

Valence Technology Files For Bankruptcy Protection

The Associated Press

AUSTIN, Texas (AP) — Battery maker Valence Technology Inc. said Thursday that it filed for Chapter 11 bankruptcy protection, in hopes of boosting its liquidity and refocusing itself on its core lithium phosphate markets.

The company, based in Austin, Texas, makes lithium phosphate batteries are used by a variety of markets; including automotive and marine transport, industrial, military and stationary equipment.

Valence, which filed in the U.S. Bankruptcy Court for the Western District of Texas, said it's in the process of negotiating financing that will fund its operations while it reorganizes.

The company expects to pay employee wages and benefits and continue customer programs. Its subsidiaries outside of the U.S. are not subject to the bankruptcy proceedings and will continue to operate normally.

"After careful consideration of the implications of chapter 11 and weighing them against a lack of attractive alternatives, the board of directors and the senior management team believe that this is a necessary step and the right thing to do for the future of Valence," Robert Kanode, the company's president and CEO said in a statement.

Valence expects to complete its restructuring this year. Trading of the company's shares on the Nasdaq stock market was halted Thursday morning.

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