	1,728	--	1,728
Other current assets	5,371	583	5,954
	91,138	583	91,721

As of December 31, 2001:

	Thereof due in one year Euro 000's	Thereof due after one year Euro 000's	Total Euro 000's
Accounts receivables for goods and services	72,326	--	72,326
Accounts receivable from VARTA Group	1,114	--	1,114
Other current assets	8,369	2,125	10,494
	81,809	2,125	83,934

As of December 31, 2000:

	Thereof due in one year	Thereof due after one year	Total
	Euro 000's	Euro 000's	Euro 000's
Accounts receivables for goods and services	73,995	115	74,110
Accounts receivable from VARTA Group	2,797	--	2,797
Other current assets	7,979	1,782	9,761
	84,771	1,897	86,668

Other current assets comprise receivables for taxes, accounts receivable from personnel and other receivables arising in the normal course of business.

During the periods presented, VARTA Consumer Battery Group participated in a financing arrangement whereby VARTA Consumer Battery Group sold certain high-quality receivables. As of December 31, 2001 and 2000, accounts receivable of Euro 19,389 thousand and Euro 18,387 thousand, respectively, were excluded from the related accompanying combined balance sheets as a result of this financing arrangement. During 2002, the arrangement was terminated resulting in an increase of accounts receivable of Euro 16,516 thousand and a decrease in other liabilities to deliver additional accounts receivable of Euro 3,028 thousand.

(5) Short-term investments

	September 30, 2002	December 31, 2001	December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Short-term investments	2,977	7,881	8,267

Short-term investments represent highly liquid securities with original maturities of less than 90 days.

(6) Cash

	September 30, 2002	December 31, 2001	December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Checks	115	334	1,127
Cash in hand	300	36	34
Cash at banks	10,361	9,077	12,932
	10,776	9,447	14,093

Cash at banks is primarily comprised of term deposits with maturities of less than 90 days.

(7) Provisions

	September 30, 2002	December 31, 2001	December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Provisions for pensions and similar commitments	20,249	19,929	19,335
Customer rebates and incentives	19,976	23,088	23,183
Personnel costs	13,199	12,666	13,707
Services and deliveries received but not invoiced	2,000	1,177	533
Warranties and sales returns	5,157	5,629	4,649
Contingencies and other provisions	3,858	3,449	4,985
Deferred taxes	636	2,430	2,494
Tax provisions	2,408	1,865	1,055
Professional fees	1,067	1,324	402
	68,550	71,557	70,343

Provisions due within one year amount to Euro 47,402 (2001: Euro 50,899; 2000: Euro 51,018) thousand. Provisions due after more than five years amount to Euro 14,631 (2001: Euro 13,177; 2000: Euro 12,450) thousand and relate mainly to pensions and other deferred compensation plans.

German pensions and similar commitments have been calculated according to the individual-asset-value method ("Teilwertverfahren" in accordance with German tax legislation); adjustments resulting from adoption of revised life expectancy estimates included in the 1998 mortality guide tables of Prof. Dr. Heubeck were amortized by the straight-line method over four years to December 31, 2001. Provisions for pensions and similar obligations also include obligations in respect of employees' entitlements which become due when employees leave the VARTA Consumer Battery Group.

(8) Liabilities due to banks

As of September 30, 2002:

	Due within one year	Due in two to five years	Due after more than five years	Total
	Euro 000's	Euro 000's	Euro 000's	Euro 000's
Liabilities due to banks	1,814	--	--	1,814

As of December 31, 2001:

	Due within one year	Due in two to five years	Due after more than five years	Total
	Euro 000's	Euro 000's	Euro 000's	Euro 000's
Liabilities due to banks	9,191	16,234	6,773	32,198

As of December 31, 2000:

	Due within one year	Due in two to five years	Due after more than five years	Total
	Euro 000's	Euro 000's	Euro 000's	Euro 000's
Liabilities due to banks	6,231	15,313	13,575	35,119

As of September 30, 2002, liabilities of Euro 1 (2001: Euro 0; 2000: Euro 16) thousand are secured.

(9) Other liabilities

	September 30, 2002	December 31, 2001	December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Accounts payable for goods and services	24,973	22,408	24,998
Income taxes payable	3,641	3,493	4,857
Social security expenses	926	1,382	1,420
Liabilities for sold receivables	--	1,181	2,128
Amounts due to VARTA Group	6,887	664	348
Promissory notes payable	369	560	444
Amounts due to companies in which an interest is held	--	3	--
Miscellaneous	4,045	5,517	4,979
	40,841	35,208	39,174

All other liabilities as of September 30, 2002 (2001: Euro 35,208; 2000: Euro 39,157) are due within one year. Miscellaneous includes amounts due for wages and salaries and other liabilities arising in the normal course of business.

(10) Unrecognized contingent liabilities

	September 30, 2002 Euro 000's	December 31, 2001 Euro 000's	December 31, 2000 Euro 000's
Promissory note guarantees	--	7,549	13,588
Collateral for third party liabilities	678	3,626	47
Security deposits	--	--	243
Other contingent liabilities	656	656	--
	1,334	11,831	13,878

In the event that VARTA Microbattery GmbH is unable to meet certain pension obligations for retired and former employees, VARTA Consumer Battery Group is liable for such obligations.

(11) Other financial commitments

	September 30, 2002 Euro 000's	December 31, 2001 Euro 000's	December 31, 2000 Euro 000's
Obligations for rent and leasing contracts due within one year	5,254	5,606	4,480
Due in two to five years	12,125	11,297	5,412
Due after five years	19,357	19,968	7,416
Approved capital expenditure commitments due within one year	623	775	1,475
Due in two to five years	--	187	--
Other purchase commitments due within one year	19,383	10,551	783
Due in two to five years	501	2,037	--
	57,243	50,421	19,566

(12) Financial derivatives

As of September 30, 2002:

	MARKET VALUE Euro 000'S	NOMINAL VALUE Euro 000's
Commodity forward contract	-48	589

As of December 31, 2001:

	MARKET VALUE Euro 000'S	NOMINAL VALUE Euro 000's
Foreign currency forward contract	33	1,142

As of December 31, 2000:

	MARKET VALUE Euro 000'S	NOMINAL VALUE Euro 000's
Foreign currency forward contract	-112	2,259

The market values noted above show the gain (loss) which would result if the financial derivatives, in isolation from the underlying transactions, had been closed at the respective balance sheet dates. Transactions were concluded exclusively in connection with operating business.

