



## Rayovac Provides First Quarter and Fiscal Year Guidance

December 19, 2000

MADISON, Wis., Dec. 19 /PRNewswire/ -- Rayovac Corp. (NYSE: ROV) announced today that it expects its first quarter of fiscal year 2001 results, which ends December 31st, to be lower than previously anticipated, as a result of lower than expected sales for the quarter. The Company expects diluted earnings per share to be in the range of 30-33 cents per share, down from the 48 cents reported last year.

First quarter sales are now projected to decline approximately 12-13 percent from last year's abnormally high levels which were driven by the impact of Y2K buying of both batteries and lighting products as well as an unusually active storm season in 1999. Industry wide battery category sales for the quarter ending December 31, 2000, are now expected to be down 10-12 percent from the prior year as sales return to a more normalized long term growth curve. Category sales have also been negatively impacted during this period by a drive for lower inventories by cautious retailers as they plan toward their fiscal year ends.

"We believe the current quarter sales decline is an abnormal event and we expect the industry will return to historical and normal growth levels of 7-8 percent in early 2001," said Dave Jones, Rayovac Chairman and CEO. "Rayovac should resume its above industry growth in our second fiscal quarter driven by continued distribution gains and product innovation in a number of channels of distribution. Diluted EPS will continue to expand faster than sales with year over year growth of approximately 18-20 percent over the next three quarters. Full fiscal year 2001 EPS is now forecast to be in the \$1.30-\$1.35 range. We remain confident in the strength of our brand and our powerful value proposition and believe that we will achieve our fifth consecutive year of record sales in spite of the first quarter softness."

Rayovac also announces that it anticipates recording a charge of approximately \$17 million pre-tax to cover the costs of a global restructuring of operations intended to better rationalize its facilities, reduce overall manufacturing costs and further expand gross margins. These charges are estimated to be incurred in the current year's first fiscal quarter. Cash costs are expected to account for less than half of the charge. Savings are estimated at \$7-8 million annually beginning in fiscal 2002, making this a highly accretive initiative. Details of the program will be forthcoming in late January.

Rayovac will conduct a conference call for analysts and institutional investors to discuss information included in this press release and related matters on December 19, 2000 at 9:00 am EST. The conference call number is 888-873-1932. Interested parties are invited to join the call via a live webcast at <http://www.rayovac.com> (click on About Rayovac and then Investor Resources). An audio recording of the call will be available starting one hour after the live broadcast. The audio recording will remain archived until 10:30 pm EST on December 21 and can be obtainable by calling 800-633-8284 for domestic callers and 858-812-6440 for international callers, both using a reservation number of 17300021, or by accessing the Company's Web site at <http://www.rayovac.com>

Rayovac is one of the world's leading battery and lighting device companies and, according to A.C. Nielsen data, the fastest growing battery manufacturer in the U.S. The company also markets the number one selling rechargeable brand of battery and is the world leader in hearing aid batteries. Rayovac trades on the New York Stock Exchange under the symbol ROV.

Certain matters discussed in this news release, with the exception of historical matters, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to a number of risks, uncertainties and other factors that could cause results to differ materially from those anticipated as of the date of this release. Actual results may differ materially from these statements as a result of (1) changes in external competitive market factors, such as introduction of new product features or technological developments, development of new competitors or competitive brands, or competitive promotional activity and spending, (2) unanticipated changes in consumer demand for the various types of consumer batteries, or (3) unanticipated changes in the general economic conditions where we do business, such as stock market prices, interest rates, inflation and raw material costs, and (4) various other factors, including those discussed herein and those set forth in previous security filings including the Company's most recent Annual Report on Form 10-K.

SOURCE Rayovac Corporation

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