

# ***Exide Technologies***

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***Fiscal 2010 Second Quarter Results  
November 6, 2009***



# Q2

Fiscal 2010

## *Forward-Looking Statements*

Except for historical information, this presentation may be deemed to contain “forward-looking” statements. The Company is including this cautionary statement for the express purpose of availing itself of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Examples of forward-looking statements include, but are not limited to, (a) projections of revenues, cost of raw materials, income or loss, earnings or loss per share, capital expenditures, growth prospects, dividends, the effect of currency translations, capital structure and other financial items, (b) statements of plans and objectives of the Company or its management or Board of Directors, including the introduction of new products, or estimates or predictions of actions by customers, suppliers, competitors or regulating authorities, (c) statements of future economic performance and (d) statements of assumptions, such as the prevailing weather conditions in the Company’s market areas, underlying other statements and statements about the Company or its business.

Factors that could cause actual results to differ materially from these forward looking statements include, but are not limited to, the following general factors such as: (i) the Company’s ability to implement and fund based on current liquidity business strategies and restructuring plans, (ii) unseasonable weather (warm winters and cool summers) which adversely affects demand for automotive and some industrial batteries, (iii) the Company’s substantial debt and debt service requirements which may restrict the Company’s operational and financial flexibility, as well as imposing significant interest and financing costs, (iv) the litigation proceedings to which the Company is subject, the results of which could have a material adverse effect on the Company and its business, (v) the realization of the tax benefits of the Company’s net operating loss carry forwards, which is dependent upon future taxable income, (vi) the fact that lead, a major constituent in most of the Company’s products, experiences significant fluctuations in market price and is a hazardous material that may give rise to costly environmental and safety claims, (vii) competitiveness of the battery markets in the Americas and Europe, (viii) risks involved in foreign operations such as disruption of markets, changes in import and export laws, currency restrictions, currency exchange rate fluctuations and possible terrorist attacks against U.S. interests, (ix) general economic conditions, (x) the ability to acquire goods and services and/or fulfill labor needs at budgeted costs, (xi) the Company’s reliance on a single supplier for its polyethylene battery separators, (xii) the Company’s ability to successfully pass along increased material costs to its customers, (xiii) the loss of one or more of the Company’s major customers for its industrial or transportation products, (xiv) recently adopted U.S. lead emissions standards and the implementation of such standards by applicable states, and (xv) the ability of the Company’s customers to pay for products and services in light of liquidity constraints resulting from global economic conditions and restrictive credit markets.

Therefore, the Company cautions each reader of this presentation carefully to consider those factors set forth above and those factors described in the Company’s annual report on Form 10-K filed on June 4, 2009 and Form 10-Q filed on November 5, 2009, because such factors have, in some instances, affected and in the future could affect, the ability of the Company to achieve its projected results and may cause actual results to differ materially from those expressed herein. We take no obligation to update any forward-looking statements in this presentation.

# ***Fiscal 2010 Q2 Overview***

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***Gordon A. Ulsh***

***President and Chief Executive Officer***



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## *Fiscal 2010 Second Quarter Highlights*

- Net sales of \$631.8 million versus \$914.2 million in prior year period
  - Unit volumes
  - Lead price agreements
  - Foreign currency
- Gross margin of 20.6% compared to 17.7% in fiscal 2009 Q2 and 18.0% in fiscal 2010 Q1
- Fiscal 2010 second quarter net loss of \$8.0 million or (\$0.11) per share compared to net loss of \$10.2 million or (\$0.14) per share in the prior year period
- Adjusted net income of \$3.8 million or \$0.05 per share versus adjusted net income of \$19.1 million or \$0.25 per share in the prior year period

