IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	**Chapter 11**
	)	
EXIDE TECHNOLOGIES, et al.,[1]	)	
	)	**Case No. 02-11125 (KJC)**
	)	**(Jointly Administered)**
Debtors.	)	

SECOND AMENDED DISCLOSURE STATEMENT FOR DEBTORS' THIRD AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

IMPORTANT DATES

- *Date by which Ballots must be received:* ***October 7, 2003***
- *Date by which objections to Confirmation of the Plan must be filed and served:* ***October 7, 2003***
- *Hearing on Confirmation of the Plan:* ***October 21, 2003***

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Dated: September 8, 2003

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[1] The Debtors in these proceedings are: Exide Technologies f/k/a Exide Corporation; Exide Delaware, L.L.C.; Exide Illinois, Inc.; RBD Liquidation, L.L.C.; Dixie Metals Company; and Refined Metals Corporation.

THE SECURITIES DESCRIBED HEREIN WILL BE ISSUED WITHOUT REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY SIMILAR FEDERAL, STATE OR LOCAL LAW, GENERALLY IN RELIANCE ON THE EXEMPTIONS SET FORTH IN SECTION 1145 OF THE BANKRUPTCY CODE.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

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THIS DISCLOSURE STATEMENT CONTAINS A SUMMARY OF CERTAIN PROVISIONS OF THE PLAN AND CERTAIN OTHER DOCUMENTS AND FINANCIAL INFORMATION. DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE. THE SUMMARIES OF THE FINANCIAL INFORMATION AND THE DOCUMENTS WHICH ARE ATTACHED HERETO ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THAT INFORMATION AND TO THOSE DOCUMENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN, OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION INCORPORATED HEREIN BY REFERENCE, THE PLAN SHALL GOVERN FOR ALL PURPOSES.

THE STATEMENTS AND FINANCIAL INFORMATION CONTAINED HEREIN HAVE BEEN MADE AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND EQUITY INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH HEREIN UNLESS SO SPECIFIED. EACH HOLDER OF AN IMPAIRED CLAIM SHOULD CAREFULLY REVIEW THE PLAN, THIS DISCLOSURE STATEMENT AND THE EXHIBITS TO BOTH DOCUMENTS IN THEIR ENTIRETY BEFORE CASTING A BALLOT. THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. ANY PERSONS DESIRING ANY SUCH ADVICE OR OTHER ADVICE SHOULD CONSULT WITH THEIR OWN ADVISORS.

NO PARTY IS AUTHORIZED TO GIVE ANY INFORMATION WITH RESPECT TO THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. NO REPRESENTATIONS CONCERNING DEBTORS OR THE VALUE OF THEIR PROPERTY HAVE BEEN AUTHORIZED BY DEBTORS OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT OR, SUBSEQUENT TO A FILING BY DEBTORS UNDER THE BANKRUPTCY CODE, BY THE BANKRUPTCY COURT. ANY INFORMATION, REPRESENTATIONS OR INDUCEMENTS MADE TO OBTAIN YOUR ACCEPTANCE OF THE PLAN WHICH ARE OTHER THAN OR INCONSISTENT WITH THE INFORMATION CONTAINED HEREIN AND IN THE PLAN SHOULD NOT BE RELIED UPON BY YOU.

ALTHOUGH DEBTORS HAVE USED THEIR BEST EFFORTS TO ENSURE THE ACCURACY OF THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT, THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED, EXCEPT FOR THE FINANCIAL STATEMENTS INCLUDED IN THE COMPANY'S ANNUAL REPORT ON FORM 10-K INCLUDED AS EXHIBIT D HERETO.

THE PROJECTIONS PROVIDED IN THIS DISCLOSURE STATEMENT HAVE BEEN PREPARED BY DEBTORS' MANAGEMENT WITH THE ASSISTANCE OF THE BLACKSTONE GROUP, L.P. ("BLACKSTONE"), FINANCIAL ADVISORS TO THE DEBTORS, AND ALIXPARTNERS LLC ("ALIXPARTNERS"), TURNAROUND ADVISORS TO THE DEBTORS. THESE PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY MANAGEMENT, MAY NOT BE REALIZED AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND REORGANIZED DEBTORS' CONTROL. DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE AS TO THE ACCURACY OF THESE PROJECTIONS OR TO REORGANIZED DEBTORS' ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL NOT MATERIALIZE. FURTHER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THESE PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THUS THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THE PROJECTIONS, THEREFORE, SHOULD NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR.

SEE ARTICLE V OF THIS DISCLOSURE STATEMENT, "RISK FACTORS", FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH A DECISION BY A HOLDER OF AN IMPAIRED CLAIM TO ACCEPT THE PLAN.

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Exhibit A	-	Debtors' Second Amended Joint Plan of Reorganization
Exhibit B	-	Liquidation Analysis
Exhibit C	-	Projections
Exhibit D	-	Annual Report on Form 10-K for the fiscal year ended March 31, 2003
Exhibit E	-	Schedule of Environmental Sites

SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements contained elsewhere in this Disclosure Statement.

Exide Technologies (together with its subsidiaries unless the context requires otherwise, the "Company" or "Exide") is a Delaware corporation organized in 1966 to succeed to the business of a New Jersey corporation founded in 1888. The Company is one of the largest manufacturers of lead acid batteries in the world, with fiscal 2003 net sales of approximately $2.4 billion. The Company manufactures and supplies lead acid batteries for transportation and industrial applications worldwide.

On April 15, 2002 ("Petition Date"), Exide and three of its wholly-owned, U.S. subsidiaries (RBD Liquidation, LLC ("RBD"), Exide Delaware, LLC ("Exide Delaware") and Exide Illinois, Inc. ("Exide Illinois")) filed voluntary petitions for reorganization under Chapter 11 of the federal bankruptcy laws ("Bankruptcy Code" or "Chapter 11") in the United States Bankruptcy Court for the District of Delaware ("Bankruptcy Court") under case numbers 02-11125 through 02-11128. On November 21, 2002, Refined Metals Corporation ("Refined") and Dixie Metals Corporation ("Dixie"), both wholly-owned, non-operating subsidiaries of Exide, filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court under case numbers 02-13449 and 02-13450. Refined and Dixie have no employees and negligible, if any, assets. RBD, Exide Delaware, Exide Illinois, Dixie and Refined, together with Exide are hereinafter referred to as the "Debtors." All of the foregoing cases are being jointly administered for procedural purposes before the Bankruptcy Court under case number 02-11125.

As debtors-in-possession under Chapter 11, the Debtors are authorized to continue to operate as an ongoing business, but may not engage in transactions outside the ordinary course of business without the approval of the Bankruptcy Court. The Company's operations outside of the U.S. are not included in the Chapter 11 proceedings.

This Disclosure Statement is being furnished by Debtors as proponents of the Debtors' Third Amended Joint Plan of Reorganization (the "Plan," a copy of which is attached hereto as *Exhibit A*), pursuant to section 1125 of the United States Bankruptcy Code (the "Bankruptcy Code") and in connection with the solicitation of votes (the "Solicitation") for the acceptance or rejection of the Plan, as it may be amended or supplemented from time to time in accordance with the Bankruptcy Code and the Bankruptcy Rules. **Capitalized terms used herein but not otherwise defined herein shall have the meanings given to such terms in the Plan.**

This Disclosure Statement describes certain aspects of the Plan, the Company's operations, the Company's projections and other related matters, including the treatment of holders (each, a "Holder" and collectively, the "Holders") of existing Claims and Equity Interests.

Events Leading to the Chapter 11 Cases

The Company and certain of its subsidiaries decided to file for reorganization under Chapter 11 as it offered the most efficient alternative to restructure its balance sheet and access new working capital while continuing to operate in the ordinary course of business. The Company has a heavy debt burden, caused largely by a debt-financed acquisition strategy and the significant costs of integrating those acquisitions. Other factors leading to the reorganization included the impact of adverse economic conditions on the Company's markets, particularly telecommunications, ongoing competitive pressures and capital market volatility. These factors contributed to a loss of revenues and resulted in significant operating losses and negative cash flows, severely impacting the Company's financial condition and its ability to maintain compliance with debt covenants.

The Company's operations outside of the U.S. are not included in the Chapter 11 proceedings. However, in connection with the Chapter 11 filing, the Company entered into a Standstill Agreement and Fifth Amendment to the Credit and Guarantee Agreement ("Standstill Agreement") with its Prepetition Credit Facility (as defined in Section I.B.2 below) lenders, whereby those lenders have agreed to forbear collection of principal payments on foreign borrowings under the Prepetition Credit Facility from non-Debtor subsidiaries until December 2003, subject to earlier termination upon the occurrence of certain events. The principal events which could result in an early termination of the Standstill Agreement are: (1) non-payment of interest on the European tranche of the Company's Prepetition Credit Facility as and when due; (2) if any significant foreign subsidiaries commence any winding up or liquidation proceeding; (3) breach of financial and other customary negative covenants (as described with respect to the debtor-in-possession credit facility ("DIP Credit Facility"); and (4) default with respect to the European securitization facility and 9.125% Senior Notes (Deutsche mark denominated) agreement.

On May 10, 2002, the Debtors received final Bankruptcy Court approval of its $250 million DIP Credit Facility. The DIP Credit Facility is being used to supplement cash flows from operations during the reorganization process including the payment of post-petition ordinary course trade and other payables, the payment of certain permitted pre-petition claims, working capital needs, letter of credit requirements and for other general corporate purposes.

