



***2008 Annual Meeting
Business Update***

Jeff Graves, President & CEO
June 5, 2008

FY08 – A Year of Transformation

- *Strategy:*
 - *Focus on businesses that you can win at...sustainable growth and profitability*
- *Strategic Actions:*
 - *Sold Power Electronics Division*
 - *Sold Motive Power group*
- *Outcome:*
 - *Improved balance sheet for reinvestment in Standby Power*
 - *Sole focus on Standby Power, a vital, robust and rapidly evolving business*
 - *Strategic actions executed in a difficult lead-cost environment*

FY08 Financial Performance

- **Revenue (Standby Power):**
 - \$346 million vs. \$287 million prior year (+21%)
- **Operating Income (adjusted):**
 - \$2.7 million loss vs. \$3.8 million in prior year
- **Lead Effect on Business:**
 - Rise from \$0.70/lb in Feb to peak of over \$1.80/lb
 - Cost impact \$80+ million
 - Recovered costs: \$60+ million
 - Net impact to business: \$20 million
- **Cost Reduction efforts delivered \$15 million savings (\$15 more to follow in FY09)**

Summary: Terrific growth, pricing mechanisms now in place to respond to lead volatility, cost reduction efforts on track

Standby Power – A Business for the Future

- **Growing Global Demand**

- **North America: Telecom, UPS (Data Centers), Utilities (generation and transmission) – refresh and expansion**
- **China and India: GDP growth ~10%, infrastructure build-out, disposable income increasing rapidly**
- **Middle East, Africa, Russia: Oil revenues driving growth and investment**
- **Eastern Europe: Rapid growth from low-cost manufacturing focus**
- **Western Europe: Similar to North America – infrastructure refresh**

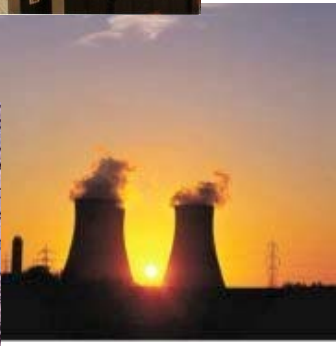
- **Our position**

- **Standby Power is a ‘regional business’ (transportation and engineering content)**
- **Market leader in North America – strong and growing share**
- **Barriers to entry**
- **Excellent cost reduction opportunities**
- **New manufacturing operation in China to facilitate growth**

Market Leader Across Multiple Sectors

#1 in North America standby power market

- #1 Uninterruptible power supply (UPS)
- #1 Telecommunications (wireline & wireless)
- #1 Utilities (nuclear & fossil fuel)



Customers and Markets Serviced

- Standby Power Systems



- Telecommunications
- UPS
- Switchgear & Control
- Nuclear
- Solar / Wind
- Cable TV



C&D Major Operations Locations



Standby Power: Focus on Execution

Focus FY09 and Beyond

- **Cost reductions – sourcing, design, operations, manufacturing footprint**
 - Deliver \$15 million incremental savings in FY09
 - Continued cost reduction opportunities FY10 and beyond
- **Commodity cost management & pricing**
 - Ensure linkage between commodity cost volatility and pricing
- **Deliver new products to market to maintain growth rates and profitability objectives**
- **Drive global sales growth to penetrate emerging markets**

C&D Technologies Vision: ‘The Global Leader in Energy Storage’