**Q2**

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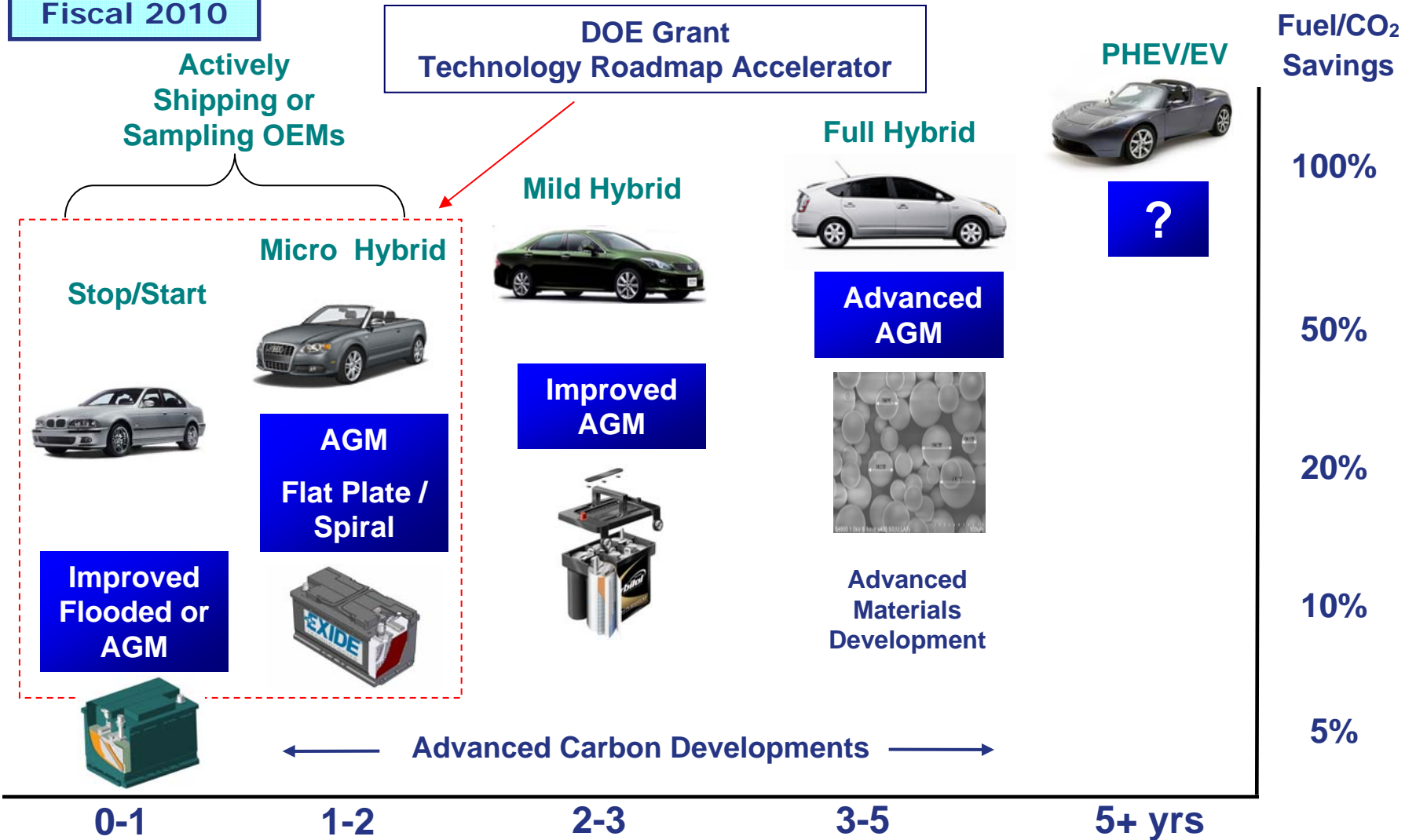
## *Engineering update*

- Development of engineering resources on plan
- Continued development of advanced lead-acid batteries for HEV applications
- Engineering contributing to cost reductions – globally
- Engineering team in Germany focused on large scale energy storage container
- DOE grant \$34 million – final stages of contract agreement

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## Our product roadmap targets the full HEV Spectrum