The purpose of the Plan is to restructure Debtors' debt to provide Debtors with a capital structure that can be supported by the cash flow of their operations. Assuming that all Holders of Allowed Class P3 and S3 Prepetition Credit Facility Claims choose the Class P3 Election A, the Plan will reduce Debtors' debt and accrued interest by more than $1.4 billion and their future annual interest expense by approximately $61 million. Debtors believe that the reorganization contemplated by the Plan is in the best interests of their creditors and interested constituencies. If the Plan is not confirmed, Debtors believe that they will be forced to either file an alternate plan of reorganization or liquidate under Chapter 7 of the Bankruptcy Code ("Chapter 7"). In either event, Debtors believe that the Company's creditors would realize a less favorable distribution of value, or, in certain cases, none at all, for their Claims under an alternative plan or liquidation. The Debtors further believe that the Company's equity holders, who are not entitled to receive a distribution under the Plan, would not receive a distribution under an alternative plan or liquidation. See the Liquidation Analysis set forth in *Exhibit B* attached hereto.

Treatment of Claims and Equity Interests

The table set forth below summarizes the Classes of Claims and Equity Interests under the Plan, projected aggregate amount of such Classes, the treatment of such Classes, and the projected recoveries of such Classes both in connection with the Plan and in a liquidation under Chapter 7 of the Bankruptcy Code. The projected recoveries (if the Plan is approved) are based upon certain assumptions contained in the Valuation Analysis developed by Blackstone set forth in Section I.I hereof.

Class/Type of Claim or Interest	Projected Claims/ Interests	Plan Treatment of Class	Projected Recovery under Plan	Projected Recovery Under Chapter 7
Administrative Claims	$ 382,665.48	Paid in full	100%	100%
DIP Facility Claims	$ 181,074,000.00	Paid in full	100%	100%
Priority Tax Claims	$ 1,526,660.30	Paid in full	100%	0%
Other Priority Claims (Classes P1 & S1)	$ 3,666,448.54	Paid in full	100%	0%
Other Secured Claims (Classes P2 & S2)	$ 1,585,969.29	Paid in full	100%	4.3%

Class/Type of Claim or Interest	Projected Claims/ Interests	Plan Treatment of Class	Projected Recovery under Plan	Projected Recovery Under Chapter 7
Prepetition Credit Facility Claims (Classes P3 & S3)	$ 729,345,426.14	(i) Class P3 Election A: After the Confirmation Date and prior to the Effective Date, Holders of Prepetition Foreign Secured Claims who choose the Class P3 Election A shall receive, in exchange for and in full and final satisfaction of their Prepetition Foreign Secured Claims, an Exchange Note with a principal amount equal to the fair market value of the product of (x) such Holder's Prepetition Foreign Secured Claims divided by the sum of such Holder's Prepetition Foreign Secured Claims plus such Holder's Prepetition Domestic Secured Claims and (y) such Holder's Pro Rata share of the New Exide Preferred Stock remaining after distributions, if any, pursuant to the Class P3 Election B. On or as soon as practicable after the Effective Date, Holders of Allowed Class P3 and S3 Prepetition Credit Facility Claims who choose the Class P3 Election A shall receive, in full and final satisfaction of their Prepetition Domestic Secured Claims and Exchange Notes, (A) a Pro Rata share (based on the aggregate of such Holder's Prepetition Domestic Secured Claims and Prepetition Foreign Secured Claims that were exchanged for the Exchange Notes) of 100% of the New Exide Preferred Stock remaining after distributions, if any, pursuant to the Class P3 Election B, and (B) a Pro Rata distribution in Cash, not to exceed $25,000,000 in the aggregate in any circumstances, of $15,000,000 and the European Contingent Asset Sale Proceeds. As a condition to the receipt of a Pro Rata share of the New Exide Preferred Stock, each Option A Elector shall (A) execute the amendment to the Prepetition Credit Facility summarized in the Amended Prepetition Foreign Credit Agreement Term Sheet and (B) become a party to the New Exide Shareholder Agreement.	70.2%-72.0%[2]	4.3%[3]

[2] The projected recovery will vary depending upon the Allowed amount of Prepetition Foreign Credit Facility Claims of Option B Electors. The projected recovery is 70.2% if there are no Option B Electors and up to 72.0% if there are the maximum Option B Electors allowed under the Plan.

[3] Taking into consideration projected recoveries on account of Allowed Prepetition Foreign Secured Claims of Option B Electors, if any, the aggregate recovery will be 16.6%.

Class/Type of Claim or Interest	Projected Claims/ Interests	Plan Treatment of Class	Projected Recovery under Plan	Projected Recovery Under Chapter 7
		(ii) Class P3 Election B: On or as soon as practicable after the Effective Date, Holders of Allowed Class P3 and S3 Prepetition Credit Facility Claims who choose the Class P3 Election B shall receive, in full and final satisfaction of their Prepetition Domestic Secured Claims, a Pro Rata share (based on the aggregate of the Prepetition Domestic Secured Claims) of the Class P3 Election B Distribution. On the Effective Date, the Prepetition Foreign Secured Claims of Option B Electors shall be governed by the Amended Prepetition Foreign Credit Agreement.	42.1%[4]	4.3%[5]
Non-Noteholder General Unsecured Claims of Exide Technologies (Class P4-A)	$322,572,718.33	Holders of Allowed Class P4-A Non-noteholder General Unsecured Claims will receive, in full and final satisfaction of their Class P4-A Claims, (A) a Pro Rata distribution of the Class P4-A Cash Pool, plus (B) if the Class P4 Cash Pool Excess is greater than zero, a Pro Rata distribution of the Class P4 Cash Pool Excess, as determined based on the aggregate of all Allowed Class P4 Claims.	1.4%	0%
10% Senior Note Claims (Class P4-B)	$300,000,000.00	Holders of Allowed Class P4-B 10% Senior Note Claims will receive, in full and final satisfaction of their Class P4-B 10% Senior Note Claims, (A) a Pro Rata distribution of the New Exide Common Stock, plus (B) if the Class P4 Cash Pool Excess is greater than zero, a Pro Rata distribution of the Class P4 Cash Pool Excess, as determined based on the aggregate of all Allowed Class P4 Claims.	1.4%[6]	0%
2.9% Convertible Note Claims (Class P5)	$322,162,758.00	Cancelled, and Holders thereof not entitled to receive any distribution or retain any property under the Plan.	0%	0%
Equity Interests (Class P6)	27.4 million shares	Cancelled, and Holders thereof not entitled to receive any distribution or retain any property under the Plan.	0%	0%
General Unsecured Claims of Subsidiary Debtors (Class S4)	$ 36,524,694.50	Cancelled, and Holders thereof not entitled to receive any distribution or retain any property under the Plan.	0%	0%

[4] Subject to dilution for the Company Incentive Plan. Assumes there are the maximum amount of Option B Electors allowed under the Plan.

[5] Taking into consideration projected recoveries on account of Allowed Prepetition Foreign Secured Claims of Option B Electors, if any, the aggregate recovery will be 16.6%.

[6] Subject to dilution for the Company Incentive Plan.

Class/Type of Claim or Interest	Projected Claims/ Interests	Plan Treatment of Class	Projected Recovery under Plan	Projected Recovery Under Chapter 7
Class S5 Equity Interests (Class S5)	NA	Cancelled, and Holders thereof not entitled to receive any distribution or retain any property under the Plan.	0%	0%

All objections, settlements and litigation with respect to PITWD Claims and the allowance of PITWD Claims shall be governed by the PITWD Claims Procedures described in Section III.K.4 below.

Explanation of Distributions to Holders of Class P3 Prepetition Credit Facility Claims

Each of the Prepetition Lenders hold both Prepetition Domestic Secured Claims and Prepetition Foreign Secured Claims, which are collectively classified in Classes P3 and S3. The Prepetition Foreign Secured Claims are Claims against the Foreign Subsidiary Borrowers, which are not debtors in the Chapter 11 Cases or subject to the jurisdiction of the Bankruptcy Court. As such, although they may elect to do so, the Prepetition Lenders cannot be compelled through the Plan to compromise their Claims against the Foreign Subsidiary Borrowers. Accordingly, each of the Prepetition Lenders must be given the option to reinstate such Holder's Prepetition Foreign Secured Claims. This option is reflected by the opportunity of each Prepetition Lender to elect either Option A or Option B treatment on its Ballot. As described in the Plan, Prepetition Lenders electing Option A agree to compromise all of their Claims against both the Debtors and the Foreign Subsidiary Borrowers. As described in the Plan, Prepetition Lenders electing Option B have their Prepetition Foreign Secured Claims reinstated, but subject to an amended Prepetition Credit Facility.

The Debtors believe it is in the best interests of the Company and the Prepetition Lenders as a whole that each Prepetition Lender elect Option A treatment, and the Debtors believe that the economic recovery under Option A is greater than the economic recovery under Option B. Moreover, it is a condition to Consummation that Holders of no more than $17.5 million of Prepetition Foreign Secured Claims have elected Option B treatment. Because the election of Option A or Option B by each Prepetition Lender will have an effect on the relative recovery of other Holders in the same Class, the estimated recoveries for Classes P3 and S3 in this Disclosure Statement are stated as a range (70.2% to 72.0%).

Explanation of Distributions to Holders of Class P4 General Unsecured Claims

The Non-Noteholder General Unsecured Claims and the 10% Senior Note Claims against Exide have the same legal priority and are therefore provided the same Pro Rata percentage recovery under the Plan. Based on the Claim estimates set forth in this Disclosure Statement in "SUMMARY—Treatment of Claims and Equity Interests," the Plan provides that Holders of Non-Noteholder General Unsecured Claims (Class P4-A) and 10% Senior Note Claims (Class P4-B) will receive the same Pro Rata percentage recovery (all dollar amounts in millions):

Class	Estimated Claims	Value of Distribution		% Recovery
P4-A	$322.6	$4.4	=	1.4%
P4-B	$300.0	$4.1	=	1.4%

However, because the Non-Noteholder General Unsecured Claims include a substantial number of disputed, unliquidated and contingent Claims, the final Allowed amount of Class P4-A Claims may not be known until some time after Consummation. The final Allowed amount of such Claims could be significantly higher or lower than the estimate set forth herein.

