

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

August 9, 1999

(Date of earliest event reported)

Rayovac Corporation

(Exact name of Registrant as specified in its charter)

Wisconsin

001-13615

22-2423556

(State of
Incorporation)

(Commission File No.)

(IRS Employer
Identification No.)

601 Rayovac Drive, Madison, Wisconsin 53711

(Address of principal executive offices, including zip code)

(608) 275-3340

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

In this first amendment to the Company's Form 8-K, the Company is providing the information required by Item 7 of that form.

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 and 99.2 to this report:

Audited Consolidated Financial Statements of ROV Limited and Subsidiaries:

Report of Independent Certified Public Accountants

Consolidated Balance Sheets at December 31, 1998 and 1997

Consolidated Statements of Operations for the years ended December 31, 1998, 1997 and 1996

Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 1998, 1997 and 1996

Consolidated Statements of Cash Flows for the years ended December 31, 1998, 1997 and 1996.

Notes to Consolidated Financial Statements

Unaudited Condensed Consolidated Financial Statements of ROV Limited and Subsidiaries:

Condensed Consolidated Balance Sheets at June 25, 1999 and December 31, 1998

Condensed Consolidated Statements of Operations for the periods from January 1, 1999 through June 25, 1999 and from January 1, 1998 through June 26, 1998

Condensed Consolidated Statements of Operations for the periods from September 25, 1998 through June 25, 1999 and from September 26, 1997 through June 26, 1998

Condensed Consolidated Statements of Cash Flows for the periods from January 1, 1999 through June 25, 1999 and from January 1, 1998 through June 26, 1998

Condensed Consolidated Statements of Cash Flows for the periods from September 25, 1998 through June 25, 1999 and from September 26, 1997 through June 26, 1998

Notes to Condensed Consolidated Financial Statements

- (b) PRO FORMA FINANCIAL INFORMATION. The following unaudited pro forma financial information with respect to the Registrant is included as Exhibit 99.3 to this report:

Unaudited Pro Forma Condensed Consolidated Balance Sheet
as of July 4, 1999

Unaudited Pro Forma Condensed Consolidated Statements of
Operations for the Nine Months Ended July 4, 1999 and Year
Ended September 30, 1998

c) EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
2.1	Share Purchase Agreement made as of June 11, 1999, by and among the Company, Vidor Battery Company, Rayovac Latin America, Ltd., substantially all the shareholders of ROV Limited, ROV Limited, ESB ROV Ltd., Duranmas, S.A., certain second-tier subsidiaries of ROV Limited, Ray-O-Vac Overseas Corporation, and Alfredo J. Diez and Richard T. Doyle, Jr., as selling group representatives (previously filed).
2.2	Form of Stock Purchase Agreement entered into on or around June 11, 1999, by and among the Company, Rayovac Latin America, Ltd. and certain persons who hold minority interests in certain of the operating subsidiaries of Ray-O-Vac Overseas Corporation (previously filed).
4.11	Second Amended and Restated Credit Agreement, dated as of August 9, 1999, by and among the Company, the lenders party thereto and Bank of America, N.A. as Administrative Agent (previously filed).
4.12	Second Supplemental Indenture dated as August 6, 1999 by and among the Company, ROV Holding Inc., Rovcal, Inc., Vidor Battery Company and HSBC Bank USA (previously filed).
99.1	Consolidated Financial Statements of ROV Limited and Subsidiaries (with report of independent certified public accountants thereon).
99.2	Unaudited Condensed Consolidated Financial Statements of ROV Limited and Subsidiaries.
99.3	Unaudited Pro Forma Condensed Consolidated Financial Statements.

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.

RAYOVAC CORPORATION

Date: October 25, 1999

By:

/S/ Randall J. Steward

Name: Randall J. Steward

Title: Executive Vice President of
Administration and Chief Financial
Officer

ROV LIMITED AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
for the years ended December 31, 1998, 1997 and 1996

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Report of Independent Certified Public Accountants

To the Board of Directors and Shareholders
of ROV Limited

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, changes in shareholders' equity and cash flows present fairly, in all material respects, the financial position of ROV Limited and its subsidiaries at December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ PricewaterhouseCoopers LLP

March 31, 1999, except for Notes 6 and 13,
as to which the date is June 11, 1999

ROV LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 1998 and 1997
(in thousands of U.S. dollars, except par value and share amounts)

	1998	1997
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$12,125	\$ 6,961
Short-term investments	1,500	1,604
Accounts receivable, net of allowances of \$1,044 in 1998 and \$637 in 1997	18,380	20,058
Inventories	14,715	11,617
Prepaid expenses and other current assets	968	1,384
	-----	-----
Total current assets	47,688	41,624
Property, plant and equipment, net	14,011	12,969
Other assets	1,359	1,256
	-----	-----
Total assets	\$63,058	\$55,849
	=====	=====
LIABILITIES, PREFERRED STOCK AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,002	\$ 9,135
Accrued expenses and other current liabilities	5,885	3,438
Loans payable, current portion	7,658	4,672
Deferred income taxes, current	566	703
	-----	-----
Total current liabilities	22,111	17,948
Accrued service and severance indemnities	3,255	2,859
Loans payable, long term	19	43
Deferred income taxes, noncurrent	130	270
Other liabilities	479	813
Minority interest in subsidiaries	3,877	3,282
	-----	-----
Total liabilities	29,871	25,215
	-----	-----
Mandatorily redeemable preferred stock	2,759	3,128
	-----	-----
Commitments and contingencies (Notes 8, 9, 11 and 13)		
Shareholders' equity:		
Common stock:		
Class A; \$66.67 par value; 90,000 shares authorized; 79,200 shares issued and outstanding	5,280	5,280
Class E; \$5.00 par value; 1,200,000 shares authorized; 706,757 shares issued and outstanding	3,534	3,534
Retained earnings	21,614	18,692
	-----	-----
Total shareholders' equity	30,428	27,506
	-----	-----
Total liabilities, preferred stock and shareholders' equity	\$63,058	\$55,849
	=====	=====

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

ROV LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
for the years ended December 31, 1998, 1997 and 1996
(in thousands of U.S. dollars, except share and per share amounts)

