



Rayovac Proceeding With ROV Ltd. Acquisition

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MADISON, Wis., Jan. 27 /PRNewswire/ -- Rayovac Corp. (NYSE: ROV) announces today the acquisition of ROV Limited is scheduled to close by the end of February 1999. Privately held, ROV Limited is one of the leading battery manufacturers in Latin America with 1997 sales of \$84 million.

Rayovac currently expects to enter into new senior credit facilities with a banking syndicate led by Bank of America to finance the entire ROV Limited purchase and refinance debt outstanding under Rayovac's existing bank facilities. Rayovac had previously filed with the Securities and Exchange Commission a registration statement, which is not yet effective, for an offering of common stock. Rayovac has determined not to proceed with its planned equity offering.

"ROV Limited is a great strategic acquisition that will increase our distribution and brand awareness and help position us as a global battery player," said Dave Jones, Rayovac chairman and CEO. "While we considered financing the acquisition with a stock offering, we felt it was not in the best interest of our existing shareholders. Based on the current stock price, we believe that financing the acquisition with bank borrowings will be more accretive to earnings."

Rayovac is also negotiating definitive documentation for the acquisition of certain minority interests in ROV Limited and subsidiaries from a ROV Limited distributor.

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. Rayovac also markets the number one selling rechargeable brand, and is the world leader in hearing aid batteries.

Certain statements contained in this release are forward-looking statements. These statements involve risks and uncertainties, 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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