(13) Sales

Analysis by region	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Germany	82,664	111,051	115,593
Other EU countries	123,574	177,253	167,954
Rest of Europe	22,880	31,772	29,889
Americas	50,799	71,344	74,255
Far East and Australia	1,624	2,100	4,813
Other regions	2,479	4,025	6,200
	284,020	397,545	398,704

(14) Change in inventories and internal work capitalized

	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Change in finished goods and work in progress	6,952	-2,879	2,312
Other internal work capitalized	81	1,420	1,185
	7,033	-1,459	3,497

(15) Other operating income

	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Charges to VARTA Group	4,717	8,716	10,683
Foreign exchange transaction gains	4,272	4,545	3,990
Income from release of provisions	3,357	2,392	2,983
Income from the reduction of allowances for doubtful accounts and bad debts recovered	684	1,209	569
Income from release of liabilities for sold receivables	1,223	--	--
Gain from disposal of fixed assets	84	771	2,928
Tax refunds (other than taxes on income)	299	684	270
Rental income	173	261	544
Commissions and royalties	81	171	306
Hagen	--	--	1,346
Pension refund	--	--	2,038
Miscellaneous	1,797	2,073	2,249
	16,687	20,822	27,906

Income from release of liabilities for sold receivables represents the reversal of allowances recorded for retained interests in the sold receivables upon termination of the financing arrangement.

Gain from disposal of fixed assets for the year ended December 31, 2000 includes a gain of Euro 2,260 related to a sale and leaseback transaction. The related assets were sold and leased back under leases that do not qualify for capitalization. Other similar transactions were completed in the nine-month period ended September 30, 2002, however no gain was recognized on such sales.

The Hagen caption noted above primarily comprises gains from the disposal of tangible assets used in the manufacture of rechargeable round cells at a former production site in Hagen, Germany. See note 18 for further information.

See notes 18 and 22 (i) for further discussion of the pension refund noted above.

(16) Cost of materials

	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Raw materials, supplies and goods for resale	141,313	183,659	189,990
Costs of purchased services	502	822	640
	141,815	184,481	190,630

(17) Personnel costs

	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Wages and salaries	53,807	70,170	77,573
Social security costs	10,374	14,242	15,188
Pension costs	1,953	3,351	2,723
Welfare costs	21	24	17
	66,155	87,787	95,501

As of September 30, 2002, VARTA Consumer Battery Group employs a total of 1,950 (2001: 1,975; 2000: 2,142) employees.

(18) Other operating expenses

	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Advertising and sales promotion	13,222	17,843	16,514
Selling and marketing costs	11,325	16,225	16,075
Charges from VARTA Group	6,134	9,088	10,920
Other purchased services	8,718	8,805	6,873
Rent and leasing	6,480	8,179	7,451
Recycling contributions	4,680	6,353	6,002
Professional fees and other charges	4,165	5,564	6,839
Travel expenses	3,533	4,878	5,101
Maintenance and other services	1,825	4,387	4,374
Fuel, utilities, consumables and insurance	3,213	3,950	4,227
Costs related to personnel	1,952	2,630	2,298
Postage and telephone services	1,754	2,386	2,601
Foreign exchange transaction losses and foreign currency translation adjustments	3,873	2,239	4,017
Increases of allowances for doubtful accounts and bad debts written off	3,068	2,126	2,903
Receivable financing	708	2,462	1,281
Other taxes	1,202	1,418	1,796
Write-off pension refund receivable	554	--	--
Losses on disposal of fixed assets	165	77	496
Hagen	--	1,866	9,268
Miscellaneous	3,976	5,288	2,985
	80,547	105,764	112,021

The Hagen caption contains certain charges related to a former production facility in Hagen, Germany that will not be transferred according to the Agreement. Certain rechargeable round cells now outsourced from third parties were previously manufactured at Hagen, prior to its closure in 2001. Sales of such products have been included in the accompanying combined financial statements irrespective of whether they were outsourced or produced in Hagen. As a result, management has allocated a portion of the historical operating and closure costs of Hagen to the VARTA Consumer Battery Group. This allocation was based on analysis of activity-based data. The portion of the allocated costs related to variable production costs (such as direct material and personnel costs) have been classified according to their nature in the accompanying combined statements of operations. The remaining allocated costs related to Hagen (such as indirect personnel costs, depreciation and write-off of the facility in 2001) have been classified as other operating expenses because management believes this presentation provides the most meaningful comparability between periods. Following is a summary of the allocated charges classified as other operating expense according to their original nature, by period:

	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Personnel costs	--	--	3,823
Depreciation	--	113	657
Unscheduled depreciation	--	1,347	777
Other operating expenses	--	406	4,011
	--	1,866	9,268

Other taxes primarily consist of property taxes. The amounts unrelated to the accounting period contained in the miscellaneous expenses are of minor significance.

(19) Net interest expense

	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Interest and similar income	434	758	1,073
Interest and similar income from VARTA Group	388	163	351
Interest and similar expenses	1,347	2,175	2,280
Interest and similar expenses to VARTA Group	--	206	285
	525	1,460	1,141

(20) Taxes on income

	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Taxes on income	7,049	10,645	8,512

Taxes on income comprise German corporation tax, German trade tax, and comparable earnings-dependent foreign taxes less a deferred tax benefit of Euro 1,549 (2001: Euro 22, 2000: Euro 1,511) thousand.

German corporate tax law in effect for the year ended December 31, 2000 applied a split-rate imputation system with regard to the taxation of the income of a German corporation and its shareholders. Under this law, retained corporate income is subject to a statutory corporate tax rate of 40%, plus a solidarity surcharge of 5.5% and trade tax for a combined rate of 51%. Upon distribution of retained earnings to shareholders, the corporate income tax rate on such distributed earnings is reduced to a statutory corporate tax rate of 30%, plus a solidarity surcharge of 5.5% and trade tax for a combined rate of 42.1%.