	1998	1997	1996
	-----	-----	-----
Net sales	\$ 97,057	\$ 83,842	\$ 70,177
	-----	-----	-----
Cost and operating expenses:			
Cost of sales	58,515	50,311	43,469
Selling and distribution	10,784	10,424	8,157
Advertising and promotion	2,905	1,740	1,629
Administrative and general	10,432	8,639	8,249
	-----	-----	-----
Total costs and operating expenses	82,636	71,114	61,504
	-----	-----	-----
Operating income	14,421	12,728	8,673
	-----	-----	-----
Other income (expenses):			
Interest income	942	286	482
Interest expense	(1,213)	(600)	(885)
Commission, royalty and technical assistance	171	491	653
Currency translation and devaluation	(1,583)	(14)	(693)
Other	(525)	(471)	(178)
	-----	-----	-----
Total other income (expenses), net	(2,208)	(308)	(621)
	-----	-----	-----
Income before income taxes and minority interest in earnings of subsidiaries	12,213	12,420	8,052
Provision for income taxes	3,131	3,027	2,373
	-----	-----	-----
Income before minority interest in earnings of subsidiaries	9,082	9,393	5,679
Minority interest in earnings of subsidiaries	(1,878)	(1,585)	(1,201)
	-----	-----	-----
Net income	\$ 7,204	\$ 7,808	\$ 4,478
	=====	=====	=====
Basic and diluted earnings per share	\$ 8.66	\$ 9.51	\$ 5.14
	-----	-----	-----
Weighted average common shares outstanding - basic and diluted	785,957	785,957	785,957
	=====	=====	=====

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

ROV LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
for the years ended December 31, 1998, 1997 and 1996
(in thousands of U.S. dollars, except share and per share amounts)

	Common Stock				Retained Earnings	Totals
	Class A		Class E			
	Shares	Amount	Shares	Amount		
Balances at December 31, 1995	79,200	\$ 5,280	706,757	\$ 3,534	\$ 11,702	\$ 20,516
Net income	--	--	--	--	4,478	4,478
Dividends:						
Preferred stock - Class G	--	--	--	--	(437)	(437)
Common stock (\$2.88 per share):						
Class A	--	--	--	--	(228)	(228)
Class E	--	--	--	--	(2,036)	(2,036)
Balances at December 31, 1996	79,200	5,280	706,757	3,534	13,479	22,293
Net income	--	--	--	--	7,808	7,808
Dividends:						
Preferred stock - Class G	--	--	--	--	(333)	(333)
Common stock (\$2.88 per share):						
Class A	--	--	--	--	(228)	(228)
Class E	--	--	--	--	(2,034)	(2,034)
Balances at December 31, 1997	79,200	5,280	706,757	3,534	18,692	27,506
Net income	--	--	--	--	7,204	7,204
Dividends:						
Preferred stock - Class G	--	--	--	--	(395)	(395)
Common stock (\$4.95 per share):						
Class A	--	--	--	--	(392)	(392)
Class E	--	--	--	--	(3,495)	(3,495)
Balances at December 31, 1998	79,200	\$ 5,280	706,757	\$ 3,534	\$ 21,614	\$ 30,428

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

ROV LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the year's ended December 31, 1998, 1997 and 1996
(in thousands of U.S. dollars)

	1998	1997	1996
	-----	-----	-----
Cash flows from operating activities:			
Net income	\$ 7,204	\$ 7,808	\$ 4,478
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	2,588	2,032	1,789
Gain on sale of property and equipment	(114)	(75)	(123)
Loss from currency translation and devaluation	1,583	14	693
(Decrease) increase in deferred income taxes	(277)	351	(284)
Minority interest in earnings of subsidiaries	1,878	1,585	1,201
Change in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable, net	1,049	(2,750)	(963)
Inventories	(3,594)	(1,110)	1,550
Prepaid expenses and other current assets	415	(894)	(590)
Other assets	(103)	152	(140)
(Decrease) increase in:			
Accounts payable	(1,424)	2,920	(1,120)
Accrued expenses and other current liabilities	2,280	(49)	(20)
Other liabilities	63	1,266	(148)
Net cash provided by operating activities	----- 11,548	----- 11,250	----- 6,323
Cash flows from investing activities:			
Decrease (increase) in short-term investments, net	104	(1,604)	--
Purchases of property, plant and equipment	(4,112)	(4,132)	(2,911)
Proceeds from sales of property, plant and equipment	596	767	620
Net cash used in investing activities	----- (3,412)	----- (4,969)	----- (2,291)
Cash flows from financing activities:			
Proceeds from loans	4,540	2,198	3,459
Repayment of loans	(1,578)	(2,411)	(2,114)
Distribution to minority shareholders of subsidiaries	(1,283)	(1,248)	(605)
Preferred stock redemptions	(369)	(1,931)	(1,632)
Dividends paid	(4,282)	(2,595)	(2,701)
Cash flows used in financing activities	----- (2,972)	----- (5,987)	----- (3,593)
Net increase in cash and cash equivalents	5,164	294	439
Cash and cash equivalents at beginning of year	6,961	6,667	6,228
Cash and cash equivalents at end of year	----- \$ 12,125	----- \$ 6,961	----- \$ 6,667
	=====	=====	=====
Supplemental disclosure of cash flow information:			
Cash paid during the year for:			
Interest	\$ 997	\$ 800	\$ 769
	=====	=====	=====
Income taxes	\$ 2,508	\$ 2,594	\$ 2,057
	=====	=====	=====

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

1. Operations and Organization:

ROV Limited was incorporated in 1982 under the laws of the Cayman Islands and has investments in various companies (collectively called the "Company"), most of which were acquired from Ray-O-Vac International Corporation. ROV Limited's subsidiaries, which operate principally in Mexico, Central America, South America and the Caribbean, are engaged primarily in the manufacturing and distribution of batteries and lighting devices. Substantially all revenues are derived from and substantially all assets are resident in countries in which the subsidiaries operate.

2. Significant Accounting Policies:

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America.

Basis of Consolidation

The consolidated financial statements include the accounts of ROV Limited and all of its subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The Company's management uses estimates primarily with respect to the allowance for doubtful accounts and the useful lives of property, plant and equipment. Actual results could differ from those estimates.

Currency Translation

The Company considers the U.S. dollar to be the functional currency for all of the Company's operations. Accordingly, entities which maintain their accounting records in currencies other than the U.S. dollar, remeasure monetary assets and liabilities at exchange rates as of the end of the year, and non-monetary items at historical rates. Income and expense accounts are remeasured at the average rates in effect during the year, except for depreciation which is reported at historical rates. Currency translation adjustments and transaction gains or losses are recognized in consolidated income in the year of occurrence.