If the final Allowed amount of Class P4-A Claims is greater than the estimate set forth in this Disclosure Statement, then the Pro Rata percentage recovery by Holders of Class P4-A Claims would decrease because more Claims would be sharing the same distribution fund. This would result in the Holders of Class P4-A Claims receiving a lower Pro Rata percentage recovery than the holders of Class P4-B Claims. In order to avoid this inequity, the Plan provides that in such circumstances, the value of the distribution otherwise available to Holders of Class P4-B Claims will be reduced so that the Pro Rata percentage recoveries of

both subclasses are equivalent. By way of example, if the final Allowed amount of Class P4-A Claims is $100 million higher than the estimate set forth in this Disclosure Statement, the recoveries would be adjusted as follows (all dollar amounts in millions):

Class	Actual Claims	Value of Distribution		% Recovery
P4-A	$422.6	$4.4	=	1.0%
P4-B	$300.0	$3.1	=	1.0%

Similarly, if the final Allowed amount of Class P4-A Claims is less than the estimate set forth in this Disclosure Statement, then the Pro Rata percentage recovery by Holders of Class P4-A Claims would increase because fewer Claims would be sharing the same distribution fund. This would result in the Holders of Class P4-A Claims receiving a higher Pro Rata percentage recovery than the holders of Class P4-B Claims. In order to avoid this inequity, the Plan provides that in such circumstances, the value of the distribution otherwise available to Holders of Class P4-A Claims will be reduced, and such reduced amount shared by all Class P4 Claimants, so that the Pro Rata percentage recoveries of both subclasses are equivalent. By way of example, if the final Allowed amount of Class P4-A Claims is $100 million lower than the estimate set forth in this Disclosure Statement, the recoveries would be adjusted as follows (all dollar amounts in millions):

Class	Actual Claims	Value of Base Distribution	+	Shared Pool		% Recovery
P4-A	$222.6	$3.0	+	$0.6	=	1.6%
P4-B	$300.0	$4.1	+	$0.8	=	1.6%

The Claim estimates set forth in this Disclosure Statement in "SUMMARY—Treatment of Claims and Equity Interests" reflect the reasonable judgment of the Debtors based on information available to the Debtors as of the date of this Disclosure Statement. Because the actual determination of the disputed, unliquidated and contingent Class P4-A Claims is subject to significant uncertainty, the Debtors cannot predict with certainty the final Allowed amount of such Claims, and therefore the Debtors cannot predict with certainty the actual percentage recovery that any Class P4 Claimant will receive under the Plan.

Description of Distributions to Holders of Class P5 2.9% Convertible Note Claims

The 2.9% Convertible Notes are subordinated to the 10% Senior Notes, and are therefore classified separately in Class P5 and are not entitled to any distribution unless the 10% Senior Notes are paid in full, which is not proposed under the terms of the Plan. Section 510(a) of the Bankruptcy Code provides that a subordination agreement is enforceable in bankruptcy to the same extent it is enforceable under applicable non-bankruptcy law. Accordingly, the Plan subordinates the 2.9% Convertible Note Claims to the 10% Senior Note Claims and provides no distribution on account of the 2.9% Convertible Note Claims. The 10% Senior Note Trustee asserts that the Plan fails to turn over the distribution otherwise attributable to the 2.9% Convertible Note Claims to the Holders of the 10% Senior Note Claims.

Description of New Securities to be Issued Under the Plan

New Exide Preferred Stock. On the Effective Date, New Exide will issue for distribution in accordance with the Plan a number of shares of New Exide Preferred Stock, as determined in accordance with the Plan, to be authorized pursuant to the New Exide Certificate of Incorporation and subject to the Shareholder Agreement. Exide expects that the number of shares of New Exide Preferred Stock issued on the Effective Date will be between 494,519 and 511,879, depending on the amount of Option B Electors, if any. The lenders under the Prepetition Credit Facility will receive 100% of the New Exide Preferred Stock, which, as of the Effective Date, represents 99.2% of New Exide Common Stock, taking into consideration the New Exide Preferred Stock Conversion Election on a fully-exercised basis, subject to dilution pursuant to the Company Incentive Plan. Each share of New Exide Preferred Stock will have a $1,000 face value. The principal terms of the New Exide Preferred Stock to be included in the New Exide Certificate of Incorporation and the Shareholder Agreement are summarized in Exhibit B and Exhibit C to the Plan.

Each holder of the New Exide Preferred Stock will have the right to convert shares of the New Exide Preferred Stock, at the option of the holder at any time, into shares of New Exide Common Stock. The total number of shares of New Exide Common Stock into which the New Exide Preferred Stock may be converted initially will be determined by dividing the face value per share through the date of conversion by the Conversion Price. The initial Conversion Price will be determined in accordance with the Plan and will be adjusted on a weighted average basis upon the issuance, subject to customary exceptions, of equity securities at a price lower than the Conversion Price then in effect (as adjusted, the "Conversion Price"). Exide expects that the initial Conversion Price will be between $19.94 and $20.64. The New Exide Preferred Stock will automatically convert into New Exide Common Stock upon the occurrence of a Qualified Public Offering (as defined in Exhibit B to the Plan), or sale of all or substantially all of the assets of New Exide or the acquisition of New Exide by another entity in certain circumstances.

The New Exide Preferred Stock will rank senior to all equity securities of New Exide. In the event of a liquidation (or similar event) of New Exide, the holders of New Exide Preferred Stock shall receive, before any payments to holders of any other equity securities of New Exide, on a pro rata basis an amount equal to the Implied Price through the consummation of such event. In addition, the holders of New Exide Preferred Stock shall then participate on a pro rata, as-converted basis with the holders of New Exide Common Stock with respect to any remaining proceeds or assets of New Exide.

The New Exide Preferred Stock will have customary anti-dilution protections for stock splits, dividends, reclassifications and similar events.

The holders of the New Exide Preferred Stock shall be entitled to vote on an as-converted basis on any matters on which the holders of New Exide Common Stock are entitled to vote. In addition, the holders of the New Exide Preferred Stock shall have the right to vote as a single class on certain "Major Actions," which will be set forth in the New Exide Certificate of Incorporation.

New Exide Common Stock. On the Effective Date, New Exide will issue for distribution in accordance with the Plan 200,000 shares of New Exide Common Stock, which represents 0.8% of New Exide Common Stock, taking into consideration the New Exide Preferred Stock Conversion Election on a fully-exercised basis, subject to dilution pursuant to the Company Incentive Plan. The New Exide Common Stock will be distributed to Holders of Allowed Class P4-B 10% Senior Note Claims and authorized pursuant to the New Exide Certificate of Incorporation.

Voting and Confirmation

Each Holder of a Claim in Classes P3, P4 and S3 will be entitled to vote either to accept or reject the Plan. Classes P3, P4 and S3 shall have accepted the Plan if: (i) the Holders of at least two-thirds in amount of the Allowed Claims actually voting in each such Class have voted to accept the Plan and (ii) the Holders of more than one-half in number of the Allowed Claims actually voting in each such Class have voted to accept the Plan. Classes P5, S4 and S5 are deemed to reject the Plan and are not entitled to vote to accept or reject the Plan. Assuming the requisite acceptances are obtained, the Debtors intend to seek confirmation of the Plan at a hearing (the "Confirmation Hearing") scheduled to commence on **October 21, 2003, at 10:00 a.m. Prevailing Eastern Time**, before the Bankruptcy Court, at the Robert N.C. Nix Federal Courthouse, 900 Market Street, Philadelphia, PA 19107. **Notwithstanding the foregoing, provided that at least one impaired class accepts the Plan, the Debtors will seek Confirmation of the Plan under section 1129(b) of the Bankruptcy Code with respect to the Impaired Classes presumed to reject the Plan, and reserve the right to do so with respect to any other rejecting Class or to modify the Plan in accordance with Article XII.E of the Plan.**

Section IV hereof specifies the deadlines, procedures and instructions for voting to accept or reject the Plan and the applicable standards for tabulating Ballots. The Bankruptcy Court has established August 11, 2003, (the "Voting Record Date") as the date for determining which Holders of Claims are eligible to vote on the Plan. Ballots will be mailed to all registered Holders of Claims as of the Voting Record Date who are entitled to vote to accept or reject the Plan. An appropriate return envelope will be included with your Ballot, if necessary. Beneficial Holders of Claims who receive a return envelope addressed to their bank, brokerage firm or other nominee, or any agent thereof, (each, a "Nominee") should allow sufficient time for the Nominee to receive their votes and process them on a Master Ballot before the Voting Deadline, as defined below.

The Debtors have engaged a solicitation agent to assist in the voting process. The solicitation agent will answer questions, provide additional copies of all materials and oversee the voting tabulation. The solicitation agent will also process and tabulate ballots for each Class entitled to vote to accept or reject the Plan. The solicitation agent is Bankruptcy Management Corporation, 1330 E. Franklin Avenue, El Segundo, CA 90245, (888) 909-0100 (toll free).

TO BE COUNTED, THE SOLICITATION AGENT MUST RECEIVE YOUR BALLOT (OR MASTER BALLOT OF YOUR NOMINEE HOLDER) INDICATING ACCEPTANCE OR REJECTION OF THE PLAN **NO LATER THAN 5:00 P.M., PREVAILING EASTERN TIME, ON OCTOBER 7, 2003** (THE "VOTING DEADLINE"), UNLESS THE BANKRUPTCY COURT EXTENDS OR WAIVES THE PERIOD DURING WHICH VOTES WILL BE ACCEPTED BY THE DEBTORS, IN WHICH CASE THE TERM "VOTING DEADLINE" FOR SUCH SOLICITATION SHALL MEAN THE LAST TIME AND DATE TO WHICH SUCH SOLICITATION IS EXTENDED. ANY EXECUTED BALLOT OR COMBINATION OF BALLOTS REPRESENTING CLAIMS IN THE SAME CLASS OR SUBCLASS HELD BY THE SAME HOLDER THAT DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN OR THAT INDICATES BOTH AN ACCEPTANCE AND REJECTION OF THE PLAN SHALL BE DEEMED TO CONSTITUTE AN ACCEPTANCE OF THE PLAN. ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE MAY OR MAY NOT BE COUNTED, AT THE DISCRETION OF THE DEBTORS.