In October 2000, a new tax law was enacted in Germany which, among other things, reduced the statutory corporate tax rate from 40% on retained earnings and 30% on distributed earnings to a uniform 25% statutory corporate tax rate on all earnings, effective January 1, 2001. The German statutory tax rate including the corporate tax, solidarity surcharge and trade tax for the periods ended September 30, 2002 and December 31, 2001 is 37.6%. The impact of the various revisions in the new tax legislation was accounted for during the year ended December 31, 2000, the period of enactment, as required by German GAAP. The impact of the legislation, primarily reflecting the effect of the tax rate reduction of the deferred tax balances, was to decrease income tax expense by Euro 1,175 thousand for the year ending December 31, 2000.

Under certain circumstances, a German company may receive a tax benefit related to the distribution of 2000 and prior year earnings. The income tax expense for the year ended December 31, 2000 is net of such a benefit of Euro 1,042 thousand that would have been received if the VARTA Consumer Battery Group had made a distribution of Euro 12,700 thousand in the year ended December 31, 2001. As it is not possible to determine what benefit, if any, the VARTA Consumer Battery Group would receive for later distributions, no benefit has been included for the nine months ended September 30, 2002. VARTA Consumer Battery Group was not eligible for a benefit in the year ended December 31, 2001.

(21) Related party transactions

In the normal course of business, VARTA Consumer Battery Group conducts transactions with VARTA Group.

Related party receivables and payables as of September 30, 2002 were Euro 1,728 (2001: Euro 1,114; 2000: Euro 2,797) thousand and Euro 6,887 (2001: Euro 664; 2000: Euro 348) thousand, respectively. These amounts relate primarily to the sale and purchase of finished goods.

The following tables summarize the amounts included in the accompanying combined statements of operations in connection with the related party transactions described above:

	Nine months ended September 30, 2002 Euro 000's	Year ended December 31, 2001 Euro 000's	Year ended December 31, 2000 Euro 000's
Sales to Microlite S.A.	2,530	3,049	3,145
Sales to VARTA micro battery business	5,770	6,213	6,397
Other	379	549	1,190
TOTAL SALES	8,679	9,811	10,732

	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Purchases from Microlite S.A.	1,994	3,272	846
Finished products from VARTA micro battery business	14,644	17,619	18,536
Semi-finished products from VARTA micro battery business	6,180	7,496	7,032
TOTAL PURCHASES	22,818	28,387	26,414

Purchases from and sales to Microlite S.A. and sales to VARTA micro battery business have been included in the combined financial statements based on historical transfer prices utilized within VARTA Group. In the opinion of management, these transfer prices are indicative of the purchase or sale prices which would have been used had the transactions been conducted between independent parties.

The purchase prices of finished products from VARTA micro battery business were determined in accordance with terms equivalent to the distribution agreement reached in connection with the Agreement, as discussed below. Changes in actual production costs incurred or final sales prices realized directly impact the resulting purchase price (see note 23).

For the years ended December 31, 2001 and 2000, purchases of semi-finished products from VARTA micro battery business have been included in the combined financial statements based on an agreement reached between the micro and consumer legal entities upon Formation. In 2002, a new pricing agreement became effective which increased the purchase prices of semi-finished products to VARTA Consumer Battery Group. These revised prices are reflected in purchases of semi-finished products from VARTA micro battery business for the nine months ended September 30, 2002. Management believes the revised prices are indicative of prices which would have been charged had the transactions been conducted between independent third parties. Had the revised prices been in place during 2001 and 2000, purchases of semi-finished products from VARTA micro battery business would have been approximately Euro 740 thousand and Euro 707 thousand higher, respectively.

Included in other operating income and expenses (see notes 15 and 18) are charges to/from VARTA Group for services or other benefits provided to or received from VARTA Group. The components of these charges are:

OTHER OPERATING EXPENSES

	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
Administrative charge from VARTA	2,782	3,722	4,157
Administrative charges from VARTA Group other than VARTA	3,352	5,366	6,763
CHARGES FROM VARTA GROUP	6,134	9,088	10,920

OTHER OPERATING INCOME

	Nine months ended September 30, 2002	Year ended December 31, 2001	Year ended December 31, 2000
	Euro 000's	Euro 000's	Euro 000's
ADMINISTRATIVE CHARGES TO VARTA GROUP	4,717	8,716	10,683

The administrative charge from VARTA represents the historical carve-out of costs related to administrative services provided by or incurred on behalf of VARTA Consumer Battery Group by VARTA. Such administrative services include: legal administration, public relations, insurance, tax, treasury and internal audit.

The charges from/to VARTA Group represent cost allocations necessary for those locations which historically operated as joint micro and consumer battery businesses. Since the cost structure of VARTA Consumer Battery Group is, in part, fixed in the short term and VARTA Consumer Battery Group has future obligations to provide services to and purchase services from VARTA Group as described below, management believes presentation of these amounts as other operating income and expenses provides useful information regarding the total cost structure of VARTA Consumer Battery Group. The following tables present the net effects on the combined statements of operations assuming the carve-out charges were netted against gross expenses according to their nature rather than presented as other operating income and expenses:

Nine months ended September 30, 2002:

	As reported Euro 000's	Reclassify other operating income Euro 000's	Reclassify other operating expense Euro 000's	Adjusted Euro 000's
Other operating income	16,687	-4,717	--	11,970
Personnel costs	-66,155	2,643	-1,993	-65,505
Depreciation on intangible and tangible fixed assets	-7,275	136	-244	-7,383
Other operating expenses	-80,547	1,938	2,237	-76,372

Year ended December 31, 2001:

	As reported Euro 000's	Reclassify other operating income Euro 000's	Reclassify other operating expense Euro 000's	Adjusted Euro 000's
Other operating income	20,822	-8,716	--	12,106
Personnel costs	-87,787	4,598	-2,930	-86,119
Depreciation on intangible and tangible fixed assets	-10,757	198	-703	-11,263
Other operating expenses	-105,764	3,920	3,633	-98,211

Year ended December 31, 2000:

	As reported Euro 000's	Reclassify other operating income Euro 000's	Reclassify other operating expense Euro 000's	Adjusted Euro 000's
Other operating income	27,906	-10,683	--	17,223
Personnel costs	-95,501	4,085	-2,069	93,485
Depreciation on intangible and tangible fixed assets	-10,073	311	-313	-10,075
Other operating expenses	-112,021	6,287	2,382	-103,352

All above charges were determined based on analysis of time estimates, headcount, transaction statistics, and certain similar activity-based data and have been determined in a consistent manner to the future charges which will be incurred as a result of the service agreements described below. In management's opinion, while the allocation methods and resulting allocations described above are reasonable, they may not be indicative of the costs that would have been incurred if VARTA Consumer Battery Group had operated as

a separate entity. It is not practicable to estimate what these expenses would have been had VARTA Consumer Battery Group operated as a separate entity.