2. Significant Accounting Policies, Continued:

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

The Company maintains cash and investments at various financial institutions in the United States, the United Kingdom and in various other countries where the Company's subsidiaries operate. At times, balances maintained at these institutions may exceed their respective insured limits.

Short-Term Investments

Short-term investments consist of time deposits and commercial paper issued by financial institutions, maturing within one year. These investments are classified as held-to-maturity, and are stated at cost plus accrued income, which approximates market value.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined primarily using the average method.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Additions, renewals and improvements are capitalized, while routine repair and maintenance costs are expensed. Upon retirement or sale, the cost of the disposed assets and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the determination of net income.

Depreciation and amortization are provided utilizing the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	20 to 30 years
Plant, machinery and equipment	5 to 15 years
Furniture and fixtures	3 to 10 years

The Company evaluates recoverability of assets to be held and used by comparing the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. As of December 31, 1998 and 1997, no impairment charges were considered necessary.

2. Significant Accounting Policies, Continued:

Income Taxes

Substantially all income taxes of the Company are generated in and are payable to the tax jurisdictions in which it does business.

The Company utilizes the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax laws and rates that will be in effect when the differences are expected to reverse.

The Company's subsidiaries compute income taxes at rates in effect in the various countries in which they operate. Earnings of these subsidiaries may also be subject to additional income and withholding taxes when distributed as dividends. These additional taxes are accrued currently, except with respect to earnings which are not expected to be remitted because they are deemed to be permanently invested.

Earnings Per Share

Earnings per share have been calculated in accordance with Statement of Financial Accounting (SFAS) No. 128, "Earnings per Share". Basic earnings per share are computed by dividing the earnings available to common stock shareholders by the weighted average number of common shares outstanding. For the years ended December 31, 1998, 1997 and 1996, there were no common stock equivalents. Accordingly, basic and diluted earnings per share are equivalent.

Service and Severance Indemnities

The Company fully accrues for employee service and severance indemnities over the employment terms, as required by law in the countries in which the Company operates.

Advertising and Promotion

All advertising and promotion costs are expensed when incurred.

Revenue Recognition

The Company recognizes revenue from product sales at the time of shipment.

Reclassifications

Certain reclassifications have been made to the prior years financial statements to conform with the 1998 presentation.

ROV LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued
(in thousands of U.S. dollars)

3. Allowance for Doubtful Accounts:

Activity in the allowance for doubtful accounts for the years ended December 31 was as follows:

	1998	1997	1996
Balance, beginning of year	\$ 637	\$ 566	\$ 326
Provision	557	394	338
Write offs	(150)	(336)	(98)
Recoveries	--	13	--
	-----	-----	-----
Balance, end of year	\$ 1,044	\$ 637	\$ 566
	=====	=====	=====

4. Inventories:

Inventories at December 31 consisted of the following:

	1998	1997
Raw materials	\$ 7,713	\$ 7,104
Work-in-process	1,092	1,164
Finished goods	5,910	3,349
	-----	-----
	\$14,715	\$11,617
	=====	=====

5. Property, Plant and Equipment:

Property, plant and equipment at December 31 consisted of the following:

	1998	1997
Land	\$ 253	\$ 253
Buildings and improvements	3,109	2,732
Machinery and equipment	19,623	17,533
Furniture and fixtures	2,352	2,209
Construction in progress	2,622	2,474
	-----	-----
	27,959	25,201
Less accumulated depreciation	(13,948)	(12,232)
	-----	-----
	\$ 14,011	\$ 12,969
	=====	=====

6. Loans Payable:

Loans payable at December 31 are due to financial institutions by subsidiaries, in various currencies, as follows:

	1998	1997
Uncollateralized line of credit with a Mexican bank for a total of \$1,500, interest at rates ranging from 12.4% to 13.4% per annum, maturing from January 1999 through February 1999, principal and interest is payable at maturity in US dollars, maturity dates extended through July and August 1999.	\$ 970	\$ 500
Uncollateralized line of credit with a Mexican bank for a total of \$4,000, \$2,717 payable in US dollars at interest rates ranging from 11.4% to 12.7% per annum, maturing from January 1999 through March 1999 (extended to July through September 1999), principal and interest payable at maturity; \$304 payable in Mexican pesos, interest at 45.8% per annum, maturing January 1999, principal and interest due at maturity, maturity date extended through July 1999.	3,021	2,486
Uncollateralized line of credit with a Mexican bank for a total of \$2,500, \$2,050 payable in US dollars at interest rates ranging from 11.1% to 12.4% per annum, maturing from January 1999 through March 1999 (extended to July through September 1999), principal and interest payable at maturity; \$203 payable in Mexican pesos, at interest rates ranging from 39.5% to 40.0% per annum, maturing in February 1999, principal and interest due at maturity, maturity date extended through August 1999.	2,253	1,174
Uncollateralized line of credit with a Guatemalan bank for a total of \$292, interest at 16.0% per annum, principal and interest payable at maturity in Guatemalan quetzales, paid in April 1999.	249	32
Uncollateralized line of credit with a Guatemalan bank for a total of \$380, interest at 14.5% per annum, principal and interest payable at maturity in Guatemalan quetzales, paid in February 1999.	380	--
Uncollateralized line of credit with a Guatemalan bank for a total of \$800, interest at 10.5% per annum, principal and interest payable at maturity in US dollars, paid in May 1999.	146	--

ROV LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued
(in thousands of U.S. dollars)

6. Loans Payable, Continued:

	1998	1997
Uncollateralized line of credit with a Guatemalan bank for a total of \$400, interest at 10.5% per annum, principal and interest payable at maturity in US dollars, paid in January 1999.	400	200
Uncollateralized line of credit with a Salvadoran bank for a total of \$171, interest at 15.5% per annum, principal and interest payable at maturity in Salvadoran colones, paid in January 1999.	\$ 171	\$ 171
Uncollateralized line of credit with a Salvadoran bank for a total of \$82, interest at 16.5% per annum, principal and interest payable monthly in Salvadoran colones, paid in June 1999.	22	64
Uncollateralized line of credit with a Salvadoran bank for a total of \$171, interest at 15.5% to 18.0% per annum, paid during 1998.	--	57
Automobile loans with various financial institutions in Mexico, Venezuela and Colombia at rates ranging from 10.7% to 37.0%, collateralized by automobiles, payable in monthly installments through May 2001.	65	31
	-----	-----
	7,677	4,715
Less current portion	(7,658)	(4,672)
	-----	-----
Loans payable, long term	\$ 19	\$ 43
	=====	=====

The Company's credit lines and term loan agreements contain certain restrictive financial covenants.