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## ReStore Energy Systems



- New division of Exide focused on **new** markets for renewable energy storage and new industrial markets for lithium products
- Offers collaboration with customers on problem-solving and innovative solutions to meet energy storage needs
- Utilizes Exide's proven capabilities in advanced research, development and application engineering to manufacture superior-quality products
- Visit ReStore Energy Systems on the World Wide Web at [restoreenergysystems.com](http://restoreenergysystems.com)

# *Operations Discussion*

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*E.J. O'Leary*

*Executive Vice President and Chief Operating Officer*



**Q2**

Fiscal 2010

## Transportation Americas

- Net sales decreased approximately 29% in fiscal 2010 Q2 versus the prior year comparable period
- Gross margin increased due to improved plant and operational efficiencies and increased recycling profits

(in millions)				Year To Date		
	<u>FY 2010</u> <u>Q2</u>	<u>FY 2009</u> <u>Q2</u>	<u>Total %</u> <u>Change</u>	<u>FY 2010</u> <u>Q2</u>	<u>FY 2009</u> <u>Q2</u>	<u>Total %</u> <u>Change</u>
<b>Net Sales</b>	\$ 224.8	\$ 315.6	-29%	\$ 455.6	\$ 622.0	-27%
<b>Gross Profit</b>	\$ 51.8	\$ 55.7	-7%	\$ 90.0	\$ 115.2	-22%
<b>Gross Margin</b>	23.1%	17.7%		19.8%	18.5%	
<b>Adjusted EBITDA</b>	\$ 29.8	\$ 32.8	-9%	\$ 45.5	\$ 66.8	-32%

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***Transportation Europe and ROW***

- Unit volumes down 8% in fiscal 2010 Q2 as compared to fiscal 2009 Q2
- Aftermarket unit volumes for FY10 Q2 up 26% from FY10 Q1
- Strong gross margin improvement

(in millions)

**Net Sales****Gross Profit****Gross Margin****Adjusted EBITDA**

	<b>FY 2010 Q2</b>	<b>FY 2009 Q2</b>	<b>Total % Change</b>
<b>Net Sales</b>	<b>\$ 182.4</b>	<b>\$ 245.4</b>	<b>-26%</b>
<b>Gross Profit</b>	<b>\$ 30.0</b>	<b>\$ 27.0</b>	<b>11%</b>
<b>Gross Margin</b>	<b>16.4%</b>	<b>11.0%</b>	
<b>Adjusted EBITDA</b>	<b>\$ 10.6</b>	<b>\$ 3.4</b>	<b>212%</b>

<b>Year To Date</b>			
	<b>FY 2010 Q2</b>	<b>FY 2009 Q2</b>	<b>Total % Change</b>
<b>Net Sales</b>	<b>\$ 328.9</b>	<b>\$ 521.2</b>	<b>-37%</b>
<b>Gross Profit</b>	<b>\$ 48.8</b>	<b>\$ 57.4</b>	<b>-15%</b>
<b>Gross Margin</b>	<b>14.8%</b>	<b>11.0%</b>	
<b>Adjusted EBITDA</b>	<b>\$ 11.0</b>	<b>\$ 10.6</b>	<b>4%</b>

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## *Industrial Energy Americas*

- Unit volumes decreased 17% in fiscal 2010 Q2 from the prior year period
- Gross profit and margin decreased due to lower unit sales in both channels

(in millions)				Year To Date		
	<u>FY 2010</u> <u>Q2</u>	<u>FY 2009</u> <u>Q2</u>	<u>Total %</u> <u>Change</u>	<u>FY 2010</u> <u>Q2</u>	<u>FY 2009</u> <u>Q2</u>	<u>Total %</u> <u>Change</u>
<b>Net Sales</b>	\$ 56.6	\$ 76.8	-26%	\$ 116.5	\$ 166.0	-30%
<b>Gross Profit</b>	\$ 13.1	\$ 23.0	-43%	\$ 26.3	\$ 46.8	-44%
<b>Gross Margin</b>	23.1%	29.9%		22.6%	28.2%	
<b>Adjusted EBITDA</b>	\$ 6.3	\$ 15.5	-59%	\$ 12.0	\$ 31.5	-62%

