



Rayovac Provides Fourth Quarter and Fiscal 2002 Guidance

September 20, 2001

MADISON, Wis., Sept. 20 /PRNewswire/ -- Rayovac Corp. (NYSE: ROV) said today its fiscal fourth quarter results for the period ending September 30 will be impacted by a continuing slowdown in battery sales in its U.S. and Latin American markets. The Company expects sales for the quarter to be flat to down slightly from the same period last year. The Company expects its pro forma earnings per share to be approximately 25 to 27 cents compared to the 44 cents per share reported last year.

Fourth quarter battery sales in the U.S. have been affected by factors evident in much of the rest of the U.S. economy, Rayovac said, including the slowdown of sales in the computer, electronic and telecommunication sectors as well as a decline in consumer spending at retail. Rayovac has also seen a slowing of growth in its Latin American and European markets due to many of the same factors. U.S. battery industry sales, which have historically grown five to seven percent annually, have slowed significantly over recent months and are currently showing no growth on a year over year comparison. In addition, cautious inventory management by U.S. retailers, who appear to be anticipating a difficult holiday season, is impacting battery orders. Last week's terrorist attacks will likely add to already conservative retailer growth projections.

During the fiscal year, Rayovac completed a global restructuring of operations to reduce manufacturing costs including: closing two plants; eliminating uneconomic manufacturing operations; and outsourcing additional operations. Corporate headcount has been reduced by over 15 percent with reductions in all functional departments and across all geographic regions. The Company said these steps are expected to improve Rayovac's competitive position and performance in the future, but the flattening of sales in the quarter will more than offset short-term positives from these initiatives.

Industry growth is now expected to slowly recover over the next twelve months, with low, single-digit growth in the near term. Rayovac expects sales growth of four to five percent for fiscal 2002 based on these economic and battery category projections. Diluted earnings per share for fiscal 2002 is projected to be in the range of \$1.25 to \$1.30. "Entering fiscal 2002, we are in a solid position for future growth," said Dave Jones, Rayovac chairman and chief executive officer. "Industry data shows that, in spite of slowing industry growth and increasing competition, we have continued to improve our market share during the quarter. Beyond our continuing distribution gains, we expect top-line growth to be enhanced by new products such as our new one-hour battery charger."

Pro forma earnings exclude special charges relating to the Company's global restructuring program and the extraordinary item related to the loss on early extinguishment of debt.

Rayovac will conduct a conference call for analysts and institutional investors to discuss information included in this press release and related matters on September 20, 2001, at 9:00 am EST. The conference call number is 1-800-621-5270. 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 and can be obtained by calling 1-800-633-8284 for domestic callers and 1-858-812-6440 for international callers both using reservation number 19728224, 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 manufacturer of general batteries 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 quarterly report on Form 10-Q, its most recent Annual Report on Form 10-K and the prospectus supplement for the Company's most recent public offering of its common stock.

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