7. Income Taxes:

The provision for income taxes at December 31 consisted of the following:

	1998	1997	1996
Current	\$ 3,408	\$ 2,676	\$ 2,657
Deferred	(277)	351	(284)
	-----	-----	-----
	\$ 3,131	\$ 3,027	\$ 2,373
	=====	=====	=====

7. Income Taxes, Continued:

ROV Limited is a Cayman Islands company whose subsidiaries operate in countries throughout the world, primarily in Mexico, Central America and South America and the Caribbean. Each country has its own tax rates and regulations. The provision for income taxes on continuing operations differs from the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate (35%) to income before income taxes as a result of the following differences:

	1998	1997	1996
Provision for income taxes at statutory U.S. tax rate	\$ 4,275	\$ 4,347	\$ 2,818
State income taxes (net of federal benefit)	4	4	2
Foreign taxes (statutory rate differential)	(1,008)	(1,324)	(447)
Change in foreign tax rate applicable to unremitted earnings	(140)	--	--
	-----	-----	-----
Provision for income taxes	\$ 3,131	\$ 3,027	\$ 2,373
	=====	=====	=====

Significant components of deferred tax assets (liabilities) at December 31, are as follows:

	1998	1997
Current:		
Allowance for doubtful accounts	\$ 221	\$ 66
Inventories	(967)	(904)
Accrued expenses	180	135
	-----	-----
	\$(566)	\$(703)
	=====	=====
Noncurrent:		
Undistributed earnings of foreign subsidiaries	\$(130)	\$(270)
	=====	=====

8. Commitments and Contingencies:

In the ordinary course of business, the Company is subject to certain legal matters, which in the opinion of management, and based on the advice of its legal counsel, should not have a material adverse effect on the financial position, results of operations or cash flows of the Company.

The Company is also committed under various purchase contracts, each under one year in duration, arising in the ordinary course of business. Management does not anticipate any material losses as a result of these commitments.

8. Commitments and Contingencies, Continued;

On December 9, 1998, the Directors of ROV Limited approved severance agreements for the benefit of certain officers, key employees and independent contractors of the Company, whereby such individuals would receive severance pay and other benefits in the combined amount of approximately \$4,700 upon meeting certain conditions after any change in control of ROV Limited and/or subsidiaries.

9. Mandatorily Redeemable Preferred Stock:

Preferred stock at December 31 consisted of the following (in thousands of U.S. dollars, except for share amounts and par value):

	1998	1997
Class G, preferred shares, 341,962 shares authorized, 91,962 and 104,267 issued and outstanding in 1998 and 1997, respectively, 6% cumulative dividend and redeemable, \$30 par value	\$ 2,759 =====	\$ 3,128 =====

Class G preferred shares are non-voting and are entitled to a 6% cumulative preferred dividend.

The balance of \$2,759 is subject to redemption in four equal installments commencing on April 1 following any fiscal year in which the following cumulative earnings since December 1, 1986 are reached: 1999 - \$60,420, 2000 - \$65,420 and 2001 - \$70,420. If these cumulative earnings triggers have not been reached by December 31, 2001, and the Company has complied with all material obligations (consisting primarily of scheduled redemptions and dividend payments) to its Class G shareholders, the remaining existing outstanding Class G preferred shares will be cancelled. At December 31, 1998, the cumulative earnings since December 1, 1986 approximated \$51,000. See Note 13.

The Company made scheduled redemptions of \$369 and \$1,000 in January 1998 and 1997, respectively. Also, the Company made additional mandatory redemptions in the amount of \$931, in 1997. The Company may redeem the outstanding Class G shares at par value at any time.

10. Earnings Per Share:

Dividends on preferred stock reduced the income available to common shareholders by \$395, \$333 and \$437 for the years ended December 31, 1998, 1997 and 1996, respectively. A reconciliation of the Company's net income to income available to common shareholders follows:

	1998	1997	1996
Net Income:	\$ 7,204	\$ 7,808	\$ 4,478
Dividends on preferred shares	(395)	(333)	(437)
	-----	-----	-----
Income available to common stock shareholders	\$ 6,809	\$ 7,475	\$ 4,041
	=====	=====	=====

11. Concentrations of Credit and Business Risk:

The Company sells its products primarily to customers in Mexico, Central America, South America and the Caribbean. The Company performs ongoing credit evaluations of its customers' financial condition, reviews credit histories before extending new credit and establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information. Historically, the Company has not incurred any significant credit related losses.

Certain raw materials, which are essential to the production process, are purchased from a limited number of suppliers. Should the supply of these raw materials be interrupted, management believes that alternate sources of supply are available. However, such interruption could cause delays in production.

12. Geographical Information

The Company's management assesses its operations according to geographic areas. Included in Central America are the Company's operations in Guatemala, Honduras, El Salvador and Costa Rica. The following represents geographic information of the Company as of December 31, 1998 and 1997 and for the three years in the period ended December 31, 1998:

Revenues from external customers:	Year Ended December 31,		
	1998	1997	1996
	-----	-----	-----
Mexico	\$20,933	\$21,873	\$15,624
Dominican Republic	15,535	11,593	11,679
Central America	42,454	39,829	35,720
Other	18,135	10,547	7,154
	-----	-----	-----
	\$97,057	\$83,842	\$70,177
	=====	=====	=====

Total assets:	December 31,	
	1998	1997
	-----	-----
Mexico	\$16,768	\$16,236
Dominican Republic	8,370	6,426
Central America	21,839	20,366
Other	16,091	12,821
	-----	-----
	\$63,058	\$55,849
	=====	=====

Long-lived assets:	December 31,	
	1998	1997
	-----	-----
Mexico	\$ 4,468	\$ 3,463
Dominican Republic	1,996	1,871
Central America	6,628	6,610
Other	919	1,025
	-----	-----
	\$14,011	\$12,969
	=====	=====

13. Subsequent Event:

On June 11, 1999, the Company entered into the "Share Purchase Agreement" to sell substantially all of its operational entities and its rights to use the "Ray 0 Vac" trademark for approximately \$140,000. This amount will be either increased by the amount that the Company's net book value, as defined, at the closing date exceeds the targeted net book value specified in the Share Purchase Agreement, or decreased by the amount that the closing date net book value falls below the targeted net book value. In addition, this amount will be reduced by the combined net book value of ROV Limited and all subsidiaries not purchased as of the closing date.