In connection with the Formation, VARTA Consumer Battery Group has entered into a distribution agreement whereby VARTA Consumer Battery Group agrees to distribute, and VARTA Group agrees to provide, micro battery products, as defined by the agreement, for a period of seven years from the effective date of the agreement (the "Distribution Agreement"). The purchase price of micro battery products will be determined by reference to the manufacturing costs of each product plus 50% of the difference between such manufacturing costs and the sales price realized by VARTA Consumer Battery Group upon final sale of the product. Either party may terminate this agreement for cause and the terminating party is entitled to minimum damages of Euro 1 million for cause due to material breach by the other party.

VARTA Consumer Battery Group has also obtained an exclusive, royalty-free licence to use the micro battery trademarks associated with products governed by the Distribution Agreement (the "Trademark Licence"). Upon termination of the Distribution Agreement, VARTA Consumer Battery Group's rights under the Trademark Licence also terminate; provided, however, that VARTA Consumer Battery Group has the option to extend such rights in perpetuity for Euro 10 million less 5% of the net sales price of non-VARTA branded micro battery products purchased during the term of the agreement. If VARTA Consumer Battery Group terminates the Distribution Agreement due to breach of contract by VARTA Group, the required payment to extend the Trademark Licence is limited to Euro 5 million.

VARTA Consumer Battery Group has also entered into an agreement with VARTA Group which governs current and future purchases of plastic and metal components. According to this agreement, VARTA Consumer Battery Group shall acquire such products for a period of at least two years subsequent to the closing date of the Agreement. VARTA Consumer Battery Group can cancel such agreement, with twelve months notice, subsequent to this two year period. Upon termination, VARTA Consumer Battery Group is required to pay VARTA AG termination costs with a maximum amount of Euro 2 million.

Also in connection with the Formation, VARTA Consumer Battery Group has entered into a number of service agreements with VARTA Group to receive or provide certain administrative services at terms equivalent to those reflected in these combined financial statements. These agreements have minimum terms of twelve months from the closing date of the Agreement after which they may be terminated by either party with six months notice. Such services are to be provided or received at cost and may not be indicative of charges that would be made to or charged by a third party.

Related party interest income and expense included in the accompanying combined statement of operations related to financing terms for product purchases and sales totaled Euro 387 (2001: Euro 163; 2000: Euro 351) thousand and Euro 0 (2001: Euro 206; 2000: Euro 285) thousand, respectively.

(22) Reconciliation to accounting principles generally accepted in the United States of America ("U.S. GAAP")

VARTA Consumer Battery Group's combined financial statements have been prepared in accordance with German GAAP, which differs in certain significant respects from U.S. GAAP. The significant differences that affect net income and equity of the VARTA Consumer Battery Group are set forth below:

	NOTES	NINE MONTHS ENDED SEPTEMBER 30, 2002 EURO 000'S	YEAR ENDED DECEMBER 31, 2001 EURO 000`S
RECONCILIATION OF NET INCOME FROM GERMAN GAAP TO U.S. GAAP:			
Net income as reported under German GAAP		4,374	16,018
Allowance for doubtful accounts	(a)	-92	16
Revenue recognition	(b)	-215	16
Valuation of inventory	(c)	73	-42
Internally developed software	(d)	-226	-262
Valuation of tangible assets	(e)	118	141
Provisions and loss contingencies	(f)	-655	-1,186
Provisions for warranties and sales returns	(g)	340	-60
Retirement and voluntary termination benefits	(h)	-77	504
Pension refund	(i)	554	886
Other deferred compensation plans	(j)	-34	251
Translation of foreign currency operations	(k)	283	-558
Foreign currency transaction gains and losses	(l)	117	-336
Scope of consolidation	(m)	-737	557
Leases	(n)	-161	-272
Accounting for income taxes	(o)	89	-1,021
Tax effect of U.S. GAAP adjustments	(p)	401	550
Other		-13	12
Net income in accordance with U.S. GAAP		4,139	15,214

	NOTES	SEPTEMBER 30, 2002 EURO 000'S	DECEMBER 31, 2001 EURO 000'S
RECONCILIATION OF EQUITY FROM GERMAN GAAP TO U.S. GAAP:			
Equity as reported under German GAAP		96,691	57,629
Allowance for doubtful accounts	(a)	378	531
Revenue recognition	(b)	-606	-391
Valuation of inventory	(c)	240	167
Internally developed software	(d)	382	608
Valuation of tangible assets	(e)	468	372
Provisions and loss contingencies	(f)	970	1,565
Provisions for warranties and sales returns	(g)	1,453	1,415
Retirement and voluntary termination benefits	(h)	-5,390	-3,253
Pension refund	(i)	--	-547
Other deferred compensation plans	(j)	211	245
Translation of foreign currency operations	(k)	-2,367	-2,810
Foreign currency transaction gains and losses	(l)	145	62
Scope of consolidation	(m)	--	737
Leases	(n)	-2,719	-2,588
Accounting for income taxes	(o)	2,056	2,073
Tax effect of U.S. GAAP adjustments	(p)	2,476	1,545
Other		141	146
Equity in accordance with U.S. GAAP		94,529	57,506

(a) Allowance for doubtful accounts

Under German GAAP, VARTA Consumer Battery Group maintains certain general allowances in foreign operations for uncollectible accounts receivable. In accordance with Statement of Financial Accounting Standards ("SFAS") No. 5, "Accounting for Contingencies", such general allowances have been reversed under U.S. GAAP.

(b) Revenue recognition

In the normal course of operations, VARTA Consumer Battery Group sells finished goods to certain distributors. The terms of these transactions do not require the distributor to remit payment for purchased goods until such time as the goods have been delivered to their customers.