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***Industrial Energy Europe & ROW***

- Unit volumes decreased 30% in fiscal 2010 Q2 compared to fiscal 2009 Q2
- Over Hulton, UK closure completed on schedule

(in millions)				Year To Date		
	<u>FY 2010</u> <u>Q2</u>	<u>FY 2009</u> <u>Q2</u>	<u>Total %</u> <u>Change</u>	<u>FY 2010</u> <u>Q2</u>	<u>FY 2009</u> <u>Q2</u>	<u>Total %</u> <u>Change</u>
<b>Net Sales</b>	\$ 168.0	\$ 276.4	-39%	\$ 323.7	\$ 576.2	-44%
<b>Gross Profit</b>	\$ 35.1	\$ 56.1	-37%	\$ 71.5	\$ 112.0	-36%
<b>Gross Margin</b>	20.9%	20.3%		22.1%	19.4%	
<b>Adjusted EBITDA</b>	\$ 5.7	\$ 24.1	-76%	\$ 13.6	\$ 44.5	-69%

# ***Financial Discussion***

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***Phillip A. Damaska***

***Executive Vice President & Chief Financial Officer***



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## ***Use of Non-GAAP Financial Measures***

Exide uses Adjusted EBITDA as the key measure of its operational and financial performance. We continue to believe it provides a more useful measure for Exide at the present time than does net income.

We define Adjusted EBITDA as earnings before interest, taxes, depreciation, amortization and restructuring charges. Our Adjusted EBITDA definition also adjusts reported earnings for the effect of non-cash currency remeasurement gains or losses, the non-cash gain or loss from revaluation of the Company's warrants liability, as well as impairment charges, and gains or losses on asset sales.

The Company calculates Adjusted Earnings Per Share by excluding from net income (loss) per share certain items, such as non-cash tax valuation allowances, reorganization items related to the Company's bankruptcy proceedings, unrealized loss resulting from the revaluation of the Company's warrants, restructuring and impairment charges, and currency remeasurement gains and losses.

Please refer to the press release and the tables at the end of the presentation for our reconciliation of Adjusted EBITDA, EBIT and Adjusted Net Income to the income or loss; Adjusted Earnings Per Share to the income or loss reported under Generally Accepted Accounting Principles, and for a breakdown of net sales and Adjusted EBITDA by segment.

The Company also defines Free Cash Flow as cash from operating activities and cash from investing activities, both as measured in accordance with Generally Accepted Accounting Principles.

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***Financial Highlights***

(in millions)	Three Months Ended			Six Months Ended		
	September 30, 2009	September 30, 2008	% Change	September 30, 2009	September 30, 2008	% Change
<b>Net Sales</b>	\$631.8	\$914.2	-31%	\$1,224.7	\$1,885.4	-35%
<b>Gross Profit</b>	\$129.9	\$161.9	-20%	\$236.6	\$331.4	-29%
<b>% Margin</b>	20.6%	17.7%		19.3%	17.6%	
<b>Adjusted EBITDA</b>	\$45.6	\$68.2	-33%	\$68.8	\$139.3	-51%
<b>Free Cash Flow</b>	-\$13.1	\$45.9	-129%	\$28.2	\$90.7	-69%
<b>Capital Expenditures</b>	\$20.7	\$24.4	-15%	\$35.9	\$36.2	-1%

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**Non-GAAP Adjusted Loss & Per Share Reconciliation**

(in millions, except per share data)	FOR THE THREE MONTHS ENDED			
	September 30, 2009		September 30, 2008	
	<u>Dollars</u>	<u>Per Diluted Share</u>	<u>Dollars</u>	<u>Per Diluted Share</u>
<b>Net loss</b>	\$ (8.0)	\$ (0.11)	\$ (10.2)	\$ (0.14)
Increase in tax valuation allowances	5.8	0.08	10.5	0.14
Reorganization items, net of tax	0.1	-	0.3	-
Restructuring and impairment, net of tax	10.4	0.14	9.8	0.13
Currency remeasurement (gain) loss, net of tax	(4.2)	(0.06)	17.9	0.24
Unrealized gain on revaluation of warrants	(0.3)	-	(9.2)	(0.12)
<b>Non-GAAP Adjusted Net Income / EPS</b>	<b>\$ 3.8</b>	<b>\$ 0.05</b>	<b>\$ 19.1</b>	<b>\$ 0.25</b>

