

The Honorable Kevin J Carey
U.S. Bankruptcy Judge
824 North Market Street
3rd Floor
Wilmington, Delaware 19801

JUN 11 2014

June 6, 2014

Re: Equity Committee
Case 13-11482 *Exide Tech.*

Dear Honorable Judge Carey,

I am sure that you remember my approaching your court on November 14, 2013.

At that time it was my decision to defer my request for an equity committee until all interested parties had an opportunity to review more operating data from the debtor.

At the hearing, through your gracious efforts, I became aware of Steward LLC and their legal representative Pillsbury Winthrop. After some consideration, I decided to join efforts with Steward LLC and retain Pillsbury Winthrop as legal counsel.

During the last six months, Pillsbury has been working closely with a highly regarded international financial restructuring firm. Both of these firms, believing that significant value for equity exists, have submitted supporting documents to the U. S. Trustee. Since these documents are not public, I am unable to include them in this letter. However you may be able to obtain them from the U.S. Trustee. The U. S. trustee did not believe an equity committee is warranted at this time.

As a result, still believing that value currently exists and through astute management value can be enhanced, I would like to take "that bite of the apple". Accordingly, I seek your approval for a court sanctioned appointment of an equity committee in the Exide bankruptcy.

Factors that lead me to believe that value exists are listed below:

- Exide entered Chapter 11 with a positive net worth
- The EBIDTA and cash flow targets in the KEIP are indicative of equity value. I doubt that Exide operating managers would agree to an incentive package if it were not realistic
- During that past 5 years, Exide has spent approximately \$400 million in capital Expenditures. In 2012, the Vernon plant alone was the recipient of significant operational and environmental upgrades.

Recent Capital Expenditures

<u>Year 2010</u>	<u>2011</u>	<u>2012</u>
\$96 million	\$89 million	\$110 million

Sources within the industry, believe that the Vernon plant has a replacement cost of \$200-\$300 million, if permitting could be obtained.

Vernon is an irreplaceable asset.

- Exide filed for Chapter 11 in 2002, it is reasonable to assume that many legacy costs, legacy expenses and underperforming assets were addressed in the process.
 - Consequently many long held fixed assets were "written down" and are now "on the books" at deep discounts to replacement costs or market values.
- Of the 40 real estate properties listed in the 2011 annual 11 were leased and 29 were owned by the company. An opportunity exists to monetize these assets.
- During the last four years the company has invested more than \$70 million in the Columbus and Bristol facilities.
- Intelligent expense reduction is a responsible and respected way to enhance the value of any enterprise. In fact many very successful companies have regular ongoing expense reduction efforts. Amazingly Exide has not fully embraced this value enhancing alternative.
 - Each share of Exide common generates more than \$33 in top line revenues. A reduction of 5% in expenses would yield more than \$1.50 in additional cash flow more than \$120 million for the company.
 - I believe this alternative would yield significant value to equity.
- In its annual reports, Exide management talked extensively about its considerable investment in new facilities, great long term growth potential, new products with higher margins, lean Six Sigma procedure to significantly reduce costs and improve efficiency.
- The Global market for stored energy products will see significant growth per many industry experts.
- As a result of European Union mandates, start/stop vehicles will become more numerous. Exide, with is partner Fiat, had the first systems in Europe.
- Worldwide rebound in auto production
- Profitable European Operations and European car sales are growing
- Exide's Net Operating loss carry forwards could have big potential value.

Management's Credibility

All parties are placing great reliance upon the analysis and projections put forth by management. In view of the below listed significant comments by management, I seriously question whether this team has the ability, will or independence to fairly represent the interests of equity holders or junior creditors.

Excerpts from Exide Annual Reports

2011 Annual -Page2

	<u>Adjusted EBIDTA</u>	
2009	2010	2011
\$253 Million	\$199 million	\$229 Million

Page3

"I am now more convinced than ever that Exide is strategically positioned to help the world meet a growing demand for stored electrical energy. "

Per James Bloch, President, CEO

Talk in glowing term about their relationship with Siemens, Fiat and Sears. No mention of the loss of Wal-Mart and its impact. Remember, the loss of Wal-Mart was cited as a reason for filing.

Page 10

Talk in glowing terms about their commitment to the environment

*copies of the above enclosed

2012 Annual Report

Page1

"I believe our investments in growth have laid a solid foundation on which we can take the next steps toward a leaner, more profitable company. "

Per James Bloch, President, CEO

Page 7

The CEO talked about their extensive efforts to comply with and be ahead of environmental requirements for their operating facilities.