Under German GAAP, revenue related to such transactions is recognized at the time of initial sale to the distributor since the distributor does not have the contractual right to return any unsold product.

In accordance with SFAS No. 48, "Revenue Recognition When Right of Return Exists", and the U.S. Securities and Exchange Commission ("SEC") Staff Accounting Bulletin 101, "Revenue Recognition in Financial Statements", since past business practice and historical experience indicate distributors may return unsold products under limited circumstances and the distributors do not have economic substance apart from VARTA Consumer Battery Group, revenue is recognized only when goods have been delivered to the distributor's customers. As a result, accounts receivable would be Euro 1,416 (2001: Euro 910) thousand lower and inventory would be Euro 810 (2001: Euro 519) thousand higher in the accompanying combined balance sheets.

(c) Valuation of inventory

Under German GAAP, capitalization of certain administrative costs directly related to the production of inventory is not required. In accordance with "Chapter 4: Inventory Pricing" of Accounting Research Bulletin 43, "Restatement and Revision of Accounting Research Bulletins", such administrative costs have been capitalized as a component of inventory.

(d) Internally developed software

Under German GAAP, costs incurred to develop software for internal use are expensed as incurred. AICPA Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" requires that certain costs be capitalized as part of the cost of the software if specific criteria are met. The capitalized costs are amortized straight-line over three years. The adjustment reflects the amortization of such costs.

(e) Valuation of tangible assets

Under German GAAP, capitalization of interest costs incurred during the construction of assets for internal use is permitted but not required.

Under SFAS No. 34, "Capitalization of Interest Cost", interest costs incurred during the construction of qualifying assets must be capitalized if the period of time necessary to construct such assets is significant and the effect of capitalizing interest, compared with the effect of expensing interest, is material.

(f) Provisions and loss contingencies

In accordance with German GAAP, provisions for certain anticipated future costs, contingencies, and expected costs to be incurred related to restructurings are recognized in accordance with a principle of conservatism taking possible losses into consideration.

Under SFAS No. 5, "Accounting for Contingencies", accruals are established for expenses incurred but not paid as of the balance sheet date and for contingencies for which it is both probable that a loss has been incurred and the amount of such loss is reasonably estimable. Additionally, under Emerging Issues Task Force ("EITF") issue 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring)", restructuring costs are accrued only if an entity has appropriately approved and communicated a sufficiently detailed restructuring plan that is expected to be completed within one year.

(g) Provisions for warranties and sales returns

Under German GAAP, in addition to provisions for specific exposures, certain general provisions for future warranty claims and sales returns may be established. In accordance with SFAS No. 5 and SFAS No. 48, provisions for warranty claims and sales returns reflect estimated returns based on historical experience considering current facts and circumstances.

(h) Retirement and voluntary termination benefits

Under German GAAP, certain pension and similar obligations are measured using discount rates determined in accordance with local tax regulations and current salary levels of plan participants. Certain changes in such obligations are recognized immediately in earnings, with the exception of adjustments related to adoption of revised mortality tables in 1998, the effects of which were amortized over four years.

Under SFAS No. 87, "Employers' Accounting for Pensions", pension and similar obligations are measured using discount rates determined through reference to market rates of high-quality debt instruments and estimates of future salary trends. Certain changes in such obligations are deferred and recognized systematically over subsequent periods. Further, additional minimum liability is recognized if the accumulated benefit obligation exceeds the fair value of plan assets and the pension obligation otherwise recorded. Under U.S. GAAP, an additional minimum liability of Euro 2,740 (2001: Euro 694) thousand and an off-setting intangible asset of Euro 10 (2001: Euro 39) thousand have been recognized.

Additionally, under German GAAP certain obligations for voluntary termination benefits are measured using the number of employees expected to volunteer for such benefits. Premiums related to such plans are expensed immediately.

Under SFAS No. 88, "Employers' Accounting for Settlement and Curtailment of Defined Benefit Pension Plans and for Termination Benefits", the obligation for voluntary termination benefits is first recognized when the employee accepts the offer. The total costs of the benefits, including wage and salary premiums, are accrued on a straight line basis over the remaining service period.

(i) Pension refund

During 2000, the Swedish operation of the VARTA Consumer Battery Group was notified of its right to receive a Euro 2,038 thousand refund from a multi-employer defined benefit pension fund. The refund was granted in the form of offsets against future pension contributions. In accordance with German GAAP, VARTA Consumer Battery Group recognized the full amount of the expected refund as a receivable and other operating income during 2000. During 2002, the remaining receivable of Euro 554 thousand was written-off under German GAAP due to new information from the Swedish government indicating that such amounts could no longer be utilized to reduce current or future pension contributions.

Under U.S. GAAP, refunds from multi-employer plans are recognized in the periods in which cash is received or otherwise required contributions are reduced. Pension expense during 2001 was reduced by Euro 886 thousand as a result of the refund.

(j) Other deferred compensation plans

In accordance with German GAAP, obligations related to certain deferred compensation plans with benefits that are determined through reference to the accumulated service period of plan participants are accrued over the service period of plan participants and measured using discount rates determined in accordance with local tax regulations assuming all eligible participants will ultimately vest in associated benefits.

Under Accounting Principles Board Opinion 12, as amended by SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions", such obligations are also accrued over the service period of plan participants but are measured using discount rates determined through reference to market rates of high-quality debt instruments and estimates of future turnover of eligible plan participants.

(k) Translation of foreign currency operations

Under German GAAP, the balance sheets of foreign operations are translated into the Euro using rates in effect at the balance sheet date.

Revenues and expenses, with the exception of change in inventories, depreciation, and taxes on income, are translated at rates which approximate exchange rates in effect on the dates transactions occur. Depreciation and taxes on income are translated at balance sheet date rates and change in inventories is determined with reference to the change in the translated opening and closing balance sheet amounts. The net gain or loss arising from translation of statements of operations is recorded in other operating expenses.

Under SFAS No. 52, "Foreign Currency Translation", the assets and liabilities of a foreign currency operation are translated from the functional currency to the reporting currency using exchange rates in effect at the balance sheet date and revenues, expenses, gains and losses are translated at rates which approximate exchange rates in effect on the dates transactions occur. Translation adjustments are reported as a component of other comprehensive income but are excluded in determining net income.