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## *Liquidity and Debt Update*

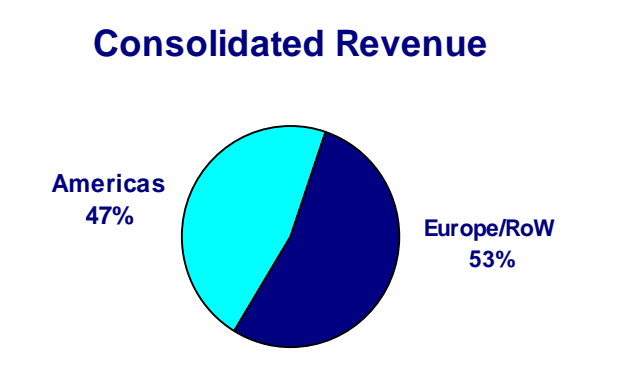
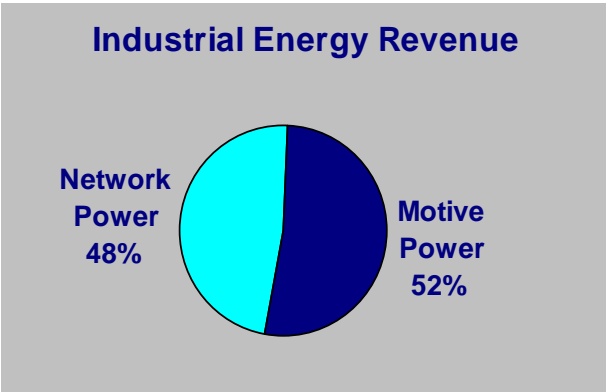
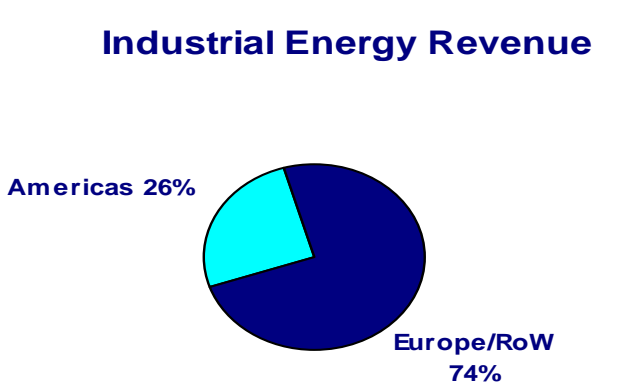
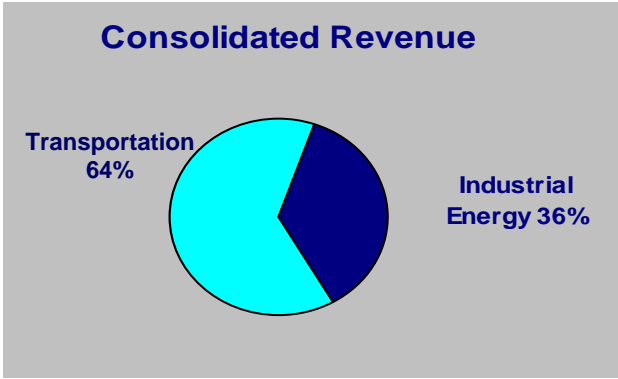
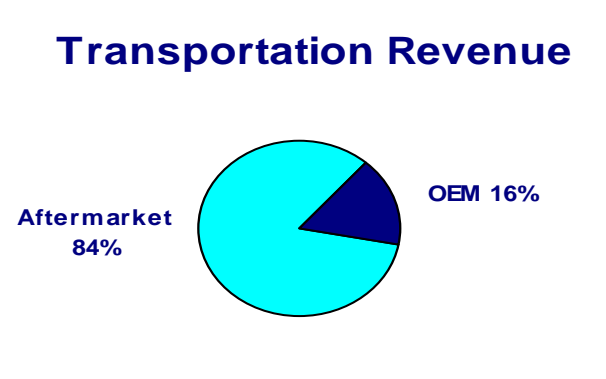
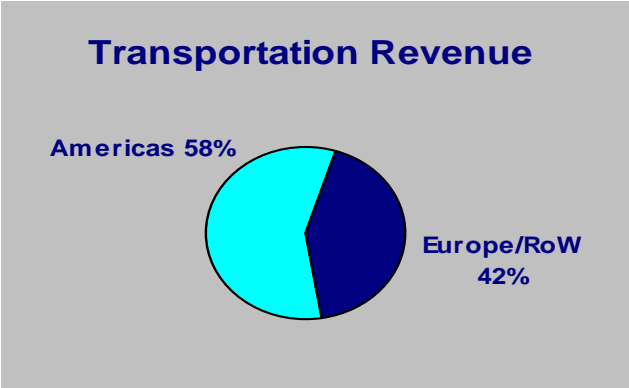
(in millions)	<u>9/30/2009</u>	<u>3/31/2009</u>
Cash and Cash Equivalents	\$ 109.2	\$ 69.5
Availability under Senior Bank Credit Facility	\$ 112.6	\$ 130.6
Total Debt	\$ 671.9	\$ 658.2
Net Debt	\$ 562.7	\$ 588.7

