



Rayovac Corporation Announces Agreement on \$120,000,000 Acquisition of ROV Limited

December 24, 1998

Creates Significant Presence in Latin America
and Consolidates Control of Worldwide Brand Name

MADISON, Wis., Dec. 24 /PRNewswire/ -- Rayovac Corp. (NYSE: ROV) today announced it has executed an agreement to acquire ROV Limited. Privately held ROV Limited is one of the leading battery manufacturers in Latin America with 1997 sales of \$84 million. With the purchase of ROV Limited, Rayovac will control the Rayovac brand rights for battery products worldwide, with the exception of Brazil. The acquisition, which is subject to various conditions, is anticipated to be financed with a combination of equity and additional borrowings and to close by the end of February 1999.

ROV Limited has significant consumer battery market share in Mexico, Central America, the Dominican Republic and Venezuela and other markets in Latin America. It also serves markets outside Latin America including the Middle East and Africa. ROV Limited has manufacturing plants in Mexico, Guatemala, Honduras, the Dominican Republic and Venezuela. ROV Limited was created in 1982 as a spin-off of Rayovac Corp.'s international operations; it currently controls the Rayovac brand rights for Latin America (other than Brazil), Africa, the Middle East and selected Asian countries.

"We will be pleased to welcome ROV Limited back to the Rayovac family," commented Dave Jones, Chairman and CEO of Rayovac Corp. "Upon completion of this purchase we will have positioned Rayovac to become a truly global player in the battery market. Latin America is one of the fastest growing battery markets in the world and we believe Rayovac's brand awareness in Latin America is already higher than in North America. ROV Limited's strong distribution position will allow us to market all of our product lines into its markets and assist ROV Limited in expanding further into the Mexico, Central and South America, the Middle East, Africa and Asian markets. We expect this transaction to be accretive in the first year with significant growth potential in revenue and earnings over the next several years."

This is Rayovac's fourth acquisition since taking the Company public in November 1997. This current acquisition is reflective of Rayovac's strategy to grow the brand globally, which recently included entry into the China market and extending the visibility of Rayovac's brand through licensing related products.

Rayovac is the third largest U.S. manufacturer of batteries. According to data provided by A.C. Nielsen, Rayovac is the fastest growing U.S. battery company. The Company also markets the number one selling rechargeable brand, and is the world leader in hearing aid batteries. Rayovac is traded on the New York Stock Exchange under the ROV symbol.

Certain statements contained in this release are forward-looking statements. These statements involve risks and uncertainties, and actual results could differ materially from the Company's present expectations. Certain of the factors that could cause such material differences are set forth in the Company's Form 10-K for the year ended September 30, 1997 filed under the Securities Exchange Act of 1934. The Company undertakes no obligation to update or publish in the future any forward-looking information.

SOURCE Rayovac Corporation

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