Under German GAAP, the carrying value of fixed assets may be adjusted by indexation and revaluations of fixed assets required or allowed for statutory reporting purposes in certain countries with high inflation economies, where such indexation and revaluations compensate for currency devaluation.

Under SFAS No. 52, such indexation and revaluations are not allowed. Translation of financial statements of a foreign currency operation in a highly inflationary economy are remeasured as if the functional currency were the reporting currency.

(l) Foreign currency transaction gains and losses

Under German GAAP, foreign currency denominated receivables (payables) are translated at the lower (higher) of the exchange rate in effect at the balance sheet date or at the original transaction date, respectively. Unrealized losses are recognized in earnings while unrealized gains are not recorded until the underlying receivable or liability is settled.

Under SFAS No. 52, receivables and payables denominated in a foreign currency are translated using the exchange rate in effect at the balance sheet date. Unrealized gains and losses are recognized in earnings.

(m) Scope of consolidation

Under German GAAP, the VARTA Consumer Battery Group does not combine certain special purpose entities ("SPE's") in its combined financial statements.

Under U.S. GAAP, criteria which require evaluation for consolidation of SPE's result in the number of companies included in the combined financial statements being increased and the inclusion of accounts receivable and related financing liabilities in 2001. As of December 31, 2001, receivables of Euro 19,389 thousand and related liabilities of Euro 19,154 thousand are recorded under U.S. GAAP. Additionally, the accounts receivable include a retained interest in the receivables transferred to the SPE of Euro 891 thousand, whiCh was recorded as expense under German GAAP and is reversed under U.S. GAAP.

The financing agreements referred to above were terminated during the nine month period ending September 30, 2002. As a result, the allowance for retained interests was fully reversed under German GAAP.

(n) Leases

Under German GAAP, certain leasing transactions, including certain sale-leasebacks, are classified as operating leases and the leased assets are off balance sheet. Lease payments are expensed in their entirety. As a result of the sale-leaseback transaction, a related gain of Euro 2,260 thousand was recognized during the year ended December 31, 2000.

Under SFAS No. 13, "Accounting for Leases", leased assets and associated liabilities of Euro 20,168 (2001: Euro 15,231) thousand and Euro 22,887 (2001: Euro 17,819) thousand, respectively, are recorded in the balance sheets. The leased assets are depreciated based on their original cost bases and interest expense is recorded with respect to the financing liability.

(o) Accounting for income taxes

Under German GAAP, deferred tax assets of the combined businesses are recognized to the extent assets are recoverable through existing taxable timing differences. Deferred tax assets arising as a result of combination are recorded to the extent they are expected to be realized.

Under SFAS No. 109, "Accounting for Income Taxes", deferred tax assets are reduced by a valuation allowance to the amount that management believes is more likely than not to be realized considering future taxable profits as well as taxable temporary differences.

Under German GAAP, deferred taxes relating to investments in foreign businesses are not recorded. Under SFAS No. 109, a deferred tax liability is provided for an excess of the carrying amount of an investment in a foreign subsidiary over its tax basis unless such excess is essentially permanent in duration.

(p) Tax effect of U.S. GAAP adjustments

This item represents the income tax effects of the U.S. GAAP pre-tax adjustments.

(q) Combined statement of cash flows

The short term investments discussed in note 5 represent certain investments with original maturities of less than 90 days and, therefore, would be classified as cash equivalents under U.S. GAAP. Under SFAS No. 95, "Statement of Cash Flows", cash used in investing activities would be Euro 3,838 (2001: Euro 8,467) thousand and the beginning and ending balances of cash and cash equivalents in the accompanying combined statement of cash flows would be Euro 17,328 (2001: Euro 22,398) thousand and Euro 13,753 (2001: Euro 17,328) thousand, respectively.

(r) Combined statement of operations

Under German GAAP, statements of operations may be presented using the total-cost approach, an approach disclosing income and expenses by their nature.

In accordance with SEC rules and regulations, statements of operations are to be presented using a cost of sales approach whereby income and expenses are disclosed by function or activity.

(s) Comprehensive income

SFAS No. 130, "Reporting Comprehensive Income", requires disclosure of changes in equity that do not result from transactions with owners (comprehensive income). The following table presents comprehensive income:

	Nine months ended September 30, 2002	Year ended December 31, 2001
	Euro 000's	Euro 000's
Net income in accordance with U.S. GAAP	4,139	15,214
Foreign currency translation adjustment	-7,340	1,223
Additional minimum pension liability, net of tax	-1,475	-448
COMPREHENSIVE INCOME (LOSS) IN ACCORDANCE WITH U.S. GAAP	-4,676	15,989

(23) SUBSEQUENT EVENTS

VARTA Consumer Battery Group was sold to Rayovac pursuant to the Agreement, effective October 1, 2002. As a result of purchase accounting which will be applied by Rayovac, significant changes may be expected to the recorded assets and liabilities of VARTA Consumer Battery Group.

Certain monetary assets and liabilities that will be acquired according to the Agreement do not historically relate to VARTA Consumer Battery Group. Conversely, certain monetary assets and liabilities historically related to VARTA Consumer Battery Group will not be acquired according to the Agreement. As described in note 1, the accompanying combined financial statements include the historical assets and liabilities of VARTA Consumer Battery Group irrespective of the legal entity in which they reside prior to or after closing of the Agreement.

On October 1, 2002 the purchase prices of finished products purchased from VARTA micro battery business were adjusted in accordance with the Distribution Agreement. While the prices included in these combined financial statements have been determined in a manner consistent with the prices effective October 1, 2002, the aggregate cost of such finished goods is expected to rise based on actual production costs incurred and margins realized in 2002. Were the increased purchase prices reflected in the accompanying combined financial statements, purchases of finished products from VARTA micro battery business would have been approximately Euro 618 thousand higher for the nine months ended September 30, 2002.

