

# Exide Files For Bankruptcy Protection

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Battery maker Exide Technologies is seeking Chapter 11 bankruptcy protection as it attempts to restructure its U.S. business and strengthen its balance sheet.

The Milton, Ga., company said its international operations are excluded from the filing, which it made Monday in U.S. Bankruptcy Court in Delaware.

Exide Technologies makes batteries for vehicles and also provides stored electrical energy services for industrial applications.

It said a highly leveraged balance sheet has limited its ability to invest in its businesses, and recent unprecedented increases in product costs have hurt its profitability. Those increases have been driven mainly by the North American market price for scrap lead.

Exide's voluntary petition for Chapter 11 protection prevents debt collectors from collecting amounts owed by the company. Bankruptcy court filings show that the company had debts totaling about \$1.14 billion and assets valued at \$1.89 billion as of April 30.

Creditors with the largest unsecured claims include Wilmington Trust, National Association, which has \$51.9 million in convertible senior subordinated notes. Oracle Credit Corp. has a \$4.1 million claim, and Richardson Molding Inc. has one totaling nearly \$2.9 million.

Exide said the filing does not change the work schedules of its plants, corporate offices or branches, and the company expects to continue serving both U.S. and international customers. Exide runs 13 manufacturing locations in the United States and 74 branches through North America.

The company also said it plans to pay U.S. employees as usual, and it does not expect material changes to their benefits.

Exide has negotiated \$500 million in financing that will help cover operating expenses after the filing. Its board of directors also has named Robert M. Caruso chief restructuring officer. Caruso is a managing director of the restructuring firm Alvarez and Marsal.

The battery maker said in April it had hired the financial advisory firm Lazard to help it explore financing options. It had reported a string of quarterly losses before then.

Shares of Exide have plunged since closing 2012 at \$3.42. The stock closed at 20 cents on Friday and then fell another 8 cents, or 40 percent, to 12 cents in premarket trading Monday before markets opened.

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