



## Rayovac Announces Global Initiatives; Actions to Optimize Operations,

October 10, 2002

Strengthen Company's Low-Cost Position Worldwide

MADISON, Wis., Oct. 10 /PRNewswire-FirstCall/ -- Rayovac Corp. (NYSE: ROV) today announced a series of initiatives to position the Company for future growth opportunities and to optimize the global resources of the combined Varta and Rayovac companies. These initiatives are intended to make Rayovac a stronger competitor in the global consumer battery industry.

(Photo: <http://www.newscom.com/cgi-bin/prnh/20020716/ROVLOGO> )

The restructuring initiatives will affect the manufacturing, logistics, supply chain, sales and administrative functions in North America, Latin America and Europe. In addition, the Company announces North American packaging and distribution operational changes that are intended to significantly reduce freight and inventory handling costs.

These changes will strengthen our newly combined companies, leverage synergies, position us for future growth and allow us to be a stronger competitor in the global battery markets, said Dave Jones, Rayovac chairman and CEO.

The Company is taking a restructuring charge of approximately \$20 million pre-tax to be recorded in the first quarter of Fiscal 2003 and between \$10-\$15 million to be recorded as incurred. Cash cost of the restructuring program is expected to total \$15-\$20 million. Cost savings related to these initiatives are anticipated to be slightly accretive in the current fiscal year and are projected to be in the range of \$35-\$40 million when fully realized in Fiscal 2005.

To reduce surplus manufacturing capacity in Latin America, Rayovac is closing its Mexico City zinc carbon manufacturing plant. This action will take place immediately. Rayovac closed its Dominican Republic battery plant in July 2002, as part of an ongoing effort to eliminate surplus zinc carbon manufacturing capacity.

In North America, the Company will begin to scale back and close operations at its Middleton, Wis. distribution center and its Madison, Wis. packaging center and combine the two operations into a new state-of-the-art \$20 million complex being built in Dixon, Illinois. Both locations will begin phasing down operations with a complete transition to the new facility by June 2003. The new 560,000 square foot facility is expected to open in

April 2003 and service the majority of Rayovac's U.S. customer base.

In addition to the distribution and packaging changes, the Company anticipates a series of sales, marketing, operations and administrative restructuring initiatives on all three continents. These changes are the result of duplication synergies between the two companies and on-going cost containment initiatives.

The combination of all these restructuring initiatives is expected to ultimately reduce the workforce by approximately 630 or 14 percent of the current worldwide workforce. This represents a net reduction of approximately 340 employees in manufacturing, 40 employees in distribution and 250 employees in sales, marketing and administrative services.

With the recent Varta consumer battery transaction, Rayovac is one of the world's leading battery and lighting device companies with revenues over \$1 billion. Rayovac and Varta products are sold in more than 115 countries. The Company also markets the number one selling rechargeable brand of battery in the U.S. and in Europe, and is the world leader in hearing aid batteries. Rayovac trades on the New York Stock Exchange under the ROV symbol.

Rayovac will conduct a live webcast today (October 10, 2002) at 1:15 p.m. (Eastern) to discuss details of the Varta transaction. To access the webcast, go to the home page of [www.rayovac.com](http://www.rayovac.com) for a link to the registration page or type in the URL address of <http://www.firstcallevts.com/service/aiwz366154150qf12.html> . For those who cannot participate during the live webcast, it will be archived for two weeks on the Rayovac web site under About Rayovac/Investor Resources.

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) changes in consumer demand for the various types of consumer batteries, (3) changes in the general economic conditions where we do business, such as stock market prices, interest rates, currency exchange rates, inflation and raw material costs, (4) our ability to successfully implement manufacturing and distribution cost efficiencies and (5) various other factors, including those discussed herein and those set forth in the Company's most recent Form 10-Q, Annual Report on Form 10-K and the prospectus supplement for the Company's most recent offering of its common stock.

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