On the closing date, the Company is obligated to pay the shareholder of the Class G preferred shares (Note 9) \$3,250 in consideration for its consent to and approval of the sale. In addition, the redemption schedule for the outstanding Class G shares would be as follows:

Date	Shares	Amount
April 30, 2000	22,990	\$ 689
April 30, 2001	22,990	690
April 30, 2002	22,990	690
April 30, 2003	22,992	690
-----	-----	-----
	91,962	\$ 2,759
=====	=====	=====

ROV LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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ROV LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(In thousands of U.S. dollars, except par value and share amounts)

	June 25, 1999	December 31, 1998
	-----	-----
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,596	\$ 12,125
Short-term investments	500	1,500
Accounts receivable, net	14,561	18,380
Inventories	14,911	14,715
Prepaid expenses and other current assets	1,172	968
	-----	-----
Total current assets	43,740	47,688
	-----	-----
Property, plant and equipment, net	16,059	14,011
Other assets	1,150	1,359
	-----	-----
Total assets	\$ 60,949	\$ 63,058
	-----	-----
	-----	-----
LIABILITIES, PREFERRED STOCK AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 4,988	\$ 8,002
Accrued expenses and other current liabilities	6,078	5,885
Loans payable, current portion	6,294	7,658
Deferred income taxes, current	240	566
	-----	-----
Total current liabilities	17,600	22,111
	-----	-----
Accrued service and severance indemnities	3,374	3,255
Loans payable, long term	9	19
Deferred income taxes, noncurrent	75	130
Other liabilities	433	479
Minority interest in subsidiaries	3,681	3,877
	-----	-----
Total liabilities	25,172	29,871
	-----	-----
Mandatorily redeemable preferred stock	2,759	2,759
	-----	-----
Shareholders' equity:		
Common stock:		
Class A; \$66.67 par value; 90,000 shares authorized; 79,200 shares issued and outstanding	5,280	5,280
Class E; \$5.00 par value; 1,200,000 shares authorized; 706,757 shares issued and outstanding	3,534	3,534
Retained earnings	24,204	21,614
	-----	-----
Total shareholders' equity	33,018	30,428
	-----	-----
Total liabilities, preferred stock and shareholders' equity	\$ 60,949	\$ 63,058
	-----	-----
	-----	-----

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

ROV LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE PERIODS FROM JANUARY 1, 1999 THROUGH JUNE 25, 1999 AND
FROM JANUARY 1, 1998 THROUGH JUNE 26, 1998
(In thousands of U.S. dollars, except share and per share amounts)
(Unaudited)

	1999	1998
	-----	-----
Net sales	\$ 43,687	\$ 45,869
	-----	-----
Cost and operating expenses:		
Cost of sales	25,081	27,377
Selling and distribution	4,922	5,113
Advertising and promotion	1,483	1,374
Administrative and general	5,074	4,998
	-----	-----
Total costs and operating expenses	36,560	38,862
	-----	-----
Operating income	7,127	7,007
	-----	-----
Other income (expenses):		
Interest income	359	368
Interest expense	(599)	(498)
Commission, royalty and technical assistance	(28)	101
Currency translation	92	(557)
Other	242	(57)
	-----	-----
Total other income (expenses), net	66	(643)
	-----	-----
Income before income taxes and minority interest in earnings of subsidiaries	7,193	6,364
Provision for income taxes	(1,718)	(1,441)
	-----	-----
Income before minority interest in earnings of subsidiaries	5,475	4,923
Minority interest in earnings of subsidiaries	(998)	(923)
	-----	-----
Net income	\$ 4,477	\$ 4,000
	-----	-----
Basic and diluted earnings per share	\$ 5.70	\$ 4.80
	-----	-----
Weighted average common shares outstanding - basic and diluted	785,957	785,957
	-----	-----

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

ROV LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE PERIODS FROM SEPTEMBER 25, 1998 THROUGH JUNE 25, 1999 AND
FROM SEPTEMBER 26, 1997 THROUGH JUNE 26, 1998
(In thousands of U.S. dollars, except share and per share amounts)
(Unaudited)

	1999	1998
	-----	-----
Net sales	\$ 73,339	\$ 72,699
	-----	-----
Cost and operating expenses:		
Cost of sales	42,504	43,746
Selling and distribution	8,196	8,106
Advertising and promotion	2,260	1,936
Administrative and general	8,240	7,145
	-----	-----
Total costs and operating expenses	61,200	60,933
	-----	-----
Operating income	12,139	11,766
	-----	-----
Other income (expenses):		
Interest income	736	471
Interest expense	(990)	(723)
Commission, royalty and technical assistance	47	366
Currency translation	260	(524)
Other	134	(622)
	-----	-----
Total other income (expenses), net	187	(1,032)
	-----	-----
Income before income taxes and minority interest in earnings of subsidiaries	12,326	10,734
Provision for income taxes	(2,732)	(2,144)
	-----	-----
Income before minority interest in earnings of subsidiaries	9,594	8,590
Minority interest in earnings of subsidiaries	(1,772)	(1,436)
	-----	-----
Net income	\$ 7,822	\$ 7,154
	-----	-----
Basic and diluted earnings per share	\$ 9.74	\$ 8.81
	-----	-----
Weighted average common shares outstanding - basic and diluted	785,957	785,957
	-----	-----

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

ROV LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS FROM JANUARY 1, 1999 THROUGH JUNE 25, 1999 AND
FROM JANUARY 1, 1998 THROUGH JUNE 26, 1998
(In thousands of U.S. dollars)
(Unaudited)