THE DEBTORS BELIEVE THAT THE PLAN IS IN THE BEST INTEREST OF ALL OF THEIR CREDITORS AS A WHOLE. THE DEBTORS THEREFORE RECOMMEND THAT ALL HOLDERS OF CLAIMS SUBMIT BALLOTS TO ACCEPT THE PLAN.

Time and Place of the Confirmation Hearing. The Confirmation Hearing, which is the hearing where the Bankruptcy Court will determine whether to confirm the Plan, will commence on **October 21, 2003, at 10:00 a.m. Prevailing Eastern Time**, before the Honorable Kevin J. Carey, United States Bankruptcy Judge, at the Robert N.C. Nix Federal Courthouse, 900 Market Street, Philadelphia, PA 19107.

Deadline for Voting For or Against the Plan. If you are entitled to vote, it is in your best interest to vote timely on the enclosed ballot (the "Ballot") and return the Ballot in the enclosed envelope to the balloting agent, who is Bankruptcy Management Corporation, 1330 E. Franklin Avenue, El Segundo, California 90245, (888) 909-0100 (toll free).

Your vote must be received prior to the Voting Deadline, which is **5:00 p.m. Prevailing Eastern Time on October 7, 2003**, or it will not be counted. At the Debtors' request, the Bankruptcy Court has established certain procedures for the solicitation and tabulation of votes on the Plan. They are described in the Order entitled "Order (A) Approving The Debtors' Disclosure Statement; (B) Scheduling A Hearing To Confirm The Plan; (C) Establishing A Deadline For Objecting To The Debtors' Plan; (D) Approving Form Of Ballots, Master Ballot, Voting Deadline And Solicitation Procedures; and (E) Approving Form And Manner Of Notices" (the "Solicitation Order") and the "Notice Of (I) Entry Of Order Approving Disclosure Statement; (II) Hearing To Confirm Plan Of Reorganization And (III) Related Important Dates" (the "Confirmation Hearing Notice") that accompany this Disclosure Statement.

Deadline for Objecting to the Confirmation of the Plan. Objections to Plan confirmation must be filed with the Bankruptcy Court and served upon the following so that they are ***actually received*** on or before **5:00 p.m. Prevailing Eastern Time on October 7, 2003**.

Counsel to the Debtors
Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601
312-861-2000
Fax: 312-861-2200
Attn: Matthew N. Kleiman
Ross M. Kwasteniet

Counsel to the Debtors
Pachulski Stang Ziehl Young & Jones PC
919 N. Market Street
16th Floor
Wilmington, DE 19899
Attn: Laura Davis Jones
James E. O'Neill

Office of the United States Trustee
844 King Street, Room 2207
Lockbox #35
Wilmington, DE 19801
302-573-6491
Attn: Mark S. Kenney

Counsel to the Creditors Committee
Pepper Hamilton LLP
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P.O. Box 1709
Wilmington, DE 19899-1709
Attn: David B. Stratton
David M. Fournier

Counsel to the Equity Committee
Potter Anderson & Corroon LLP
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Hercules Plaza
Wilmington, DE 19899
Attn: William A. Hazeltine

Counsel to the Creditors Committee
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Fax: 212-872-1002
Attn: Fred S. Hodera
Mary R. Masella

Counsel to the Equity Committee
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Milwaukee, WI 53202
414-298-8191
Attn: Mark L. Metz

Counsel to the Prepetition Lenders
Richards Layton & Finger
One Rodney Square
Wilmington, DE 19899
302-651-7845
Fax: 302-651-7701
Attn: Mark Collins
Etta Rena Wolfe

Solicitation Agent
Bankruptcy Management Corporation
1330 E. Franklin Avenue
El Segundo, CA 90245
Attn: Exide Solicitation Agent
(email service permitted at exide@bmccorp.net)

Counsel to the Prepetition Lenders
Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022
Attn: Douglas P. Bartner
Marc B. Hankin

Consummation of the Plan

Following Confirmation of the Plan, the Plan will be consummated on the date selected by the Debtors, which will be a Business Day after the Confirmation Date on which: (a) no stay of the Confirmation Order is in effect, and (b) all conditions specified in Article IX.B of the Plan have been (x) satisfied or (y) waived pursuant to Article IX.C therein. Distributions to be made under the Plan will be made on or as soon after the Effective Date as practicable or as otherwise provided for herein.

Risk Factors

Prior to deciding whether and how to vote on the Plan, each Holder of Impaired Claims should consider carefully all of the information in this Disclosure Statement, especially the Risk Factors described in Section V hereof.

I.
GENERAL INFORMATION

A. DESCRIPTION OF DEBTORS' BUSINESS

1. General Discussion of Business

The Company is a Delaware corporation organized in 1966 to succeed to the business of a New Jersey corporation founded in 1888. The Company's principal executive offices are located at 210 Carnegie Center, Suite 500, Princeton, NJ 08540. The Company is one of the largest manufacturers of lead acid batteries in the world, with fiscal 2003 net sales of approximately $2.4 billion. The Company's European, North American and Asia Pacific operations represented approximately 52%, 44% and 4%, respectively, of fiscal 2003 net sales. Exide manufactures and supplies lead acid batteries for transportation and industrial applications worldwide.

On September 29, 2000, the Company acquired GNB Technologies, Inc. ("GNB"), a U.S. and Pacific Rim manufacturer of both industrial and transportation batteries, from Pacific Dunlop Limited. The acquired GNB operations are located in the U.S., Australia, New Zealand, Canada, Europe, Japan, South Asia, China, India and the Middle East. The former GNB businesses manufacture industrial batteries in North America, including those used in both motive and network power applications under various brands such as Absolyte®, Marathon®, Sprinter®, Champion® and Pacific Chloride®. The former GNB operations also manufacture transportation batteries under the Champion®, Stowaway® and National® brands, among others, including private label brands, and is a supplier to automotive original equipment manufacturers in North America and the Pacific Rim.

The Company's operations outside of the U.S. are not included in the Chapter 11 proceedings.

The Subsidiary Debtors are not actively engaged in business, have no or immaterial assets, and in light of the senior Claims at each Subsidiary Debtor that would need to be paid prior to a distribution to Class S4 General Unsecured Creditors, there is no distribution available to Class S4 General Unsecured Creditors.

2. Narrative Description of Business

The Company's strategic focus is the manufacture and supply of lead acid batteries, associated equipment and services for transportation, industrial and military applications globally. Exide has three primary business segments: Transportation, Motive Power and Network Power.

Transportation Segment. Transportation batteries represented approximately 63% of the Company's net sales for fiscal 2003.

Transportation batteries include starting, lighting and ignition ("SLI") batteries for cars, trucks, off-road vehicles, agricultural and construction vehicles, motorcycles, recreational vehicles, boats, and other applications. The market for transportation batteries is divided between sales to original equipment manufacturers ("OEM"s) and aftermarket customers. In North America, Exide is the second largest manufacturer of transportation batteries. In Europe, Exide is the largest manufacturer of transportation batteries. The Company markets its products under various trademarks.

The Company's primary North American transportation aftermarket battery products include the following:

- *Exide®* — enhanced power cold cranking amps and a 72 month warranty
- *Exide NASCAR Select®* — Officially licensed by NASCAR
- *Exide Select Orbital®* — can be recharged in less time than needed for conventional batteries, and has high power output and superior vibration resistance compared with a conventional lead acid battery

- *Champion®* — enhanced power cold cranking amps and a 72 month warranty
- *Champion Trailblazer®* — targeted at light trucks and sport utility vehicles

In Europe, Exide has five major Company-owned brands: Exide® and Tudor®, promoted as pan-European brands, and Deta®, Centra™ and Fulmen®, which have strong local awareness levels. The Company generally offers transportation batteries in five basic categories:

- *Basic Model* — marketed under private label brand names in France, Germany and Spain, under the Basic name in Italy and under various names in other markets
- *Upgrade Model* — marketed under the Classic mark, which carries a 24 month warranty and marketed under the Equipe™ name in France, the Classic® name in Germany, the Leader™ name in Italy, the Tudor® name in Spain and under various other names in other markets
- *Premium Model* — marketed under the Ultra™ brand in the United Kingdom, the Formula™ name in France, the Top Start Plus™ name in Germany, the Ultra™ name in Italy, the Millennium 3™ name in Spain and under various other names in other markets
- *STR/STE™* — approved for use by BMW and was included in some models beginning with the 2000 model year
- *Maxxima™* — the equivalent of the Exide Select Orbital®

Batteries used for marine and recreational vehicles include the following:

• *Stowaway Nautilus®*	employ technology to satisfy the power requirements of large engines, sophisticated electronics and on-board accessories
• *Exide Select Orbital® Marine*	brings all the advantages of Exide's patented spiral wound technology to the marine market, and maintains nearly a full charge during the off-season, and can be quickly recharged. This battery is also sealed, making it ideal for closed environments (such as inside a boat hull)
• *Stowaway Powercycler®*	a completely sealed, VRLA battery with AGM technology and prismatic plates that offers features and benefits similar to the Exide Select Orbital®, and was the first sealed, AGM battery introduced in the marine battery market
• *Nautilus® Gold Dual Purpose* *Stowaway® Dual Purpose*	a combination battery, replacing separate starting and deep cycle batteries in two-battery marine and recreational vehicle systems
• *Nautilus® Mega Cycle®* *Stowaway® Deep Cycle*	a high performance, dual terminal battery

Most of the Company's transportation batteries are vented, maintenance-free lead acid batteries. However, the Company's Exide Select Orbital® and Maxxima™ batteries have a patented spiral wound technology and state-of-the-art recombinant design. Additionally, the Company's STR/STE™ batteries use recombination technology to allow a lead acid battery to be installed in the passenger compartment of an automobile with reduced fluid loss and acid fumes under normal operating conditions.