- No significant debt maturities until 2012
- No financial maintenance covenants

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**Wrap-up and Q&A**

All values for Six Months Ended September 30, 2009



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## Adjusted EBITDA Reconciliation By Segment

THREE MONTHS ENDED SEPTEMBER 30, 2009

(in millions)	<u>Transportation</u>		<u>Industrial Energy</u>		<u>Other</u>	<u>TOTAL</u>
	<u>Americas</u>	<u>Europe and ROW</u>	<u>Americas</u>	<u>Europe and ROW</u>		
<b>Net income (loss)</b>	\$22.2	\$4.2	\$3.1	(\$8.8)	(\$28.7)	(\$8.0)
Interest expense, net	-	-	-	-	14.8	14.8
Income tax provision	-	-	-	-	9.1	9.1
<b>EBIT</b>	22.2	4.2	3.1	(8.8)	(4.8)	15.9
Depreciation and amortization	7.0	5.7	2.6	6.1	1.6	23.0
Reorganization items, net	-	-	-	-	0.3	0.3
Restructuring	0.7	1.2	0.1	7.7	0.7	10.4
Currency remeasurement (gain) loss	(0.3)	(0.3)	0.5	-	(7.5)	(7.6)
Unrealized loss on revaluation of warrants	-	-	-	-	(0.3)	(0.3)
Loss on sale/impairment of assets	0.2	-	-	0.6	-	0.8
Other, principally non cash stock compensation expense	-	(0.2)	-	0.1	3.2	3.1
<b>Adjusted EBITDA</b>	<b>\$ 29.8</b>	<b>\$ 10.6</b>	<b>\$ 6.3</b>	<b>\$ 5.7</b>	<b>\$ (6.8)</b>	<b>\$ 45.6</b>

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**Adjusted EBITDA Reconciliation By Segment**