(24) COMBINED COMPANIES

	Equity** Euro 000's	Result** Euro 000's	Part of Equity %	Employees Number	Factories
VARTA Geratebatterie GmbH * Hannover, Germany	50,898	13,565	--	1,102	1
VARTA Batteri AS *** Stenlose, Denmark	1,968	-3,060	100	41	--
VARTA Ltd. * Crewkerne, Great Britain	2,213	-218	100	22	--
VARTA B.V. Utrecht, Netherlands	1,108	-211	100	33	--
VARTA S.A. * Courbevoie, France	10,634	245	100	104	--
Pile d'Alsace S.A.S. Breitenbach, France	1,854	-85	100	138	1
VARTA Batterie S.p.A. * Verona, Italy	6,644	1,042	100	104	--
VARTA Batterie Ges.m.b.H. Vienna, Austria	1,134	-123	100	19	--
VARTA Baterie Sp.z.o.o. Warsaw, Poland	368	-120	100	3	--
VARTA Kereskedelmi es Szolgaltato Kft. Budapest, Hungary	572	57	100	7	--
VARTA Pilleri Ticaret Ltd. Istanbul, Turkey	296	-92	100	37	--
VARTA Batteries Inc. * Toledo/Elmsford, USA	1,107	-1,921	100	9	--
VARTA S.A. de C.V. Mexico City, Mexico	4,101	144	100	73	--
VARTA S.A. Santafe de Bogota, Colombia	14,873	2,402	100	291	1
VARTA Geratebatterie Finanzservice GmbH Hannover, Germany	1,097	187	100	--	--
Anabasis Handelsgesellschaft mbH Hannover, Germany	21	-4	100	--	--

* Entity in which VARTA Consumer Battery Group has been carved-out of historical results and equity of the legal entity.

** Equity and result as of and for nine months period ended September 30, 2002 as included in the combined financial statements, prior to combination entries.

*** Prior to foundation of this legal entity in September 30, 2002, the consumer business has been carved out of VARTA Batteri AB, Solna, Sweden.

Exhibit 99.2

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The accompanying unaudited Pro Forma Condensed Combined Balance Sheet as of September 30, 2002 reflects the combined financial position of Rayovac Corporation (the "Company"), after giving effect to the acquisition of the consumer battery business of VARTA AG ("VARTA") (collectively the "Acquisition"), as if the transaction had been consummated as of September 30, 2002. The unaudited Pro Forma Condensed Combined Statement of Operations reflects the Company's historical operating results for the year ended September 30, 2002 with unaudited VARTA historical results for the year ended September 30, 2002 and include pro forma adjustments as if the transaction had been consummated on October 1, 2001.

The unaudited Pro Forma Condensed Combined Statement of Operations for the year ended September 30, 2002 includes for VARTA the unaudited three month period ended December 31, 2001, which also was included in the year ended December 31, 2001. Summarized operating information about this quarter is as follows, based on an average Euro to USD exchange rate of 0.919 to 1. (in $000's):

Net Sales	$ 110,696
Gross Profit	44,344
Total Operating Expenses	29,718
Income from Operations	14,626
Net Income	8,220

The unaudited Pro Forma Condensed Combined Balance Sheet as of September 30, 2002 includes for VARTA a balance sheet translated at an assumed Euro to USD exchange rate of 1 to 1 and incorporates the necessary adjustments to convert from German GAAP to U.S. GAAP.

In connection with the Acquisition on October 1, 2002, the Company entered into an Amended and Restated Credit Agreement ("Third Restated Agreement") which replaced the previous credit agreement. The Third Restated Agreement provided for senior bank facilities, including term and revolving credit facilities in an initial aggregate amount (assuming an exchange rate of Euro to Dollar of 1 to 1) of approximately $625 million. The Third Restated Agreement includes a $100 million seven-year revolving credit facility, a EUR 50 million seven-year revolving facility, a $300 million seven-year amortizing term loan, a EUR 125 million seven-year amortizing term loan and a EUR 50 million six-year amortizing term loan. The U.S. Dollar revolving credit facility may be increased, at the Company's option, by up to $50 million.

The Company purchased the VARTA business for approximately $276 million, which includes acquisition related expenditures. The Company anticipates a non-operating charge of approximately $3.1 million (approximately $1.9 million net of tax) related to the write-off of unamortized debt issuance costs related to the previous debt agreement will be recognized within the twelve months succeeding the transaction. The write-off of these charges are not reflected in the unaudited Pro Forma Condensed Combined Statement of Operations, but are reflected in the unaudited Pro Forma Combined Condensed Balance Sheet.

The pro forma adjustments, which are described in the accompanying notes, are based on information available at the time of the filing of this Amendment to the Current Report on Form 8-K. Included in the unaudited Pro Forma Condensed Combined Financial Statements are certain assumptions and estimates that management of the Company believe are reasonable, but may change as additional information becomes available and valuations of the acquired assets are finalized.

The unaudited pro forma condensed combined financial statements are presented for illustrative purposes only and are not necessarily indicative of the operating results or financial position that would have been achieved if the Acquisition had been consummated on the dates indicated, nor are they necessarily indicative of the future operating results or financial position of the combined company. The unaudited pro forma condensed combined financial statements do not give effect to any cost savings or integration costs which may result from the combination of the Company's and VARTA's operations.

These unaudited pro forma condensed combined financial statements are based on, and should be read in conjunction with, the historical consolidated financial statements and related notes thereto of the Company (previously filed) and VARTA (included herein).

RAYOVAC CORPORATION
Unaudited Pro Forma Condensed Combined Balance Sheet
as of September 30, 2002
(In thousands, except per share amounts)

ASSETS	Rayovac Corporation As of September 30, 2002	VARTA As of September 30, 2002	Eliminations (A)	Pro Forma Adjustments (B)
Current assets:				
Cash and cash equivalents	$ 9,881	$ 13,801	$ --	$ --
Receivables	136,610	71,684 (C)	--	--
Inventories	84,275	64,670	--	--
Prepaid expenses and other	28,556	18,219	--	--
Total current assets	259,322	168,374	--	--
Property, plant and equipment, net	102,586	52,875	--	20,000
Deferred charges and other	48,693	1,909	--	(4,365)
Intangible assets, net	119,425	1,264	--	235,267
Debt issuance costs	3,207	--	--	9,817 (E)
Total assets	$ 533,233	$ 224,422	$ --	$ 260,719
LIABILITIES AND SHAREHOLDER'S EQUITY				
Current liabilities:				
Current maturities of long-term debt	$ 13,400	$ 3,065	$ --	$ --
Accounts payable	76,155	68,685	--	8,252
Accrued liabilities:				
Wages and benefits and other	27,528	44,872	--	(1,167)
Other special charges	1,701	--	--	20,834
Total current liabilities	118,784	116,622	--	27,919
Long-term debt, net of current maturities	188,471	20,883	--	275,889 (G)
Employee benefit obligations, net of current portion	24,009	28,359	--	--
Deferred income taxes and other	27,176	14,373	--	3,001
Total liabilities	358,440	180,237	--	306,809
Total shareholders' equity	174,793	44,185	--	(46,090)
Total liabilities and shareholders' equity	$ 533,233	$ 224,422	$ --	$ 260,719