Original Equipment Manufacturer (OEM) Market. The OEM market consists of the sale of batteries to manufacturers of automobiles and light trucks, commercial vehicles, heavy-duty trucks, buses and off-road agricultural and construction vehicles.

The Company's major OEM customers include DaimlerChrysler, Ford Motor Company, Toyota, Kenworth, Peterbilt, John Deere International, Case/New Holland, Fiat, Volkswagen Group, the PSA group (Peugeot S.A./Citroen), Renault/Nissan and BMW.

The factors affecting the OEM market include consumer demand for passenger cars, light trucks and sport utility vehicles, consolidation in the automotive industry, globalization of OEM procurement activities and competition.

Aftermarket. The Company sells aftermarket batteries in North America through automotive parts and specialty retailers, OEM dealer networks, mass merchandisers, car and truck dealers, and wholesale distributors who supply service stations, repair shops, automotive and farm-equipment dealers, and small retailers. The Company also provides transportation batteries for commercial applications, such as trucks, farm equipment, tractors and off-road vehicles, as well as batteries for marine, lawn and garden and motorcycle applications.

The Company's North American aftermarket operations include a Company-owned branch network. This branch network, throughout the United States and Canada, sells and distributes batteries and other products to local auto parts retailers, service stations, repair shops, fleet operators, battery specialists and installers. Exide's branches may also deliver batteries to the Company's national account customers' retail stores and OEM dealers and collect used and spent batteries for recycling.

The Company sells aftermarket batteries in Europe primarily through battery wholesalers, OEM dealer networks, hypermarkets, service installers, European purchasing groups and oil companies. Wholesalers and OEM dealers have traditionally represented the majority of this market, but supermarket chains, replacement-

parts stores (represented by purchasing groups) and hypermarkets have become increasingly important. Battery wholesalers now sell and distribute batteries to a network of automotive parts retailers, service stations, independent retailers and supermarkets throughout Europe.

The Company's major aftermarket customers include NAPA, Wal-Mart, Sam's Club, Kmart, CSK Inc., ADI, Kwik Fit and many other leading aftermarket battery distributors. Exide is also a supplier of authorized replacement batteries for DaimlerChrysler, Mopar, Freightliner and John Deere International.

Demand for conventional automotive replacement batteries is influenced by the following principal factors: (1) the number of vehicles in use; (2) average battery life; (3) the average age of vehicles and their operating environment; (4) weather conditions; and (5) population growth and overall economic conditions. The replacement market is also larger in general than the original equipment segment, since automotive batteries tend to require replacement every three to five years.

Motive Power Segment. Sales of motive power batteries represented approximately 20% of the Company's net sales for fiscal 2003. Exide is a market leader in this segment of the worldwide industrial battery market.

Product reliability and responsive customer service are very important attributes in the motive power market.

The largest application for motive power batteries is the materials handling industry, including forklifts, electric counter balance trucks, pedestrian pallet trucks, low level order pickers, turret trucks, tow tractors, reach trucks and very narrow aisle ("VNA") trucks. Other market segments include scrubber/dryer and sweeper machines in the floor cleaning market, scissor lifts, access platforms and telescopic zooms in the access market, buggies and carts in the golf market, mobility equipment in the wheelchair market, mining locomotives, electric road vehicles, electric boats and non-military submersible vehicles. Exide also offers a complete range of battery chargers and associated equipment for the operation and maintenance of battery-powered vehicles.

Exide's motive power batteries are composed of two-volt cells assembled in numerous configurations and sizes to provide capacities ranging from 30 Ah to 1500 Ah. The Company also manufactures and markets a range of 6 and 12 volt monobloc batteries. Exide offers conventional vented lead acid technology utilizing tubular positive-plate and flat plate cell design. Exide also offers a range of lead acid battery technologies to meet a wide spectrum of customer application requirements.

In North America, motive power products are sold primarily to independent lift truck dealers or directly to national accounts or end users. The motive power battery market in Europe is divided into the OEM market, comprised of the manufacturers of electric vehicles, and the replacement market, which includes large users of such electric vehicles as well as original equipment dealer networks. The majority of the Company's sales in Europe are directly to OEMs.

Motive power products and services are distributed in North America by Company-owned sales and service locations which are augmented by a network of independent manufacturers' representatives who provide local service on their own behalf. In Europe, the Company distributes motive power products and services through Company-owned sales and service organizations in each country and utilizes distributors and agents for export of products from Europe to the rest of the world.

In North America, the Company's primary customers include Nacco, Crown, Wal-Mart, Kroger and Target. In Europe, its major original equipment motive power customers include the Linde Group, Junghreinrich Group, Atlet and BT Rolatruc. Motive power products in Europe are also sold to a wide range of customers in the aftermarket, ranging from large industrial concerns and retail distributors to small warehouse and manufacturing operations.

The European and North American motive power markets are influenced by the demand for materials handling equipment. Customer demand for materials handling equipment has a strong historical correlation to general economic conditions. The general economic environment in fiscal 2003 has reduced the overall demand for materials handling equipment and replacement batteries.

Network Power Segment. Sales of network power batteries represented approximately 17% of the Company's net sales for fiscal 2003.

Network power (also known as standby or stationary) batteries are used for back-up power applications to ensure continuous power supply in case of main (primary) power failure or outage. Today's examples of where network power batteries are used to provide backup power include telecommunications, computers, hospitals, process control, air traffic control, security systems, utility, railway and military applications. Network power batteries also serve as uninterruptible power supplies ("UPS") used in computer installations for banks, airlines and back-up servers for the internet. Other telecommunications applications include central and local switching systems, satellite stations, optical fiber repeating boxes, cable TV transmission boxes and radio transmission stations. In these applications, the batteries are usually packaged with a 48V DC power system.

There are two primary network power lead acid battery technologies: valve-regulated (VRLA, or sealed) and vented (flooded). There are two types of VRLA technologies—GEL and AGM. These technologies are described as follows:

- *VRLA: GEL:* This technology utilizes a gel electrolyte. VRLA batteries have replaced other types of network power batteries because they enhance safety, reduce maintenance and can be used in both vertical and horizontal positions. The Sonnenschein® gel technology offers the advantages of high reliability and long life. The gel product range offers a wide range of capabilities such as heat resistance, deep discharge resistance, long shelf life and high cyclic performance.
- *VRLA: AGM:* This technology utilizes an electrolyte immobilized in an absorbent glass mat separator. This technology is particularly well adapted to high rate applications and can offer up to a 20-year design life.
- *Vented (Flooded):* This technology is used in applications requiring high reliability but with the ability to allow for regular maintenance. The basic construction involves positive flat or tubular positive plates. Transparent containers and accessible internal construction are features of these batteries that allow end users to check the battery's physical condition.

Customers for network power batteries for telecommunications applications include manufacturers of switches and other equipment and the system operators. UPS battery customers consist of system manufacturers and end users. Performance in this market is impacted by the demand for computer systems. Other customers served by Exide include electrical generating companies, as well as government and military users.

The Company offers a global product line which is being marketed under the following five brands associated with product type and technology:

- Absolyte®: Large 2-volt cells, incorporating AGM technology, for long duration (e.g. telecommunications) and short duration applications
- Marathon®: Multi-cell AGM monobloc batteries for long duration applications
- Sprinter®: Multi-cell AGM monobloc batteries for short duration applications
- Sonnenschein®: Multi-cell monoblocs and 2-volt cells, incorporating primarily Gel technology

- Classic®: Primarily 2-volt and some multi-cell vented (or flooded) products for a wide range of applications

Exide's major network power battery customers for telecommunications services include AT&T, China Unicom, Cingular, Nippon Telegraph and Telephone, Singapore Telecom, Telecom Italia, Telefonica of Spain and Verizon. Major telecommunications customers include Alcatel, Ericsson, Marconi, Emerson, Nortel, Motorola and Nokia. UPS manufacturing and end user customers include MGE and Siemens. Exide is also one of the leading suppliers of submarine batteries to the navies of Denmark, France, Germany, Italy, Norway, Singapore, Spain, Sweden and Turkey. Exide is the sole supplier to the U.S. Navy for submarine batteries for the nuclear-powered fleet.

Given the importance of service and technical assistance, the Company generally ships network power batteries directly to system suppliers and UPS manufacturers who include the batteries in their original equipment and distribute products to end users. Batteries are also shipped directly to end users for both systems and replacement. The Company also promotes its products through technical seminars, trade shows and technical literature.

Demand for telecommunications batteries is driven by the growth in broadband and worldwide deployment of cellular and wireless mobile communication systems and the need for safe and reliable back-up power. The dramatic telecommunications industry downturn has resulted in weak demand for network power batteries since September 2001.

For further information about the Company's business operations, refer to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2003 attached as *Exhibit D* hereto.

B. SUMMARY OF CAPITAL STRUCTURE OF DEBTORS

1. DIP Credit Facility

On May 10, 2002, the Company received final Bankruptcy Court approval of its $250 million DIP Credit Facility. The DIP Credit Facility is being used to supplement cash flows from operations during the reorganization process including the payment of post-petition ordinary course trade and other payables, the payment of certain permitted prepetition claims, working capital needs, letter of credit requirements and other general corporate purposes.

The DIP Credit Facility is a secured revolving credit and term loan facility under which Exide Technologies is the borrower with certain U.S. subsidiaries acting as guarantors. The DIP Credit Facility is afforded super priority claim status in the Chapter 11 Cases and is collateralized by first liens on certain eligible U.S. assets of the Company, principally accounts receivable, inventory and property.

The revolving credit tranche of the DIP Credit Facility provides for borrowing up to $121 million, of which up to $65 million is available to Exide Technologies for on-lending to its foreign subsidiaries. An additional $50 million sub-facility is also available to the foreign subsidiaries based on certain collateral asset values in the United Kingdom and Canada. To the extent funds are borrowed under the DIP and on-lent to foreign subsidiaries, additional liens on certain assets of the borrowing foreign subsidiary and related guarantees are required. Up to $40 million of the revolving credit tranche is available for letters of credit.