"Our desire is to be the best corporate citizen possible everywhere we operate"

Per Dean Rossi, VP of Global Environment Health and Safety

*copies of the above enclosed

Commentary

Investors rely upon these comments; do they have any value? Should not these corporate officers be held responsible for these comments?

CFO Comments on February 7 2013 analysts conference call:

On the company's third quarter conference call, Exide's CFO discussed liquidity with an analyst.

"We talked about the \$161 million of liquidity at December 31 and the free cash flow generation estimated at –in the \$30 million range. I'm certainly comfortable with our current liquidity level. And as we move into fiscal 2014, we're clearly, as I indicated, going to be very mindful of cash as we approach the convert repayment. We are going to look to reduce our capital spending form \$50 million range that we had in fiscal 2013.

And as we enter the year with a higher-than- ideal level of inventory, my expectation is we'll use less cash in building inventory than we typically do in the first half of next year. So, again, comfortable; I think our liquidity's adequate and stable at this point in time to allow us to continue to operate this business and make the investments necessary"

On April 4, 2013 Exide announced the following:

- Hired Lazard to assist in financing alternatives and to help maximize share holder value
- Expected fourth quarter free cash flow would be \$50 million vs. earlier estimate of \$30 million
- As of March 31, 2013 the company had total liquidity of \$230 million.

An over leveraged balance sheet was cited as one of the reasons for filing Chapter 11

In late 2010 Exide common stock, for more than three months traded above \$10 per share. Why wasn't capital raised at that time? Would not a competent management take that action?

The fact that the issues with the California environmental agencies have persisted for many years, to me, is indicative of a serious management failure. Another battery recycling plant in the area does not have Exide's history of problems. Management should have been sensitive to the agencies' responsibilities to the public. I believe the company could have taken a less belligerent approach in their dealing with regulators.

After having such consistent poor and inaccurate judgment for an extended period of time, why should anyone place great reliance on their analysis?

Concluding Thoughts

I truly believe that this was a filing that should never have occurred. Management has abridged its responsibility to shareholders, creditors, employees and the public by not working whole heartedly with regulators to resolve the issues at Vernon. It is ironic that the legal expenses of bankruptcy so far have consumed more than \$45 million of estate assets, while the cost to resolve the matter before the regulators acted would have been under \$20 million.

I believe that Vernon's problems were used as a "cover" to place the company in Chapter 11; the bankruptcy process will be used to liquidate equity and junior creditors, work a "sweetheart management deal" with senior creditors, emerge from Chapter 11 and become a profitable entity on the ashes of those who were liquidated. Many of us are aware of such cases.

I work with many small investors who perceived that markets, corporate officers and the bankruptcy process work to their disadvantage. I am sure you are aware of these issues in investors' minds, some of which are ineffective regulators, compromised boards, and arrogant/incompetent management. Clearly I realize the courts can not address all of these problems, but we can do our best to see that the

bankruptcy process is not perverted to serve the interest of a privileged few who are using estate assets to work against the interest of other holders.

Two years from now, after Exide has emerged, I can envision the company reporting record profits and management being congratulated for their brilliant efforts. In reality such success will be due to liquidating the interests of equity, unsecured and junior creditors.

An equity committee could provide the perception of fairness in the process and could very well provide insight and guidance that could enhance the value of the estate for all concerned.

In fact Steward, LLC and I are in contact with investors who would seriously consider committing equity capital to Exide's revival.

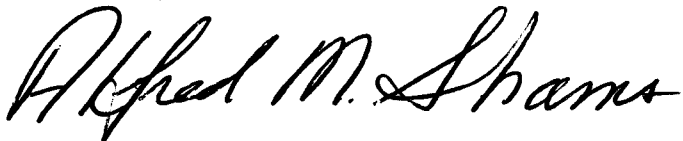
I am sensitive to the Court's concerns about an Equity Committee being a burden of the estate. Would it make sense for the court to approve an Equity Committee with an initial limited budget then future funding would be subject to court review.

Your Honor, I would appreciate the opportunity to reappear in your court to support my position. I appreciate your help in this effort. I am not familiar with proper courtroom protocol, but would a private meeting with you in your chambers be a possibility? Or would an open court hearing be more appropriate? Clearly I am agreeable to either alternative.

