



Strong Alkaline Sales Drive Rayovac Second Quarter Results

April 26, 2001

- Alkaline sales up 14 percent for the quarter over prior year
- Hearing aid battery sales up 12 percent for the quarter over prior year
- Battery market appears to be returning to its strong historical growth trends
- Pro-forma diluted EPS meets First Call consensus

MADISON, Wis., April 26 /PRNewswire/ -- Rayovac Corp. (NYSE: ROV) today reported strong sales and earnings for the second quarter of Fiscal 2001, powered by double-digit growth in general battery and hearing aid battery sales. Category sales results for the quarter also suggest that the battery market continues to rebound and is returning to its strong historical growth trends.

For the second quarter of Fiscal 2001, Pro-forma diluted earnings per share rose 15 percent to \$0.15, up from \$0.13 for the same period last year and in line with First Call consensus. Rayovac announced total sales rose four percent to \$145.2 million compared to \$140.1 million for the same period last year. Excluding the foreign exchange impact, sales would have increased five percent. Strong performance in general battery and hearing aid battery sales was partially offset by the fall off in sales of specialty batteries to OEM customers in the PC, wireless communication and electronics market segments. Operating income before special charges increased six percent to \$14.0 million, which compares to \$13.2 million for the same period last year. Pro-forma net income rose 16 percent to \$4.3 million.

"As anticipated, Rayovac achieved strong growth during the second quarter. Twelve percent year over year growth in general battery sales and 14 percent year over year growth in alkaline sales during the period attest to Rayovac's position as one of the leaders in the battery marketplace," said Dave Jones, Rayovac chairman and CEO. "Importantly, the market data suggests that the battery category is returning to its historic annual growth rate of six to seven percent in recent years."

Rayovac's general battery dollar share continues its strong growth trend and is outpacing the industry, according to data provided by A.C. Nielsen for the 12 weeks ended April 7, 2001. Rayovac's total domestic general battery dollar volume increased over 12 percent versus a year ago, and our market share now stands at 14.1 percent. This compares to the general battery market that grew seven percent during this period. In the alkaline segment, Rayovac's dollar volume for this 12 week period increased 12 percent versus prior year, as compared to a seven percent growth for the alkaline market.

Second Quarter Sales Results

Driving the sales increase during the second quarter was the strong growth in both general batteries and hearing aid batteries. Year over year total general battery sales were up 12 percent led by alkaline sales up 14 percent, rechargeables up 16 percent and heavy duty sales up seven percent. Hearing aid battery sales were up 12 percent for the second quarter versus prior year, driven by strong North America sales. This is the second straight quarter of strong year over year sales growth for hearing aid batteries.

The gains in total general batteries and hearing aid battery sales were offset somewhat by a \$5.7 million decline in specialty battery sales and a \$2.8 million decrease in lighting products sales. The dramatic softening of the computer and mobile communications market segments had a ripple effect on specialty batteries sales. Lingering affects of not being able to repeat the prior year's Y2K buying binge and a decline in lantern battery sales reduced lighting product sales to \$13.8 million in the quarter.

In North America, total sales increased four percent to \$106.0 million. Total general battery sales were up 15 percent for the quarter with alkaline sales up 11 percent, and rechargeables up 19 percent. In Latin America, total sales were up six percent year over year with alkaline battery sales almost double the year ago period. In Europe/Rest of World sales were \$12.6 million, down four percent from the year ago period. Excluding the foreign exchange impact, sales would have increased four percent versus a year ago.

Six-Month Results

For the six months ended April 1, 2001, sales were \$328.8 million, down six percent from \$351.5 million for the same period of 2000. Strong second quarter sales reversed the Company's first quarter sales decline which reflected retailer holiday inventory adjustments, inability to repeat the previous year's Y2K buying binge and the lack of adverse weather conditions leading into the holiday buying season.

Operating income before special charges was \$36.7 million compared to \$42.7 million for the same six month period last year. Pro-forma net income was \$13.1 million and Pro-forma diluted earnings per share were \$0.46.

Restructuring

During the first quarter, Rayovac announced an anticipated \$18 million pre-tax charge to cover the cost of a global restructuring program. The Company announced domestic restructuring initiatives that included closing its lantern battery and flashlight assembling plant in Wonewoc, Wis. The international restructuring initiatives, which were implemented in the second quarter, included closing its zinc carbon battery manufacturing plant in Honduras, eliminating uneconomic manufacturing operations at its Mexico City plant and eliminating some administrative positions in its European locations.

After further review of its business, Rayovac will increase its anticipated charge for its global restructuring by approximately \$2 million, raising the total pre-tax charge to be incurred this fiscal year to \$20 million. This additional increase relates to the elimination of administrative positions throughout its global operations as a result of business process redesign initiatives. Since the announcement of the restructuring in January 2001, approximately 510 positions or 15 percent of the global workforce have been eliminated. Total cash costs of the restructuring are now expected to be approximately \$10 million with estimated annual savings at \$11-12 million when fully implemented beginning in fiscal year 2002.

With these restructuring initiatives, the Company will improve overall operating efficiencies, match manufacturing capacity to market demands and better utilize the Company's resources.