Borrowings under the DIP Credit Facility bear interest at LIBOR plus 3.75% per annum. Borrowings are limited to eligible collateral under the DIP Credit Facility. Eligible collateral under the DIP Credit Facility includes certain accounts receivable and inventory in the U.S. and certain property in the U.S. and Europe. Availability to the Company is impacted by changes in both the amounts of the collateral and qualitative factors (such as aging of accounts receivable and inventory reserves) as well as cash requirements of the business such as trade credit terms. The DIP Credit Facility contains certain financial covenants requiring the Company to maintain monthly specified levels of earnings before interest, taxes, depreciation, amortization, restructuring and certain other defined charges, as well as limits on capital expenditures and cash restructuring expenditures. The DIP Credit Facility also contains other customary covenants, including certain reporting requirements and covenants that restrict the Company's ability to incur indebtedness, create or incur liens or guarantees, enter into

leases, sell or dispose of assets, change the nature of the Company's business or enter into related party transactions.

The DIP Credit Facility matures on the earlier of (1) February 15, 2004, (2) 30 days before the final maturity of any principal obligations under the Prepetition Credit Facility, which is currently scheduled to mature on December 18, 2003, or (3) the date the Company emerges from bankruptcy.

Total availability under the DIP Credit Facility as of March 31, 2003 was $25.0 million.

2. Prepetition Credit Facility

The Company is also party to an Amended and Restated Credit and Guarantee Agreement dated as of September 29, 2000 (the "Prepetition Credit Facility"). The borrowers under the Prepetition Credit Facility include the Company and various of its foreign subsidiaries. The guarantors include, in addition to the borrowers, GNB Battery Technologies Japan, Inc. and various other of its foreign subsidiaries. The foreign subsidiaries, who are borrowers and guarantors, and GNB Battery Technologies Japan, Inc. are not debtors in the bankruptcy proceeding. The Prepetition Credit Facility is a secured revolving credit and term loan facility.

The Company's Prepetition Credit Facility has three borrowing tranches: a $150 million six year multi-currency term A loan, a $500 million seven and one-quarter year U.S. dollar term B loan and a $250 million six year multi-currency revolving credit line. This facility contains a number of financial and other covenants customary for such agreements including restrictions on new indebtedness, liens, leverage ratios, acquisitions and capital expenditures. Under the original terms of the agreement, principal payments on the revolving credit line and the term A loans are due and payable in December 2003 while principal payments on the term B loans continue through March 2005.

In connection with the Chapter 11 proceedings, the Company also entered into a Standstill Agreement with its Prepetition Credit Facility lenders, whereby the lenders have agreed to forbear collections of principal payments on foreign borrowings under the Prepetition Credit Facility from non-Debtor subsidiaries until December 18, 2003, subject to earlier termination upon the occurrence of certain events. The principal events which could result in an early termination of the Standstill Agreement are: (1) non-payment of interest on the European tranche of the Company's Prepetition Credit Facility as and when due; (2) if any significant foreign subsidiaries commence any winding up or liquidation proceeding; (3) breach of financial and other customary negative covenants (as described with respect to the DIP Credit Facility); and (4) default with respect to the European securitization facility and 9.125% Senior Notes (Deutsche Mark denominated) agreement. The Company continues to accrue interest under the Prepetition Credit Facility, and makes adequate protection payments subject to liquidity calculations prescribed in the DIP Credit Facility. Borrowings under the Prepetition Credit Facility by Exide Technologies are subject to compromise within the Chapter 11 Cases.

3. 10% Senior Notes

In 1995, Exide Technologies issued $300 million original principal amount 10% senior notes due April 15, 2005 (the "10% Senior Notes") pursuant to an indenture dated April 28, 1995, as amended from time to time, between Exide Technologies and The Bank of New York, as Trustee.

The 10% Senior Notes are unsecured obligations of Exide Technologies and are redeemable at the option of Exide Technologies, in whole or in part, at any time at 100% of the principal amount, plus accrued interest. The 10% Senior Notes are not guaranteed by any subsidiary of Exide Technologies.

Amounts owing to holders of the 10% Senior Notes are subject to compromise within the Chapter 11 Cases.

As of March 31, 2003, there were $300 million of 10% Senior Notes outstanding.

4. Convertible Notes

In 1995, Exide Technologies issued convertible senior subordinated notes due December 15, 2005 with a face amount of $397 million discounted to $287.8 million (the "Convertible Notes") pursuant to an indenture dated December 15, 1995, as amended from time to time, between Exide Technologies and The Bank of New

York, as Trustee. The Convertible Notes are subordinated to all senior debt of Exide Technologies, including the Prepetition Credit Facility and the 10% Senior Notes.

The Convertible Notes are unsecured obligations of Exide Technologies and have a coupon rate of 2.9% with a yield to maturity of 6.75%. The Convertible Notes are convertible into Exide Technologies' common stock at a conversion rate of .0125473 shares per $1 principal amount at maturity, subject to adjustments in certain events. The Convertible Notes are not guaranteed by any subsidiary of Exide Technologies.

Amounts owing to holders of the Convertible Notes are subject to compromise within the Chapter 11 Cases.

As of March 31, 2003, there were $320.7 million of Convertible Notes outstanding.

5. Common Stock

As of March 31, 2003 the Company had 27,383,000 shares of its common stock, par value $.01 per share (the "Old Common Stock"), outstanding. The Old Common Stock is currently traded on the over-the-counter market and quoted on the OTC Bulletin Board under the symbol "EXDTQ." Prior to delisting on February 15, 2002, the Company's common stock had been traded on the New York Stock Exchange. The Company's Board of Directors suspended payment of dividends on the common stock on November 8, 2001.

C. EVENTS LEADING TO THE CHAPTER 11 CASES

The Company and certain of its subsidiaries decided to file for reorganization under Chapter 11 as it offered the most efficient alternative to restructure the Company's balance sheet and access new working capital while continuing to operate in the ordinary course of business. The Company has a heavy debt burden, caused largely by a debt-financed acquisition strategy and the significant costs of integrating those acquisitions. Other factors leading to the reorganization included the impact of adverse economic conditions on the Company's markets, particularly telecommunications and ongoing competitive pressures. These factors contributed to a loss of revenues and resulted in significant operating losses and negative cash flows, severely impacting the Company's financial condition and its ability to maintain compliance with debt covenants.

The Company's operations outside of the U.S. are not included in the Chapter 11 proceedings. However, in connection with the Chapter 11 filing, the Company entered into the Standstill Agreement with its Prepetition Credit Facility lenders, whereby those lenders have agreed to forbear collection of principal payments on foreign borrowings under the Prepetition Credit Facility from non-Debtor subsidiaries until December 2003, subject to earlier termination upon the occurrence of certain events. The principal events which could result in an early termination of the Standstill Agreement are: (1) non-payment of interest on the European tranche of the Company's Prepetition Credit Facility as and when due; (2) if any significant foreign subsidiaries commence any winding up or liquidation proceeding; (3) breach of financial and other customary negative covenants (as described with respect to the DIP Credit Facility); and (4) default with respect to the European securitization facility and 9.125% Senior Notes (Deutsche mark denominated) agreement.

On May 10, 2002, the Debtors received final Bankruptcy Court approval of its $250 million DIP Credit Facility. The DIP Credit Facility is being used to supplement cash flows from operations during the reorganization process including the payment of post-petition ordinary course trade and other payables, the payment of certain permitted prepetition claims, working capital needs, letter of credit requirements and for other general corporate purposes.

For further information about the matters discussed above, see the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2003 attached as *Exhibit D* hereto. The exhibits to this report are available on the Securities and Exchange Commission's internet website at http://www.sec.gov.

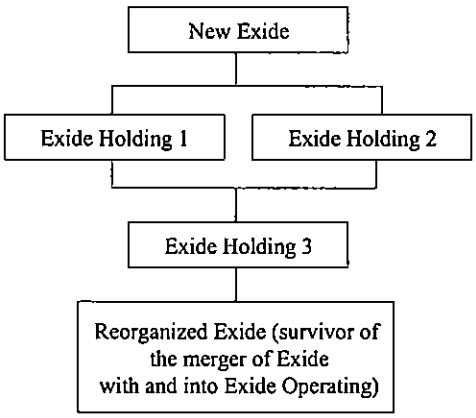
D. PURPOSE OF THE PLAN

The purpose of the Plan is to restructure Debtors' debt to provide Debtors with a capital structure that can be supported by the cash flow of their operations. **Assuming that all Holders of Allowed Class P3 and S3 Prepetition Credit Facility Claims choose the Class P3 Election A, the Plan will reduce Debtors' and the non-Debtors' subsidiary debt and accrued interest by more than $1.4 billion and their future annual**

interest expense by approximately $61 million. Debtors believe that the reorganization contemplated by the Plan is in the best interests of their creditors and other interested constituencies. If the Plan is not confirmed, Debtors believe that they will be forced to either file an alternate plan of reorganization or liquidate under Chapter 7 of the Bankruptcy Code. In either event, Debtors believe that the Company's unsecured creditors and equity holders would realize a less favorable distribution of value, or, in certain cases, none at all, for their Claims or Equity Interests under an alternative plan or liquidation. See the Liquidation Analysis set forth in *Exhibit B* attached hereto.

E. NEW EXIDE HOLDING COMPANY STRUCTURE

As a result of the restructuring transactions described below in Section III.H.1 hereof, Exide's corporate structure will change as of the Effective Date. On the Effective Date, as a result of the merger of Exide with and into Exide Operating, Reorganized Exide will be an indirect, wholly-owned subsidiary of New Exide. Two new, wholly-owned subsidiaries of New Exide ("Exide Holding 1" and "Exide Holding 2") will each own 50% of another new subsidiary ("Exide Holding 3"). An organizational chart depicting the anticipated corporate structure of the new holding companies of Reorganized Exide as of the Effective Date is set forth below.



