



## Rayovac Expands Into Rechargeable Battery Market

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MADISON, Wis., March 16 /PRNewswire/ -- Rayovac Corp. (NYSE: ROV) announces today a major expansion into the rechargeable battery market with the acquisition of the retail business of Direct Power Plus (DPP) of New York, a full line marketer of rechargeable batteries and accessories for cellular phones and video camcorders with sales of \$18.8 million in 1997. Major customers of DPP include Sears and Wal-Mart.

As a result of the DPP acquisition, Rayovac will sell rechargeable batteries, battery chargers and accessories for cellular phones and camcorders to retailers under both Rayovac and DPP brand names. The acquisition did not include the OEM portion of the DPP business which remains with the former owner. The purchase price for the transaction includes an up-front payment of \$4.7 million, plus incentive payments over four years which are anticipated to be approximately \$2.7 million and which become due and payable based on meeting variable profit targets each year. The actual incentive payments may be higher or lower based on the actual profit targets achieved.

In addition to the DPP purchase, Rayovac also announces the launch of a new line of rechargeable batteries for cordless telephones. These cordless telephone rechargeable batteries will be sold under the Rayovac brand.

"With these developments, Rayovac becomes a major player in the rechargeable battery marketplace," said Dave Jones, Rayovac chairman, president and CEO. "These new additions will add more than 100 new items to our product offerings. Customers and consumers can now turn to the Rayovac brand as their one-stop source for both primary and rechargeable batteries."

Rayovac will now become one of America's major suppliers of rechargeable batteries in the following chemical systems: nickel cadmium, nickel metal hydride, lithium ion and sealed lead acid. Rayovac currently offers the Renewals(R) rechargeable alkaline battery and charger system, the number one selling rechargeable brand in the U.S. Rayovac also has plans to launch merchandising innovations and category management tools, all designed to organize rechargeable battery sections in stores and make shopping easier.

The launch of new cordless telephone rechargeable batteries and the acquisition of DPP's business are part of Rayovac's aggressive growth strategy to expand its product offerings and distribution. In December 1997, Rayovac purchased BRISCO G.M.B.H. in Germany and BRISCO B.V. in Holland, distributors and assemblers of customized hearing aid battery packages in Europe.

Rayovac recently announced record sales of \$150.0 million for the first fiscal quarter ending December 27, 1997. Rayovac recorded net sales of \$432.6 million for fiscal year 1997.

Rayovac is the third largest U.S. manufacturer of batteries and battery-operated lighting products. Rayovac began trading on the New York Exchange on November 21, 1997, under the symbol ROV. The Thomas H.Lee Company, a private investment firm based in Boston, and its affiliates own the majority interest in Rayovac.

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