Restatement of Financial Results

The Company has adjusted its financial statements to reflect the consensus reached by the Emerging Issues Task Force (EITF) of the Financial Accounting Standards Board on EITF 00-22, Issue No. 3, which addresses volume-based sales incentive offers. The pronouncement requires the reclassification of these selling expenses to net sales. The EITF stated this issue should be applied no later than quarters ending after February 15, 2001, thus the implementation in our second fiscal quarter. This reclassification does not change the Company's operating income, net income or net income per common share. See enclosed attachment for restated financial numbers for current year and prior year.

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 ROV symbol.

Certain matters discussed in this news release, with the exception of historical matters, are forward-looking statements within the meaning of the Private 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 or spending, (2) unanticipated changes in consumer demand for the various types of consumer batteries, (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 the Company's most recent Annual Report on Form 10-K.

Attached
 Pro-forma Financial Data
 Condensed Consolidated Statements of Operations & Supplemental Financial
 Data
 Fact Sheet - Financial Summary
 Restated Financial Results

RAYOVAC CORPORATION

Pro-forma Financial Data For the three month and six month periods ended April 1, 2001 and April 2,

2000
 (Unaudited)
 (In millions, except per share amounts)

	THREE MONTHS		SIX MONTHS	
	F2001	F2000	F2001	F2000
Net Income	\$4.1	\$3.7	\$2.4	\$17.6
Pro-forma adjustments (net of tax):				
Special charges	\$0.2	\$--	\$10.7	\$--
Pro-forma net income	\$4.3	\$3.7	\$13.1	\$17.6
Pro-forma diluted EPS	\$0.15	\$0.13	\$0.46	\$0.60
Average shares & equivalents outstanding	28.7	29.1	28.7	29.1

RAYOVAC CORPORATION

Condensed Consolidated Statements of Operations For the three month and six month periods ended April 1, 2001 and April 2,

2000
(Unaudited)
(In millions, except per share amounts)

	THREE MONTHS			SIX MONTHS		
	F2001	F2000	INC(DEC) %	F2001	F2000	INC(DEC) %
Net sales	\$145.2	\$140.1	3.6%	\$328.8	\$351.5	(6.5%)
Cost of goods sold	75.8	72.7		167.3	183.6	
Gross profit	\$69.4	\$67.4	3.0%	\$161.5	\$167.9	(3.8%)
Selling	40.8	39.5		94.8	94.6	
General and administrative	11.6	12.0		24.0	25.3	
Research and development	3.0	2.7		6.0	5.3	
Total operating expenses	\$55.4	\$54.2		\$124.8	\$125.2	
Operating Income before special charges	\$14.0	\$13.2	6.1%	\$36.7	\$42.7	(14.1%)
Other special charges	0.2	--		16.3	--	
Interest expense and other	7.4	7.6		16.5	15.7	
Income before income taxes	\$6.4	\$5.6	14.3%	\$3.9	\$27.0	(85.6%)
Income tax expense	2.3	1.9		1.5	9.4	
Net income	\$4.1	\$3.7	10.8%	\$2.4	\$17.6	(86.4%)
Average shares outstanding	27.6	27.5		27.6	27.5	
Basic earnings per share	\$0.15	\$0.13		\$0.09	\$0.64	
Average shares and common stock equivalents	28.7	29.1		28.6	29.1	
Diluted earnings per share	\$0.14	\$0.13		\$0.08	\$0.60	

Supplemental Financial Information

EBITDA without special charges	\$18.8	\$17.7		\$46.0	\$52.4	
Total assets				\$533.3	\$507.0	
Total debt				\$310.7	\$304.9	
Total shareholders' equity				\$81.2	\$63.2	

RAYOVAC
SECOND QUARTER FISCAL 2001
Fact Sheet
Financial Summary

(in thousands, except per share amounts and market share amounts)

	THREE MONTHS			SIX MONTHS		
	F'01	F'00	Percent Change	F'01	F'00	Percent Change
Net Sales	\$145.2	\$140.1	4%	\$328.8	\$351.5	-6%
Operating Income (Before special charges)	\$14.0	\$13.2	6%	\$36.7	\$42.7	-14%
Pro-forma Net Income	\$4.3	\$3.7	16%	\$13.1	\$17.6	-26%
Pro-forma Diluted EPS	\$0.15	\$0.13	15%	\$0.46	\$0.60	-23%

Rayovac dollar market share (per A.C. Nielsen) for the periods ended April 7, 2001

	12 weeks		52 weeks	
	Current Year	Last Year	Current Year	Last Year
General Batteries	14.1	13.4	14.0	13.6
Alkaline	11.3	10.9	11.6	11.4

RAYOVAC
Restated Financial Results
(Implementation of EITF 00-22)
(in thousands)

FY2001

	Q2		Six-Months	
	Previous	Restated	Previous	Restated
Sales	\$147.6	\$145.2	\$333.5	\$328.8
Gross Profit	71.8	69.4	166.2	161.5
Selling Expenses	43.2	40.8	99.5	94.8
Operating Income (Before special charges)	\$14.0	\$14.0	\$36.7	\$36.7

FY2000

	Q2		Six-Months	
	Previous	Restated	Previous	Restated
Sales	\$142.6	\$140.1	\$357.4	\$351.5

Gross Profit	69.9	67.4	173.8	167.9
Selling Expenses	42.0	39.5	100.5	94.6
Operating Income (Before special charges)	\$13.2	\$13.2	\$42.7	\$42.7

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