As a side note, I will be out of the country on vacation from June 10th – June 24th, with no access to any correspondence.

Being most respectful of your time and consideration

Sincerely,

A handwritten signature in black ink that reads "Alfred M. Shams". The signature is written in a cursive, flowing style.

Alfred M Shams

Exide At A Glance

Financial Highlights 2011

For the Year*

2011

2010

(in thousands, except per-share data)

Net sales	\$2,887,516	\$2,685,808
Gross profit	564,429	538,096
Operating income	95,773	16,739
Interest expense, net	62,410	59,933
Net income (loss) attributable to Exide Technologies	26,443	(11,814)
Basic earnings (loss) per share	0.34	(0.16)
Diluted earnings (loss) per share	0.33	(0.16)

Balance Sheet Data

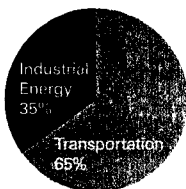
(at period end)

Total assets	2,183,664	1,956,226
Total debt	758,158	659,527
Total stockholders' equity attributable to Exide Technologies	404,787	332,334

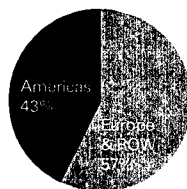
* Fiscal Year Ended March 31



Fiscal 2011 Net Sales by Product Group



Fiscal 2011 Net Sales by Geography



Net Sales (in billions)

\$3.3 \$2.7 \$2.9



Industrial Sales (in billions)

\$1.3 \$0.9 \$1.0



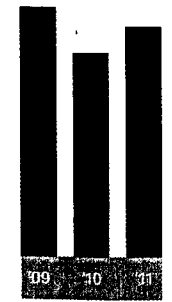
Transportation Sales (in billions)

\$2.0 \$1.8 \$1.9



Adjusted EBITDA⁽¹⁾ (in millions)

\$253 \$199 \$229



⁽¹⁾Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, restructuring charges, non-cash currency remeasurement gains or losses, and impairment charges and gains or losses on asset sales.

Exide 2011

'I am now more convinced than ever that Exide is strategically positioned to help the world meet a growing demand for stored electrical energy.' President and CEO Letter, PAGES 4-5

Exide's Research, Development & Engineering team is driving customer-valued innovation and creating unique intellectual properties that are reinventing the lead-acid battery. PAGE 6

Siemens, Fiat and Sears are among thousands of global customers who turn to Exide to help meet their stored-energy needs. PAGES 7-9

Exide is proud to be upholding the industry's stellar recycling reputation as well as supporting sustainability initiatives on the local level. PAGE 10

Global Presence



- Executive Offices
- Manufacturing
- Manufacturing and Distribution Center
- Distribution Center
- Recycling

Not listed: Americas - 81 Branches, 5 Sales Offices, Europe - 5 Sales Offices, Asia Pacific - 8 Sales Offices



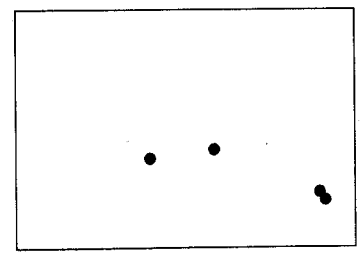
Exide Technologies is a global leader in providing electrical energy solutions. With operations in more than 100 countries, Exide is one of the world's largest producers and recyclers of lead-acid batteries. The Company provides a comprehensive range of stored electrical energy products to meet customer needs for industrial and transportation applications.

Exide products and services span global markets and geographic borders, building experience and technological innovation from the company's two major divisions.

Transportation includes heavy-duty equipment and aftermarket automotive heavy-duty truck, agricultural and marine applications, hybrid and automotive applications.

Industrial markets include power power applications such as telecommunication systems, electric utilities, railroads, photovoltaic solar related, and uninterruptible power supply and motive power applications for lift trucks, mining and other commercial vehicles.

NYSE: XIDE



Exide + Our Environment

Upholding a proud tradition for recycling and sustainability



When you consider that more than 97 percent of all battery lead is

recycled, lead-acid batteries are one of the best environmental success stories of our time. Compared to 55 percent of aluminum soft drink and beer cans, 45 percent of newspapers, 26 percent of glass bottles and 26 percent of tires, lead-acid batteries top the list of the most highly recycled consumer products.