	1999	1998
	-----	-----
Cash flows from operating activities:		
Net income	\$ 4,477	\$ 4,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	867	959
Gain on sale of property and equipment	(31)	(120)
(Gain) loss from currency translation and devaluation	(92)	557
Decrease in deferred income taxes	(381)	(125)
Minority interest in earnings of subsidiaries	998	923
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable, net	3,870	1,518
Inventories	(174)	(4,651)
Prepaid expenses and other current assets	(204)	189
Other assets	209	8
(Decrease) increase in:		
Accounts payable	(2,990)	(1,299)
Accrued expenses and other current liabilities	353	947
Other liabilities	73	(118)
	-----	-----
Net cash provided by operating activities	6,975	2,788
	-----	-----
Cash flows from investing activities:		
Decrease (increase) in short-term investments, net	1,000	(147)
Purchases of property, plant and equipment	(3,440)	(1,386)
Proceeds from sales of property, plant and equipment	556	277
	-----	-----
Net cash used in investing activities	(1,884)	(1,256)
	-----	-----
Cash flows from financing activities:		
Proceeds from loans	657	2,026
Repayment of loans	(2,031)	(274)
Distribution to minority shareholders of subsidiaries	(1,194)	(284)
Preferred stock redemptions	0	(369)
Dividends paid	(2,052)	(1,569)
	-----	-----
Cash flows used in financing activities	(4,620)	(470)
	-----	-----
Net increase in cash and cash equivalents	471	1,062
Cash and cash equivalents at beginning of period	12,125	6,961
	-----	-----
Cash and cash equivalents at end of period	12,596	\$ 8,023
	-----	-----

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

ROV LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS FROM SEPTEMBER 25, 1998 THROUGH JUNE 25, 1999 AND
FROM SEPTEMBER 26, 1997 THROUGH JUNE 26, 1998
(In thousands of U.S. dollars)
(Unaudited)

	1999	1998
	-----	-----
Cash flows from operating activities:		
Net income	\$ 7,822	\$ 7,154
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,020	1,537
Gain on sale of property and equipment	(8)	(114)
(Gain) loss from currency translation and devaluation	(260)	524
(Decrease) increase in deferred income taxes	(412)	227
Minority interest in earnings of subsidiaries	1,772	1,436
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable, net	2,439	(2,426)
Inventories	1,029	(3,454)
Prepaid expenses and other current assets	(179)	(78)
Other assets	183	(49)
(Decrease) increase in:		
Accounts payable	(2,169)	(908)
Accrued expenses and other current liabilities	748	117
Other liabilities	350	1,087
	-----	-----
Net cash provided by operating activities	13,335	5,053
	-----	-----
Cash flows from investing activities:		
Decrease (increase) in short-term investments, net	1,245	(751)
Purchases of property, plant and equipment	(5,373)	(2,013)
Proceeds from sales of property, plant and equipment	758	600
	-----	-----
Net cash used in investing activities	(3,370)	(2,164)
	-----	-----
Cash flows from financing activities:		
Proceeds from loans	1,831	2,493
Repayment of loans	(2,413)	(605)
Distribution to minority shareholders of subsidiaries	(1,338)	(554)
Preferred stock redemptions	0	(935)
Dividends paid	(4,103)	(2,134)
	-----	-----
Cash flows used in financing activities	(6,023)	(1,735)
	-----	-----
Net increase in cash and cash equivalents	3,942	1,154
Cash and cash equivalents at beginning of period	8,654	6,869
	-----	-----
Cash and cash equivalents at end of period	\$ 12,596	\$ 8,023
	-----	-----

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

ROV LIMITED AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF FINANCIAL STATEMENT PRESENTATION

In management's opinion, the accompanying unaudited interim condensed consolidated financial statements of ROV Limited and Subsidiaries (the "Company") contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the Company's financial position, the results of its operations and its cash flows.

The accompanying unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Pursuant to such rules and regulations, certain information and disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. The interim condensed consolidated financial statements should be read in conjunction with the Consolidated Financial Statements and the Notes to the Consolidated Financial Statements for the years ended December 31, 1998, 1997 and 1996.

The accounting policies followed for interim financial reporting are the same as those disclosed in Note 2 of the Notes to Consolidated Financial Statements for the years ended December 31, 1998, 1997 and 1996.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The Company's management uses estimates primarily with respect to the allowance for doubtful accounts and the useful lives of property, plant and equipment. Actual results could differ from those estimates.

3. EARNINGS PER SHARE

Earnings per share have been calculated in accordance with Statement of Financial Accounting (SFAS) No. 128, "Earnings per share". Basic earnings per share is computed by dividing the earnings available to common stockholders by the weighted average number of common shares outstanding. For the nine months ended June 25, 1999 and June 26, 1998, there were no common stock equivalents. Accordingly, basic and diluted earnings per share are equivalent.

ROV LIMITED AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED
(UNAUDITED)

3. EARNINGS PER SHARE, CONTINUED

A reconciliation of the Company's net income to income available to common shareholders follows:

For the six months ended (unaudited):	June 25, 1999	June 26, 1998
	-----	-----
Net Income	\$ 4,477	\$ 4,000
Dividends on preferred shares	-	(229)
	-----	-----
Income available to common stock shareholders	\$ 4,477	\$ 3,771
	-----	-----

For the nine months ended (unaudited):	June 25, 1999	June 26, 1998
	-----	-----
Net Income	\$ 7,822	\$ 7,154
Dividends on preferred shares	(166)	(229)
	-----	-----
Income available to common stock shareholders	\$ 7,656	\$ 6,925
	-----	-----

4. INVENTORIES

Inventories consisted of the following:

	June 25, 1999 (Unaudited)	Dec 31, 1998
	-----	-----
Raw materials	\$ 6,264	\$ 7,713
Work-in-process	1,195	1,092
Finished goods	7,452	5,910
	-----	-----
	\$ 14,911	\$ 14,715
	-----	-----

5. GEOGRAPHICAL INFORMATION

The Company's management assesses its operations according to geographic areas. Included in Central America are the Company's operations in Guatemala, Honduras, El Salvador and Costa Rica. The following represents geographic information of the Company for the six and nine month periods ended June 25, 1999 and June 26, 1998:

Revenues from external customers:

For the six months ended (unaudited):	June 25, 1999	June 26, 1998
	-----	-----
Mexico	\$ 8,679	\$ 10,171
Dominican Republic	6,654	7,477
Central America	20,566	20,083
Other	7,788	8,138
	-----	-----
	\$ 43,687	\$ 45,869
	-----	-----

For the nine months ended (unaudited):	June 25, 1999	June 26, 1998
	-----	-----
Mexico	\$ 14,763	\$ 17,842
Dominican Republic	11,322	11,152
Central America	33,809	32,223
Other	13,445	11,482
	-----	-----
	\$ 73,339	\$ 72,699
	-----	-----

6. SUBSEQUENT EVENT

On August 9, 1999, ROV Limited sold to Rayovac Corporation, for approximately \$140 million, substantially all of its business and its rights to use the "Ray-O-Vac" trademark.