THREE MONTHS ENDED SEPTEMBER 30, 2008

(in millions)	<u>Transportation</u>		<u>Industrial Energy</u>		<u>Other</u>	<u>TOTAL</u>
	<u>Americas</u>	<u>Europe and ROW</u>	<u>Americas</u>	<u>Europe and ROW</u>		
Net income (loss)	\$23.8	(\$6.6)	\$12.9	\$10.6	(\$50.9)	(\$10.2)
Interest expense, net	-	-	-	-	18.4	18.4
Income tax provision	-	-	-	-	3.4	3.4
<b>EBIT</b>	23.8	(6.6)	12.9	10.6	(29.1)	11.6
Depreciation and amortization	7.7	7.1	2.2	6.5	1.9	25.4
Reorganization items, net	-	-	-	-	0.5	0.5
Restructuring	0.4	2.3	0.1	6.7	0.2	9.7
Currency remeasurement loss (gain)	0.9	0.3	(0.3)	-	26.8	27.7
Noncontrolling interest	-	-	-	-	0.3	0.3
Unrealized gain on revaluation of warrants	-	-	-	-	(9.2)	(9.2)
Loss on sale/impairment of assets	-	0.1	0.7	0.2	-	1.0
Other, principally non cash stock compensation expense	-	0.2	(0.1)	0.1	1.0	1.2
<b>Adjusted EBITDA</b>	<b>\$ 32.8</b>	<b>\$ 3.4</b>	<b>\$ 15.5</b>	<b>\$ 24.1</b>	<b>\$ (7.6)</b>	<b>\$ 68.2</b>

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## Adjusted EBITDA Reconciliation By Segment

SIX MONTHS ENDED SEPTEMBER 30, 2009

(in millions)	<u>Transportation</u>		<u>Industrial Energy</u>		<u>Other</u>	<u>TOTAL</u>
	<u>Americas</u>	<u>Europe and ROW</u>	<u>Americas</u>	<u>Europe and ROW</u>		
<b>Net income (loss)</b>	\$27.5	(\$19.2)	\$5.7	(\$24.7)	(\$51.3)	(\$62.0)
Interest expense, net	-	-	-	-	29.5	29.5
Income tax provision	-	-	-	-	14.0	14.0
<b>EBIT</b>	27.5	(19.2)	5.7	(24.7)	(7.8)	(18.5)
Depreciation and amortization	14.0	11.0	5.1	12.1	3.3	45.5
Reorganization items, net	-	-	-	-	0.9	0.9
Restructuring	4.1	19.9	0.2	20.9	1.0	46.1
Currency remeasurement (gain) loss	(0.5)	(0.6)	0.9	(0.5)	(16.2)	(16.9)
Unrealized loss on revaluation of warrants	-	-	-	-	0.2	0.2
Loss on sale/impairment of assets	0.3	-	-	5.8	0.1	6.2
Other, principally non cash stock compensation expense	0.1	(0.1)	0.1	-	5.2	5.3
<b>Adjusted EBITDA</b>	<b>\$ 45.5</b>	<b>\$ 11.0</b>	<b>\$ 12.0</b>	<b>\$ 13.6</b>	<b>\$ (13.3)</b>	<b>\$ 68.8</b>

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**Adjusted EBITDA Reconciliation By Segment**

SIX MONTHS ENDED SEPTEMBER 30, 2008

(in millions)	<u>Transportation</u>		<u>Industrial Energy</u>		<u>Other</u>	<u>TOTAL</u>
	<u>Americas</u>	<u>Europe and ROW</u>	<u>Americas</u>	<u>Europe and ROW</u>		
Net income (loss)	\$50.5	(\$7.2)	\$26.7	\$22.4	(\$112.9)	(\$20.5)
Interest expense, net	-	-	-	-	37.6	37.6
Income tax provision	-	-	-	-	26.9	26.9
<b>EBIT</b>	50.5	(7.2)	26.7	22.4	(48.4)	44.0
Depreciation and amortization	15.3	14.3	4.4	13.5	3.8	51.3
Take Charge	-	0.3	-	-	-	0.3
Reorganization items, net	-	-	-	-	1.0	1.0
Restructuring	0.7	3.0	-	8.0	0.2	11.9
Currency remeasurement loss (gain)	0.3	-	(0.2)	-	25.8	25.9
Noncontrolling interest	-	-	-	-	0.9	0.9
Unrealized gain on revaluation of warrants	-	-	-	-	0.5	0.5
Loss on sale/impairment of assets	-	(0.1)	0.7	0.5	-	1.1
Other, principally non cash stock compensation expense	-	0.3	(0.1)	0.1	2.1	2.4
<b>Adjusted EBITDA</b>	<b>\$ 66.8</b>	<b>\$ 10.6</b>	<b>\$ 31.5</b>	<b>\$ 44.5</b>	<b>\$ (14.1)</b>	<b>\$ 139.3</b>