Exide is proud to uphold the industry's stellar recycling reputation, as well as support many other sustainability initiatives on the local level. Our high level of captive recycling distinguishes Exide within our industry for our commitment to internally manage the full life cycle of our products. Our efforts also provide financial benefits by reducing input costs.

Our high level of captive recycling distinguishes Exide for our commitment to manage the full life cycle of our products.

Exide invests approximately \$35 million to \$40 million annually to maintain manufacturing and recycling facilities around the world. Over the next three years, a portion of this annual spend will include the investment of millions in improved emissions control equipment to ensure these facilities continue to meet world-class standards. The investments will include air pollution control devices, building and process enclosure structures to control fugitive emissions and specialized cleaning



Exide's Dan Henke, Plant Manager; and Kim Davis, Environmental Manager at Exide's Muncie, Indiana, plant; present a check to Denise Hurt of Little Red Door, a local non-profit affiliated with the American Cancer Society, following this year's battery recycling fund-raiser.

equipment to ensure that we continue to be responsible environmental citizens in the communities where we operate.

Exide's recycling facility in Vernon, California, is a partner in the National Partnership for Environmental Priorities, a program of the U.S. Environmental Protection Agency. Through its partners, NPEP strives to improve chemical management to reduce the potential release of chemicals into the land, air or water that could affect human and environmental health. Vernon's initial goal - to reduce 120,000 pounds of lead waste - was exceeded by more than 40 percent in the first year.

Exide's recycling facility in Muncie, Indiana, annually demonstrates its commitment to the environment and the local community by hosting (in conjunction with Earth Day) the *Recycle, Reach Out and Restore Battery Drive*, a community collection of spent lead-acid batteries. This year's fourth annual event benefitted Little Red Door, a local non-profit affiliate of the American Cancer Society. Since its inception, the program has collected nearly four tons of spent

batteries for recycling and raised thousands of dollars for the organization that helps families and individuals experiencing cancer live longer, better and more fulfilling lives.

Many of Exide's products are environmentally friendly by virtue of their application. For example, our AGM batteries and Micro-Hybrid Flooded batteries are enabling the advancement of hybrid electric vehicles around the world. Through partnerships with automobile manufacturers such as BMW, VW Group, Suzuki, Toyota, Fiat and others, Exide batteries are powering vehicles that are reducing CO₂ emissions while increasing fuel economy, a trend that is good for the environment and consumers.

Exide also plays an important role in the ongoing development of renewable energy sources, such as solar and wind. Both require energy to be stored before making the energy effective for end-users. Our lithium ion and lead-acid batteries are an integral part of renewable energy applications around the world, supplying solutions for this growing new market. +

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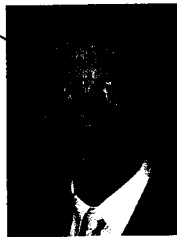
2011

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I believe (our) investments in growth have laid a solid foundation on which we can take the next steps toward a leaner, more focused and profitable Company.”

– Jim Bolch, President and CEO



New Processes Transforming Business

Two processes—NPSI and VAVE—are helping to transform how our Company does business across the enterprise and around the world.

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With customers facing multiple challenges, including more stringent emission standards and fuel efficiency demands, we are well positioned to meet the needs for cost-effective and reliable stored electrical energy.”

– Paul Hirt, President, Exide Americas



NPSI (New Product and Service Innovation) gives us a disciplined process for taking the new technology coming out of our labs around the world and making sure it is commercialized as efficiently and profitably as possible. There are five stages to the process, starting with feasibility studies and continuing through business case and project planning, development and verification, commercial readiness and validation and, finally, launch.

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We’ve seen steady, profitable growth over the last several years in our Transportation business. But we are not standing still. We are continuing to invest in new technologies and pushing our geographic boundaries to stay on the leading edge of the marketplace.”

– Michael Ostermann, President, Exide Europe



VAVE (Value Analysis Value Engineering) is a systematic, cross-functional team approach to removing costs from a product, facility or process without affecting its quality. In fact, quality and customer satisfaction often improve as a result of VAVE. “The question VAVE addresses is how to become more productive and still provide the same or better value to customers,” said Jim Bolch, President and CEO.

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Charge acceptance has been the Achilles heel of lead-acid batteries. But the breakthroughs we’ve seen with graphite give us a viable solution. This could make lead-graphite the battery of choice for all start/stop vehicles.”