In connection with the sale, on August 10, 1999, ROV Limited paid \$3,250 to the shareholder of the Class G preferred shares for its consent to and approval of the sale. On August 12, 1999, ROV Limited repurchased all of the outstanding Class G preferred shares for \$2,759, of which \$1,379 was paid in cash and the balance of \$1,380 is payable in two equal installments on April 30, 2002 and October 31, 2003. Interest, at 6% per annum, is payable quarterly.

On August 13, 1999, the Class A and Class E Common Shareholders resolved to liquidate and dissolve the Company by April 15, 2000.

Unaudited Pro Forma Condensed Consolidated Financial Statements

The accompanying unaudited pro forma condensed consolidated balance sheet as of July 4, 1999 reflects the combined financial position of Rayovac Corporation (the "Company"), after giving effect to the acquisition of (1) the consumer battery business of ROV Limited and Subsidiaries ("ROV Limited") and (2) the license held by ROV Limited to use the "Rayovac" trade name and trademark (collectively the "Acquisition"), as if the transaction had been consummated as of July 4, 1999. The unaudited pro forma condensed consolidated statements of operations reflect the Company's historical operating results for the nine months ended July 4, 1999 and fiscal year ended September 30, 1998 with ROV Limited's historical results for the nine months ended June 25, 1999 and fiscal year ended December 31, 1998, respectively, and include pro forma adjustments as if the transaction had been consummated at October 1, 1997. The unaudited pro forma statements of operations for the nine months ended June 25, 1999, include the three month period ended December 31, 1998, which also was included in the fiscal year ended December 31, 1998. Summarized operating information about the duplicate quarter is as follows:

Net Sales	\$29,652
Gross Profit	12,474
Total Operating Expenses	6,350
Income from Operations	6,124
Net Income	4,916

Acquisition related expenditures, which the Company estimates will be approximately \$4.1 million on a pre-tax basis, were included in the unaudited pro forma condensed consolidated balance sheet. The Company anticipates that approximately \$0.4 million of non-recurring acquisition related expense on a pretax basis and an extraordinary item of approximately \$3.8 million (approximately \$2.4 million net of tax) related to the write-off of unamortized debt finance fees will be recognized within the twelve months succeeding the transaction. These charges are not reflected in the unaudited pro forma condensed consolidated statements of operations. The pro forma adjustments, which are described in the accompanying notes, are based on available information and certain assumptions that management of the Company believe are reasonable.

The unaudited pro forma condensed consolidated 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 consolidated financial statements do not give effect to any cost savings or integration costs which may result from the combination of the Company's and ROV Limited's operations.

These unaudited pro forma condensed consolidated 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 ROV Limited (included herein).

RAYOVAC CORPORATION
Unaudited Pro Forma Condensed Consolidated Balance Sheet as of July 4, 1999
(In thousands, except per share amounts)

	Rayovac Corporation As of 7/4/99 -----	Historical ROV LTD and Subsidiaries As of 6/25/99 -----
	-ASSETS-	
Current assets:		
Cash and cash equivalents	\$ 1,384	\$ 13,096
Receivables	90,391	14,561
Inventories	66,053	14,911
Prepaid expenses and other	20,046	1,172

Total current assets	177,874	43,740
Property, plant and equipment, net	79,202	16,059
Investments	-	50
Goodwill	7,183	-
Tradename	-	-
Deferred charges and other	35,298	1,100

Total assets	\$ 299,557	\$ 60,949

	-LIABILITIES AND SHAREHOLDERS' EQUITY -	
Current liabilities:		
Current maturities of long-term debt	\$ 7,485	\$ 6,294
Accounts payable	56,967	4,988
Accrued liabilities:		
Wages and benefits and other	24,273	6,318
Recapitalization and other special charges	2,384	-

Total current liabilities	91,109	17,600
Long-term debt, net of current maturities	151,660	9
Employee benefit obligations, net of current portion	12,279	3,374
Minority Interest	-	3,681
Other	3,975	508

Total liabilities	259,023	25,172
Shareholders' equity	40,534	35,777

Total liabilities and shareholders' equity	\$ 299,557	\$ 60,949

	Eliminations (A) -----	Pro Forma Adjustments(b) -----	Pro Forma Consolidated) -----
Current assets:			
Cash and cash equivalents	\$ (9,234)	\$ -	\$ 5,246
Receivables	(4,860)	(39)	100,053
Inventories	(7)	(448)	80,509
Prepaid expenses and other	(158)	(2,804)	18,256

Total current assets	(14,259)	(3,291)	204,064
Property, plant and equipment, net	(82)	12,732	107,911
Investments	-	-	50
Goodwill	-	28,196	35,379
Tradename	-	90,000	90,000
Deferred charges and other	(150)	-	36,248

Total assets	\$ (14,491)	\$ 127,637	\$ 473,652

-LIABILITIES AND SHAREHOLDERS' EQUITY -

Current liabilities:			
Current maturities of long-term debt	\$ -	\$ -	\$ 13,779
Accounts payable	(2,610)	-	59,345
Accrued liabilities:			
Wages and benefits and other	(956.0)	7,025	36,660
Recapitalization and other special charges	-	-	2,384

Total current liabilities	(3,566)	7,025	112,168

Long-term debt, net of current maturities	-	149,145	300,814
Employee benefit obligations, net of current portion	-	-	15,653
Minority Interest	(3,681)		-
Other	-	-	4,483

Total liabilities	(7,247)	156,10	433,118

Shareholders' equity	(7,244)	(28,533)	40,534

Total liabilities and shareholders' equity	\$ (14,491)	\$ 127,637	\$ 473,652

SEE ACCOMPANYING NOTES WHICH ARE AN INTEGRAL PART OF THESE STATEMENTS.

