



C&D Technologies, Inc.



IN OCTOBER 2009, MACQUARIE CAPITAL WAS ENGAGED AS FINANCIAL ADVISOR TO C&D TECHNOLOGIES, INC. TO EVALUATE STRATEGIC ALTERNATIVES. AFTER INITIALLY PLACING RESCUE FINANCING, MACQUARIE SUCCESSFULLY RESTRUCTURED C&D'S BALANCE SHEET THROUGH AN OUT-OF-COURT EXCHANGE OFFER, AVOIDING A COSTLY BANKRUPTCY PROCEEDING AND PROVIDING VALUE TO EXISTING SHAREHOLDERS

DEAL OVERVIEW

- C&D Technologies, Inc. ("C&D" or the "Company") engineers, manufactures, services, markets and distributes electrical power storage systems and individual components for the standby power market in the United States and internationally
- Volatility in lead prices and the commoditized nature of the Company's products significantly impacted its liquidity, and Macquarie was engaged in October 2009 to evaluate strategic options
- On April 20, 2010, Macquarie placed a subordinated \$20 million last-out term loan within C&D's existing credit facility
- C&D remained concerned about its ability to address upcoming put rights on \$127 million of convertible notes, a potential NYSE delisting and tightening trade terms
- After testing the market for strategic acquirers, Macquarie approached C&D's largest convertible noteholders regarding restructuring alternatives
- On September 14, 2010, holders of a majority of the notes signed a Plan Support Agreement to exchange C&D's convertible notes for up to 95% of the Company's equity through a dual-track exchange offer and prepackaged bankruptcy
- On December 23, 2010, C&D obtained requisite noteholder and shareholder approvals to consummate the exchange offer and avoid a bankruptcy filing. Approximately 98% of the convertible notes were exchanged for 93% of the Company's equity

KEY CONSIDERATIONS

- Macquarie leveraged its unique platform to run an M&A process, two financing processes and a comprehensive restructuring
- Macquarie successfully restructured and deleveraged C&D's balance sheet in an expedited time frame, through a consensual process
- Executed the restructuring outside bankruptcy court, despite a high bondholder acceptance threshold and disparate shareholder base
- Through the restructuring, shareholders retained over 7% of the equity
- Demonstrates Macquarie's capability to act as exclusive Placement Agent, Dealer-Manager and Financial Advisor