– Dr. Paul Cheeseman, Vice President, Global Research and Engineering



The focus on VAVE has resulted in new ways for employees throughout the Company to drive productivity and value. VAVE is credited with identifying \$17 million in cost savings in fiscal 2012 and building a pipeline of additional cost-savings ideas that are now being analyzed.

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Our desire is to be the best corporate citizen possible everywhere we operate. Our investments in our facilities and practices will help us meet this goal.”

– Dean Rossi, Vice President, Global Environment, Health and Safety



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If you’re going to pull one lever to help the organization meet its objectives most quickly and effectively, identifying and developing the people who will get you there is the one to pull.”

– Carla Chaney, Exec. Vice President, Human Resources



EXIDE IS INVESTING IN OUR ENVIRONMENT AND PEOPLE.

THE STORED-ELECTRICAL- energy industry is one of the leading proponents of environmental sustainability. Through extensive investments in recycling programs and spent battery collection channels, Exide is helping to reinforce sustainability efforts.

Our industry, which recycles more than 97 percent of all lead-acid batteries, will soon be under even stricter air-quality regulations. New U.S. air-quality standards require lead emissions to be 10 times lower than previous standards. Exide is committed to be in compliance with these new U.S. regulations before the deadline in 2014.

To comply with the new requirements, Exide is making major investments in new environmental controls at our U.S. recycling and affected battery manufacturing plants. These investments include sealing and enclosing our manufacturing operations, placing our manufacturing buildings under negative pressure, enhancing our pollution prevention ventilation systems and improving our work and housekeeping practices. As an example, in late fiscal 2012, we completed building a structure larger than a football field to fully enclose our recycling facility in Vernon, California. Additionally we placed the entire building under negative pressure to help minimize potential releases to the atmosphere.

As a result of our work, we are in full compliance with the new applicable air-emission regulations in California. We are continuing work

Investments in environmental controls have brought our Vernon, California, recycling plant into compliance with federal air-quality standards (red lines), which were lowered significantly in 2012. Our most stringent monitor shows average monthly readings from the facility.

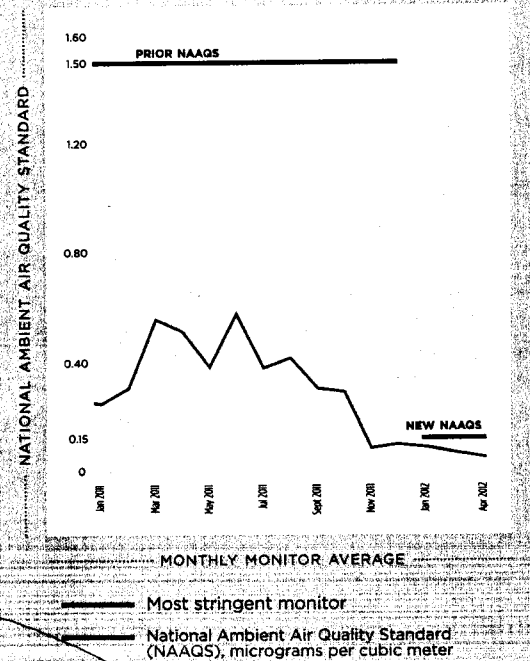
to bring the remainder of our affected locations into full compliance prior to applicable regulatory deadlines. The results that we see from the improvements made to our Vernon facility prove that we have the knowledge and skill to do this.

"Our desire is to be the best corporate citizen possible everywhere we operate," said Dean Rossi, Vice President, Global Environment, Health and Safety. "Our investments in our facilities and practices will help us meet this goal."

In addition to protecting our environment, we're committed to the health and safety of every Exide employee. We believe that world-class companies develop disciplines that not only guide safe operations, but also create a culture that prioritizes safety above all else.

In fiscal year 2012, we formalized our long-term EHS goals and developed plans to achieve world-class EHS performance. These goals include enhanced environmental compliance, reducing injuries to benchmarked world-class levels and

MEETING COMPLIANCE STANDARDS



reducing employee blood-lead levels to as low as reasonably achievable. The new tools and processes that we implemented in fiscal year 2012 are already showing progress towards our goals. We believe that we have the right talent in place to implement the programs and processes that we have identified to build a culture of EHS excellence. This strategy is good for our people, the environment, the communities in which we operate and, ultimately, our shareholders.