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

	Historical	
	Rayovac Corporation 9 Months Ended 7/4/99	ROV LTD and Subsidiaries 9 Months Ended 6/25/99
Net sales	\$ 391,951	\$ 73,339
Cost of goods sold	203,883	42,504
Gross profit	188,068	30,835
Selling	113,148	10,456
General and administrative	25,971	8,240
Research and development	6,408	-
Other special charges	2,220	-
Total operating expenses	147,747	18,696
Income from operations	40,321	12,139
Other expense (income):		
Interest expense	10,778	990
Other expense (income)	(452)	(1,177)
	10,326	(187)
Income before income taxes and extraordinary item	29,995	12,326
Income tax expense	10,789	2,732
Income before extraordinary item	19,206	9,594
Extraordinary item	-	-
Net Income	\$ 19,206	\$ 9,594
BASIC EARNINGS PER SHARE		
Average shares outstanding	27,485	
Income before extraordinary item	\$ 0.70	
Extraordinary item		
Net income	\$ 0.70	
DILUTED EARNINGS PER SHARE		
Average shares outstanding and common stock equivalents	29,262	
Income before extraordinary item	\$ 0.66	
Extraordinary item		
Net income	\$ 0.66	

	Pro Forma Adjustments	Pro Forma Consolidated
Net sales	\$ (2,761) (A)	\$ 462,529
Cost of goods sold	(2,178) (A)	244,209
Gross profit	(583)	218,320
Selling	-	123,604
General and administrative	1,338 (A)(C)	35,549
Research and development	-	6,408

Other special charges	-		2,220
	-----		-----
Total operating expenses	1,338		167,781
Income from operations	(1,921)		50,539
Other expense (income):			
Interest expense	8,949	(D)	20,717
Other expense (income)	-		(1,629)
	-----		-----
	8,949		19,088
Income before income taxes and extraordinary item	(10,870)		31,451
Income tax expense	(2,833)	(E)	10,688
	-----		-----
Income before extraordinary item	(8,036)		20,764
Extraordinary item	-		-
	-----		-----
Net Income	\$ (8,036)		\$ 20,764
	-----		-----
	-----		-----
BASIC EARNINGS PER SHARE			
Average shares outstanding			27,485
Income before extraordinary item			\$ 0.76
Extraordinary item			

Net income			\$ 0.76

DILUTED EARNINGS PER SHARE			
Average shares outstanding and common stock equivalents			29,262
Income before extraordinary item			\$ 0.71
Extraordinary item			

Net income			\$ 0.71

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

	Historical		Pro Forma Adjustments
	Rayovac Corporation 12 Months Ended 9/30/98	ROV LTD and Subsidiaries 12 Months Ended 12/31/98	
Net sales	\$ 495,733	\$ 97,057	\$ (5,456)
Cost of goods sold	258,027	58,515	(3,819)
Gross profit	237,706	38,542	(1,637)
Selling	148,875	13,689	-
General and administrative	35,877	10,432	2,940
Research and development	6,226	-	-
Other special charges	6,183	-	-
Total operating expenses	197,161	24,121	2,940
Income from operations	40,545	14,421	(4,577)
Other expense (income):			
Interest expense	15,670	1,213	11,931
Other expense (income)	(155)	995	-
	15,515	2,208	11,931
Income before income taxes and extraordinary item	25,030	12,213	(16,508)
Income tax expense	8,660	3,131	(4,390)
Income before extraordinary item	16,370	9,082	(12,119)
Extraordinary item	(1,975)	-	-
Net Income	\$ 14,395	\$ 9,082	\$ (12,119)
BASIC EARNINGS PER SHARE			
Average shares outstanding	26,477		
Income before extraordinary item	\$ 0.62		
Extraordinary item	(0.08)		
Net income	\$ 0.54		
DILUTED EARNINGS PER SHARE			
Average shares outstanding and common stock equivalents	28,091		
Income before extraordinary item	\$ 0.58		
Extraordinary item	(0.07)		
Net income	\$ 0.51		

Pro Forma Consolidated		
Net sales	(A)	\$ 587,334
Cost of goods sold	(A)	312,723
Gross profit		274,611
Selling		162,564
General and administrative	(A)(C)	49,249
Research and development		6,226
Other special charges		6,183

Total operating expenses		224,222
Income from operations		50,389
Other expense (income):		
Interest expense	(D)	28,814
Other expense (income)		840
		29,654
Income before income taxes and extraordinary item		20,735
Income tax expense	(E)	7,401
Income before extraordinary item		13,333
Extraordinary item		(1,975)
Net Income		\$ 11,358
BASIC EARNINGS PER SHARE		
Average shares outstanding		26,477
Income before extraordinary item		\$ 0.50
Extraordinary item		(0.08)
Net income		\$ 0.42
DILUTED EARNINGS PER SHARE		
Average shares outstanding and common stock equivalents		28,091
Income before extraordinary item		\$ 0.47
Extraordinary item		(0.07)
Net income		\$ 0.40

Notes to unaudited pro forma condensed consolidated financial statements.

- (A) To reflect elimination of (1) sales and cost of goods sold for shipments from the Company to ROV Limited (2) receivables and payables between the Company and ROV Limited and (3) removal of assets and liabilities of ROV Limited subsidiaries not purchased by Rayovac.
- (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:

Purchased price paid through additional borrowings	\$149,145
Other	2,804

	\$151,949

Allocated to:

Historical book value of acquired assets and liabilities	\$28,533
Adjustments to reflect assets and liabilities at fair value	
Receivables	(39)
Inventory	(448)
Property, plant, & equip. (primarily land)	12,732
Trade name	90,000
Liabilities and restructuring accruals to eliminate excess capacities at the acquired entity	(7,025)

Total allocation	\$123,753

Excess purchase price over allocation to identifiable assets and liabilities (goodwill) at July 4, 1999	\$28,196
Adjustment	(610)

Goodwill at acquisition date	\$27,586

- (C) To reflect the amortization of goodwill and trade name on a straight line basis over 40 years. The principle factors considered in determining the use of a 40 year amortization period include; (1) the Rayovac trade name has been in existence for approximately 80 years and is considered viable indefinitely and (2) the existing and projected cash flows are adequate to support the carrying value of the intangible assets to be recorded.
- (D) To reflect the increase in interest expense resulting from the amended senior credit facilities to finance the purchase price. The interest rate on the amended senior credit facilities is assumed to be 7.43 percent. A change of 1/8 percent in the interest rate would result in a change in annual interest expense and net income of \$293 and \$187 before and after taxes, respectively.

(E) To reflect the income tax effect of (1) increased interest and amortization of a portion of the trade name and (2) the margin eliminated on sales between the Company and Rayovac Limited assuming a tax rate of 36 percent. The remaining portion of the trade name and all the goodwill is in a non taxed entity.