F. TERMS OF SECURITIES TO BE ISSUED AND CREDIT FACILITY TO BE MODIFIED PURSUANT TO THE PLAN

1. New Exide Preferred Stock

On the Effective Date, New Exide will issue for distribution in accordance with the Plan a number of shares of New Exide Preferred Stock, as determined in accordance with the Plan, to be authorized pursuant to the New Exide Certificate of Incorporation and subject to the Shareholder Agreement. Exide expects that the number of shares of New Exide Preferred Stock issued on the Effective Date will be between 494,519 and 511,879, depending on the amount of Option B Electors, if any. Lenders under the Prepetition Credit Facility will receive 100% of the New Exide Preferred Stock, which, as of the Effective Date, represents 99.2% of New Exide Common Stock, taking into consideration the New Exide Preferred Stock Conversion Election on a fully-exercised basis, subject to dilution pursuant to the Company Incentive Plan. The terms of the New Exide Preferred Stock are more fully described in Section III.H.5 hereof.

2. New Exide Common Stock

On the Effective Date, New Exide will issue for distribution in accordance with the Plan 200,000 shares of New Exide Common Stock, which represents 0.8% of New Exide Common Stock, taking into consideration the New Exide Preferred Stock Conversion Election on a fully-exercised basis, subject to dilution pursuant to the Company Incentive Plan. The New Exide Common Stock will be distributed to Holders of Allowed Class P4-B 10% Senior Note Claims and authorized pursuant to the New Exide Certificate of Incorporation. The terms of the New Exide Common Stock are more fully described in Section III.H.5 hereof.

3. Amended Prepetition Foreign Credit Agreement

Holders of Allowed Class P3 and Class S3 Prepetition Credit Facility Claims who choose the Class P3 Election B will, among other thing, have their Prepetition Foreign Secured Claims as against the respective Foreign Subsidiary Borrowers reinstated pursuant to the Amended Prepetition Foreign Credit Agreement. Modifications to the Prepetition Foreign Credit Agreement are described in Section III.H.5 hereof.

G. BOARD OF DIRECTORS OF NEW EXIDE

Subject to any requirement of Bankruptcy Court approval pursuant to section 1129(a)(5) of the Bankruptcy Code, as of the Effective Date, the principal officers of Exide immediately prior to the Effective Date shall be the officers of New Exide. New Exide will have a seven-member board of directors. Please see Section III.H.7 for more information regarding the composition of the Board of Directors of New Exide. Prior to confirmation of the Plan, Exide will disclose the identities of the members of the board of directors of New Exide.

H. LIQUIDATION ANALYSIS

Pursuant to section 1129(a)(7) of the Bankruptcy Code (sometimes called the "Best Interests Test," which is described in greater detail in Section IV.D.4 hereof), the Bankruptcy Code requires that each Holder of an Impaired Claim or Impaired Equity Interest either (x) accept the Plan or (y) receive or retain under the Plan property of a value, as of the Effective Date of the Plan, that is not less than the value such holder would receive or retain if the debtor were liquidated under Chapter 7 of the Bankruptcy Code.

The first step in meeting this test is to determine the proceeds that would be generated from the hypothetical liquidation of Debtors' assets and properties in the context of a Chapter 7 liquidation case. The gross amount of cash and cash equivalents ("Cash") available would be the sum of the proceeds from the disposition of Debtors' assets and the Cash held by Debtors at the time of the commencement of the Chapter 7 case. Such amount is reduced by the amount of any Claims secured by such assets, the costs and expenses of the liquidation and such additional administrative expenses and priority claims that may result from the termination of Debtors' business and the use of Chapter 7 for the purposes of a hypothetical liquidation. Any remaining net Cash would be allocated to creditors and stockholders in strict priority in accordance with section 726 of the Bankruptcy Code.

Debtors believe that the Plan will produce a greater recovery for Holders of Claims and Equity Interests than would be achieved in a Chapter 7 liquidation. The Debtors, with the assistance of AlixPartners, prepared a liquidation analysis (the "Liquidation Analysis") with the assistance of management on behalf of Debtors, set forth in *Exhibit B* attached hereto, to assist Holders of Claims and Equity Interests to reach a determination as to whether to accept or reject the Plan. This Liquidation Analysis estimates the proceeds to be realized if Debtors were to be liquidated under Chapter 7 of the Bankruptcy Code. The Liquidation Analysis is based upon assets and liabilities of Debtors as of March 31, 2003 and incorporates estimates and assumptions developed by Debtors which are subject to potentially material changes with respect to economic and business conditions, as well as uncertainties not within Debtors' control. The Liquidation Analysis does not assume a judgment in favor of the plaintiffs in the Creditors Committee Adversary Proceeding. Also, from time to time, the Debtors have received offers to purchase their smelter assets, which offers, if capable of being consummated, could provide value in excess of the value ascribed to such assets in the liquidation analysis. While the Debtors have considered such offers, they are not currently entertaining the sale of any such assets. For more information on the Debtors' assets, please see the Schedules.

It has been assumed that creditor recoveries would not be affected by proceeds from causes of action, if any, including fraudulent conveyance and other avoidance claims, or any litigation that Debtors are or may be capable of asserting. The Liquidation Analysis set forth in *Exhibit B* attached hereto does not, therefore, include any estimate of the necessary expenses to litigate such claims.

I. PROJECTIONS AND VALUATION

1. Projections

As a condition to confirmation of a plan, the Bankruptcy Code requires, among other things, that the Bankruptcy Court determine that confirmation is not likely to be followed by the liquidation or the need for

further financial reorganization of the debtors. In connection with the development of the Plan, and for purposes of determining whether the Plan satisfies this feasibility standard, the Debtors' management has, through the development of financial projections (the "Projections"), analyzed the ability of Reorganized Exide to meet its obligations under the Plan while maintaining sufficient liquidity and capital resources to conduct its business. The Projections were also prepared to assist each holder of an Allowed Claims in Voting Classes in determining whether to accept or reject the Plan.

The Projections should be read in conjunction with the assumptions, qualifications and footnotes to tables containing the Projections set forth herein, the historical consolidated financial information (including the notes and schedules thereto) and the other information set forth in the Annual Report on Form 10-K for the fiscal year ended March 31, 2003. The Projections were prepared in good faith based upon assumptions believed to be reasonable and applied in a manner consistent with past practice. Most of the assumptions about the operations of the business after the assumed Effective Date that are utilized in the Projections were based, in part, on economic, competitive, and general business conditions prevailing at the time, as well as the assumption of gradual economic recovery prospectively. While as of the date of the Disclosure Statement such conditions have not materially changed, any future changes in these conditions may materially impact the ability of Reorganized Exide to achieve the Projections.

The Projections were prepared to show the estimated consolidated financial position, results of operations, and cash flows at, and following, September 30, 2003. However, the Projections do not currently take into account all of the projected accounting effects of the Plan. With the exception of valuation of the shareholders' equity of New Exide, the Projections are not in accordance with the American Institute of Certified Public Accountants Statement of Position 90-7, "Financial Reporting by Entities Under the Bankruptcy Code" ("SOP 90-7"). THE DEBTORS' INDEPENDENT ACCOUNTANT, HAS NEITHER COMPILED NOR EXAMINED THE ACCOMPANYING PROSPECTIVE FINANCIAL INFORMATION TO DETERMINE THE REASONABLENESS THEREOF AND, ACCORDINGLY, HAS NOT EXPRESSED AN OPINION OR ANY OTHER FORM OF ASSURANCE WITH RESPECT THERETO.

THE DEBTORS DO NOT, AS A MATTER OF COURSE, PUBLISH PROJECTIONS OF THEIR ANTICIPATED FINANCIAL POSITION, RESULTS OF OPERATIONS OR CASH FLOWS. ACCORDINGLY, REORGANIZED EXIDE DOES NOT INTEND TO, AND DISCLAIMS ANY OBLIGATION TO, (A) FURNISH UPDATED PROJECTIONS TO HOLDERS OF CLAIMS OR EQUITY INTERESTS PRIOR TO THE EFFECTIVE DATE OR TO HOLDERS OF NEW EXIDE'S PREFERRED STOCK OR COMMON STOCK OR ANY OTHER PARTY AFTER THE EFFECTIVE DATE, (B) INCLUDE SUCH UPDATED INFORMATION IN ANY DOCUMENTS THAT MAY BE REQUIRED TO BE FILED WITH THE SEC, OR (C) OTHERWISE MAKE SUCH UPDATED INFORMATION PUBLICLY AVAILABLE.

THE PROJECTIONS PROVIDED IN THE DISCLOSURE STATEMENT HAVE BEEN PREPARED EXCLUSIVELY BY THE DEBTORS' MANAGEMENT. THESE PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS (INCLUDING THE ASSUMPTION THAT THERE WILL BE NO NEGATIVE IMPACT FROM THE CHAPTER 11 CASES ON REORGANIZED EXIDE'S RELATIONSHIPS WITH ITS CUSTOMERS), WHICH, THOUGH CONSIDERED REASONABLE BY MANAGEMENT, MAY NOT BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND REORGANIZED EXIDE'S CONTROL. THE DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE AS TO THE ACCURACY OF THESE FINANCIAL PROJECTIONS OR TO REORGANIZED EXIDE'S ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL NOT MATERIALIZE. FURTHER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THESE PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THUS THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIAL AND POSSIBLY ADVERSE MANNER. THE PROJECTIONS, THEREFORE, MAY NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR.

FINALLY, THE FOLLOWING PROJECTIONS INCLUDE ASSUMPTIONS AS TO THE ENTERPRISE VALUE OF REORGANIZED EXIDE, THE FAIR VALUE OF ITS ASSETS AND ITS ACTUAL LIABILITIES AS OF THE EFFECTIVE DATE. REORGANIZED EXIDE WILL BE REQUIRED

TO MAKE SUCH ESTIMATIONS AS OF THE EFFECTIVE DATE. SUCH DETERMINATION WILL BE BASED UPON THE FAIR VALUES AS OF THAT DATE, WHICH COULD BE MATERIALLY GREATER OR LOWER THAN THE VALUES ASSUMED IN THE FOREGOING ESTIMATES.