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## Fiscal 2010

### Comparative Net Sales and Adjusted EBITDA By Segment

(in millions)

	<u>Transportation</u>		<u>Industrial Energy</u>			
	<u>Americas</u>	<u>Europe and ROW</u>	<u>Americas</u>	<u>Europe and ROW</u>	<u>Other</u>	<u>Consolidated</u>
<u>Q2 FY 10</u>						
Net sales	\$ 224.8	\$ 182.4	\$ 56.6	\$ 168.0	\$ -	\$ 631.8
Adjusted EBITDA	29.8	10.6	6.3	5.7	(6.8)	45.6
<u>Q2 FY09</u>						
Net sales	\$ 315.6	\$ 245.4	\$ 76.8	\$ 276.4	\$ -	\$ 914.2
Adjusted EBITDA	32.8	3.4	15.5	24.1	(7.6)	68.2
<u>Q2 YTD FY10</u>						
Net sales	\$ 455.6	\$ 328.9	\$ 116.5	\$ 323.7	\$ -	\$ 1,224.7
Adjusted EBITDA	45.5	11.0	12.0	13.6	(13.3)	68.8
<u>Q2 YTD FY09</u>						
Net sales	\$ 622.0	\$ 521.2	\$ 166.0	\$ 576.2	\$ -	\$ 1,885.4
Adjusted EBITDA	66.8	10.6	31.5	44.5	(14.1)	139.3

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**Computation of Free Cash Flow**

(in millions)	FOR THE SIX MONTHS ENDED	
	September 30, 2009	September 30, 2008
Net cash provided by (used in) operating activities	\$ 64.2	\$ 110.6
Net cash used in investing activities	(36.0)	(19.9)
Free Cash Flow	\$ 28.2	\$ 90.7

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**NON-GAAP Adjusted Earnings (Loss) Per Share  
Reconciliation**

(in millions, except per share data)

	FOR THE THREE MONTHS ENDED			
	September 30, 2009		September 30, 2008	
	<u>Dollars</u>	<u>Per Share</u>	<u>Dollars</u>	<u>Per Share</u>
<b>Net loss</b>	\$ (8.0)	\$ (0.11)	\$ (10.2)	\$ (0.14)
Increases in tax valuation allowance	5.8	0.08	10.5	0.14
Reorganization items, net of tax	0.1	-	0.3	-
Restructuring and impairment, net of tax	10.4	0.14	9.8	0.13
Currency remeasurement (gain) loss, net of tax	(4.2)	(0.06)	17.9	0.24
Unrealized gain on revaluation of warrants	(0.3)	-	(9.2)	(0.12)
<b>Non-GAAP Adjusted Net Income / EPS</b>	<u>\$ 3.8</u>	<u>\$ 0.05</u>	<u>\$ 19.1</u>	<u>\$ 0.25</u>

	FOR THE SIX MONTHS ENDED			
	September 30, 2009		September 30, 2008	
	<u>Dollars</u>	<u>Per Share</u>	<u>Dollars</u>	<u>Per Share</u>
<b>Net loss</b>	\$ (62.0)	\$ (0.82)	\$ (20.5)	\$ (0.27)
Increases in tax valuation allowance	13.0	0.17	23.7	0.31
Reorganization items, net of tax	0.5	0.01	0.6	0.01
Restructuring and impairment, net of tax	49.9	0.66	11.8	0.16
Currency remeasurement (gain) loss, net of tax	(8.8)	(0.12)	16.1	0.21
Unrealized gain on revaluation of warrants	0.2	-	0.5	0.01
<b>Non-GAAP Adjusted Net Income (Loss) / EPS</b>	<u>\$ (7.2)</u>	<u>\$ (0.09)</u>	<u>\$ 32.2</u>	<u>\$ 0.43</u>