ASSETS	Pro Forma Combined
Current assets:	
Cash and cash equivalents	$ 23,682
Receivables	208,294
Inventories	148,945
Prepaid expenses and other	46,775
Total current assets	427,696
Property, plant and equipment, net	175,461
Deferred charges and other	46,237
Intangible assets, net	355,956
Debt issuance costs	13,024
Total assets	$1,018,374
LIABILITIES AND SHAREHOLDER'S EQUITY	
Current liabilities:	
Current maturities of long-term debt	$ 16,465
Accounts payable	153,092
Accrued liabilities:	
Wages and benefits and other	71,233
Other special charges	22,535
Total current liabilities	263,325
Long-term debt, net of current maturities	485,243
Employee benefit obligations, net of current portion	52,368
Deferred income taxes and other	44,550

Total liabilities	845,486
Total shareholders' equity	172,888
Total liabilities and shareholders' equity	$1,018,374

RAYOVAC CORPORATION
Unaudited Pro Forma Condensed Combined Statement of Operations
(In thousands, except per share amounts)

	Rayovac Corporation 12 Months Ended September 30, 2002	VARTA 12 Months Ended September 30, 2002	Pro Forma Adjustments	Pro Forma Combined
Net sales	$ 572,736	$ 371,810	$ (1,304) (A)	$ 943,242
Cost of goods sold	334,147	228,038	(844) (A)	561,341
Special charges	1,210	--	--	1,210
Gross profit	237,379	143,772	(460)	380,691
Operating expenses:				
Selling	104,374	90,680	--	195,054
General and administrative	56,900	18,624	1,838 (D)	77,362
Research and development	13,084	6,803	--	19,887
	174,358	116,107	1,838	292,303
Income from operations	63,021	27,665	(2,298)	88,388
Interest expense	16,048	2,299	22,385 (E)	40,732
Other expense, net	1,290	1,549	--	2,839
Income before income taxes and extraordinary item	45,683	23,817	(24,683)	44,817
Income tax expense (benefit)	16,446	11,797	(9,380) (F)	18,863
Income before extraordinary item	$ 29,237	$ 12,020	$ (15,303)	$ 25,954
Basic net income per common share:				
Income before extraordinary item	$ 0.92			$ 0.82
Weighted average shares of common stock outstanding	31,775			31,775
Diluted net income per common share:				
Income before extraordinary item	$ 0.90			$ 0.80
Weighted average shares of common stock and equivalents outstanding	32,414			32,414

Notes to unaudited pro forma condensed combined financial statements.

(A) To reflect elimination of (1) sales and cost of goods sold for shipments between the Company and VARTA (2) receivables and payables between the Company and VARTA (3) assets and liabilities of VARTA subsidiaries purchased by Rayovac which were not part of the Combined Financial Statement-German GAAP financials of VARTA and (4) U.S. GAAP accounting adjustments. An average Euro to USD exchange rate of 0.919 to 1 was assumed.

(B) To reflect the excess of acquisition cost over the estimated fair value of net assets acquired (goodwill). The purchase price, purchase-price allocation, and financing of the transaction are summarized as follows:

Acquisition Price (in $000's) (*);

Purchase price paid, including acquisition related expenditures	$275,617
Historical book value of acquired assets and liabilities	44,185
Estimated adjustments to reflect assets and liabilities at fair value:	
Property, plant, & equipment	20,000
Trade name	145,000
Deferred tax liabilities, net of deferred tax assets	(3,001)
Liabilities and restructuring accruals	(20,834)
Total allocation	185,350
Excess purchase price over allocation to identifiable assets and liabilities (goodwill) at September 30, 2002	$90,267

(*) Assumes Euro/USD exchange rate of 1 to 1.

The purchase price allocation noted above is preliminary and therefore subject to change, pending receipt of the final asset and liability valuations and possible purchase price adjustments.

(C) Pursuant to the Agreement, VARTA AG acquired EUR 20 million of trade receivables from the consumer battery business, without recourse, prior to September 30, 2002. If the Company were to not replicate this transaction in the future, the unaudited Proforma Combined Condensed Balance Sheet would reflect an increase in receivables and an increase in liabilities.

(D) To reflect the estimated depreciation of property and equipment on a straight-line basis over an estimated useful life 10 years. Pursuant to the provisions of Statement No. 142, GOODWILL AND OTHER INTANGIBLE ASSETS, the Company believes the VARTA trade name to have an indefinite useful live and as such has not reflected any amortization expense. The trade name and goodwill will be tested annually for impairment. An average Euro to USD exchange rate of 0.919 to 1 was assumed.

(E) To reflect the increase in interest expense, including one year's amortization of debt issuance costs, to finance the purchase price of the Acquisition. Debt issuance costs of approximately $12.9 million were incurred with the Third Restated Agreement. The interest rate on the Third Restated Agreement facilities is assumed to be approximately 6.5%. The Company anticipates a non-operating charge of approximately $3.1 million (approximately $1.9 million net of tax) related to the write-off of unamortized debt issuance costs related to previous debt agreement will be recognized within the twelve months succeeding the transaction. A change of 1/8 percent in the interest rate would result in a change in annual interest expense and net income of approximately $0.3 million and $0.2 million before and after taxes, respectively. An average Euro to USD exchange rate of 0.919 to 1 was assumed.

(F) To reflect the income tax effect of (1) increased interest expense and depreciation of a portion of the property, plant, and equipment and (2) the margin eliminated on sales between the Company and VARTA assuming a tax rate of 38 percent.

(G) To reflect amounts borrowed on the transaction date to fund the Acquisition price and debt issuance costs associated with the Third Restated Agreement.