(a) *Summary of Significant Assumptions.* The Debtors have developed the Projections (summarized below) to assist both creditors and shareholders in their evaluation of the Plan and to analyze its feasibility. THE PROJECTIONS ARE BASED UPON A NUMBER OF SIGNIFICANT ASSUMPTIONS DESCRIBED BELOW. ACTUAL OPERATING RESULTS AND VALUES MAY AND LIKELY WILL VARY FROM THOSE PROJECTED.

(i) Fiscal Years. Reorganized Exide's fiscal year ends on March 31 of each year.

(ii) Plan Terms and Consummation. The Projections assume an Effective Date of September 30, 2003 with Allowed Claims and Interests treated in accordance with the treatment provided in the Plan with respect to such Allowed Claims and Interests. The Projections also assume that no Holders of Allowed Class P3 and S3 Prepetition Credit Facility Claims choose the Class P3 Election B. If consummation of the Plan does not occur on or around September 30, 2003, there is no assurance that, among other things, the trade creditors or customers will support Reorganized Exide as projected. A material reduction in trade credit and terms would materially impact Reorganized Exide's ability to achieve the projected results. Further, if the Effective Date does not occur by September 30, 2003, additional bankruptcy expenses will be incurred until such time as a plan of reorganization is confirmed and consummated. These expenses could significantly impact Reorganized Exide's results of operations and cash flows.

(iii) Assumptions Preceding the Effective Date. As a basis for the Projections, management has estimated the operating results for the period of time leading up to the Effective Date. Specifically, it has been assumed that prior to and during the Chapter 11 Cases, trade vendors will continue to provide the Debtors with goods on customary terms and credit and there has been no meaningful change in the Debtors' customer base.

(iv) General Economic Conditions. The Projections were prepared assuming that economic conditions in the markets to be served by Reorganized Exide will stabilize in fiscal year 2004, with a general, but not material, economic recovery beginning in the second half of fiscal year 2004. Pricing pressure is assumed to continue in certain markets, while inflation in costs is assumed to remain relatively low.

(v) Currency Exchange Rates and Lead Pricing. The Projections assume a US dollar-to-Euro conversion rate of $0.94 and do not reflect costs to hedge exchange rate fluctuations. The assumed cost of lead, the primary raw material required in battery manufacturing, is assumed to be based on prevailing base rates indicated on the London Metals Exchange of $485 per metric ton. If unhedged, actual lead pricing and exchange rates that materially differ from these assumptions could result in significant positive or negative variances from the Projections.

(vi) Revenues. Total revenues are projected to decrease by 3.5% in fiscal year 2004, and then increase by 4.5%, 4.2%, 4.7%, and 5.1% in fiscal years 2005, 2006, 2007, and 2008, respectively. Excluding exchange rate impacts, revenues in fiscal year 2004 are forecasted to be relatively flat versus those achieved in fiscal year 2003. The achievement of projected revenue growth is assumed to result primarily from (i) focus on larger aftermarket accounts not currently served in the Transportation business, (ii) increased focus on parts and services business worldwide, and (iii) Reorganized Exide's ability to source globally in a consolidating OE marketplace. The Projections are based upon maintaining key relationships with existing major clients. THE PROJECTIONS DO NOT PROJECT ANY NEGATIVE IMPACT FROM THE CHAPTER 11 CASES ON REORGANIZED EXIDE RELATIONSHIPS WITH ITS CUSTOMERS.

(vii) Cost of Goods Sold. Cost of revenue consists primarily of lead and other materials costs, wages & related costs pertaining to manufacturing, procurement, and other overhead costs.

(viii) Gross Margins (revenues less cost of goods sold, excluding depreciation). Gross margins are projected to increase as a percentage of revenues (from 25.1% to 26.6%) from fiscal 2003 to fiscal 2005 due to continued rationalization in the Debtors' cost base through a reduced manufacturing footprint. Combined with projected operating efficiencies, this rationalization is projected to result in improved absorption of fixed costs. Gross margins are then forecasted to decrease as a percentage of revenues (from 26.6% to 25.6%) from fiscal 2005 to fiscal 2008 due to inflationary cost increases for labor, utilities, and other operating expenses at the Debtors' manufacturing facilities.

(ix) Selling & Marketing and General & Administrative Expenses. Selling & marketing and general & administrative expenses as a percent of total revenues are expected to be 16.2%, 15.4%, 14.9%, 14.3%, and 13.9%, for fiscal years 2004, 2005, 2006, 2007, and 2008, respectively. The decline in selling, general and administrative expenses as a percentage of revenue results primarily from initiatives designed to achieve cost savings.

(x) EBITDAR. EBITDAR is defined for purposes of the Projections as earnings before interest expense, income tax provision, depreciation and amortization, restructuring expenses, and other unusual and non-recurring items.

(xi) Interest Expense. Interest expense reflects interest on the Exit Facility at a rate of LIBOR plus 425 basis points ("bps") on the North American and European Term Loans and LIBOR plus 350 bps on the Revolving Credit Facility. While the three-month LIBOR is currently approximately 100 bps, the Projections assume LIBOR of 225 bps, as the Debtors believe that LIBOR will increase over the next five years.

(xii) Income Taxes. The Projections assume that, upon consummation, Reorganized Exide will have the benefit of approximately $499 million of net operating loss carryforwards ("NOLs"), net of NOLs used to shield cancellation of indebtedness income ("COD Income") resulting from the restructuring transaction. It is anticipated that substantially all of those NOLs will reside with Foreign Subsidiary Borrowers, with substantially all domestic NOLs used to shield COD Income. The domestic combined federal, state and local income tax rate is estimated at 38%. Taking into account the continued benefit of NOLs, the foreign combined federal, state and local income tax rate is estimated at 25%.

(xiii) Capital Expenditures. Capital expenditures consist of maintenance costs, fixed asset purchases, environmental, health and safety costs, initiative-related capital expenditures, and other capital expenditures. The Projections assume a level of capital expenditures that can be supported by the capital structure and forecasted operating results of Reorganized Exide.

(xiv) "Fresh Start Accounting". Although the Projections reflect certain adjustments as of the Effective Date, including the impact of the valuation of Reorganized Exide's equity, they do not fully reflect "fresh start" accounting. The Debtors are in the process of evaluating further how the reorganization value will be allocated to Reorganized Exide's various assets. It is likely that the final allocation will differ from current estimates, and therefore the amount of reorganization value in excess of book, as well as depreciation, will differ from the amounts presented herein. For purposes of the Projections, the fair market value of Debtors' assets and liabilities is assumed to be equivalent to their respective net book values.

(xv) Reorganization Value. For purposes of this Disclosure Statement and in order to prepare the Projections, management has estimated the reorganization value of Reorganized Exide as of September 30, 2003 to be approximately $950 million. For purposes of computing reorganization adjustments, the reorganization value is assumed to be allocated between North America and Europe/ROW based on a $500 million valuation of North

America and a $450 million valuation of Europe/ROW. See Valuation disclosure in Section I.I.2 hereof.

(xvi) Working Capital. Components of working capital are projected primarily on the basis of historic patterns, adjusted to reflect the benefit of management initiatives in areas such as inventory reduction.

(xvii) New Loan Facilities. The Projections include an Exit Facility consisting of a $200 million North American Term Loan, a $250 million European Term Loan, and a $100 million North American Revolving Credit Facility with on-lending capabilities. The Term Loans include interest at LIBOR plus 425 bps. The Revolving Credit Facility includes interest at LIBOR plus 350 bps. LIBOR is included in the projections at 225 bps.

(b) *Special Note Regarding Forward-Looking Statements.* Except for historical information, statements contained in this Disclosure Statement and incorporated by reference therein, including the Projections, may be considered "forward-looking statements" within the meaning of federal securities law. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, general economic and business conditions, the competitive environment in which Reorganized Exide operates and will operate, the success or failure of Reorganized Exide in implementing its current business and operational strategies, the level of vendor trade support, labor relations and labor costs, the ability of Reorganized Exide to maintain and improve its revenues and margins, and the liquidity of Reorganized Exide on a cash flow basis (including the ability to comply with the financial covenants of its credit arrangements and to fund Reorganized Exide's capital expenditures).

(c) *Financial Projections.* The financial projections prepared by management are summarized in the following tables. Specifically, the attached tables include:

(i) Pro-forma Reorganized Exide balance sheet at September 30, 2003.

(ii) Projected balance sheets for fiscal years ending 2004, 2005, 2006, 2007 and 2008.

(iii) Projected income statements for fiscal years ending in 2004, 2005, 2006, 2007 and 2008.

(iv) Projected statements of cash flow for fiscal years ending in 2004, 2005, 2006, 2007 and 2008.

All captions in the attached projections do not correspond exactly to Reorganized Exide's historical external reporting; some captions have been combined for presentation purposes.

2. Valuation

In conjunction with the Plan, the Debtors determined that it was necessary to estimate post-Confirmation values for the enterprise of Reorganized Exide as of the Effective Date and thus the New Common Stock. Accordingly, the Debtors directed Blackstone to prepare a valuation analysis of Reorganized Exide for purposes of this Disclosure Statement.

In preparing its analyses, Blackstone (i) reviewed certain recent financial statements of the Debtors; (ii) reviewed certain financial projections prepared by the Debtors for the operations of Reorganized Exide, including those projections set forth herein (the "Projections"); (iii) discussed the current operations and prospects of the operating business with the Debtors, including, but not limited to, their effect, if any, on the Projections; (iv) reviewed the Debtors' assumptions underlying such Projections; (v) considered the market values of publicly traded companies that Blackstone and the Debtors believe are in businesses reasonably comparable to the operating business of Reorganized Exide; (vi) considered previous transactions, (vii) reviewed non-binding bids from potential investors; and (viii) made such other examinations and performed such other analyses as Blackstone deemed necessary and appropriate for the purpose of the valuations.