



EnerSys Reports First Quarter Fiscal 2011 Results

August 11, 2010

READING, Pa., Aug 11, 2010 /PRNewswire via COMTEX/ --

EnerSys (NYSE: ENS) the global leader in stored energy solutions for industrial applications, announced today results for its first quarter of fiscal 2011, which ended on July 4, 2010.

Net earnings for the first quarter of fiscal 2011 were \$23.0 million or \$0.47 per diluted share, including an unfavorable highlighted \$0.01 per share impact from the \$0.5 million, \$0.7 million pre-tax, charge for restructuring plans. This compares to diluted net earnings per share of \$0.17 for the first quarter of fiscal 2010, which included an unfavorable highlighted charge of \$0.06 per share impact from the \$2.5 million, \$3.5 million pre-tax, charge for restructuring plans and the \$0.3 million, \$0.4 million pre-tax, expense related to activities for potential acquisitions.

Net sales for the first quarter of fiscal 2011 were \$435.0 million, an increase of 28% from the prior year first quarter net sales of \$340.3 million and a 3% sequential quarterly decrease from the fourth quarter of fiscal 2010's net sales of \$450.5 million. The 28% increase was the result of a 19% increase in organic volume, 6% from acquisitions, and 6% due to pricing, which was partially offset by a 3% decrease from weaker foreign currencies, primarily the euro and British pound. The sequential revenue decline of \$15.5 million in the first quarter was due primarily to the effect of weaker foreign currencies.

Adjusted net earnings for the first quarter of fiscal 2011, on a non-GAAP basis, were \$0.48 per diluted share. This compares to the prior year first quarter net earnings of \$0.23 per diluted share on an adjusted, non-GAAP basis. Please refer to the section included herein under the heading "Reconciliation of Non-GAAP Financial Measures" for a discussion of the Company's use of non-GAAP adjusted financial information.

The Company's operating results for its business segments for the first quarters of fiscal 2011 and 2010 are as follows:

	Quarter ended (\$ Millions)	
	July 4, 2010 ----	June 28, 2009 ----
Net sales by Segment		
Europe	\$188.5	\$156.1
Americas	205.7	150.3
Asia	40.8	33.9
 Total net sales	 \$435.0 =====	 \$340.3 =====
 Operating earnings		
Europe	\$9.9	\$0.7
Americas	26.0	16.0
Asia	2.3	6.7
Restructuring charges-Europe	(0.7)	(2.8)
Restructuring charges-Americas	-	(0.7)
Acquisition activity expense-Americas	-	(0.4)

Total operating earnings	\$37.5	\$19.5
	=====	=====

"Our first quarter adjusted earnings of \$0.48 per diluted share are the best first quarter earnings in our Company's history. I am pleased with our performance in light of the current economic conditions. We continue to see strong year over year and quarter over quarter growth in our incoming order rate. Our order backlog is now at a record level, which bodes well for our future performance," stated John D. Craig, Chairman, President and Chief Executive Officer of EnerSys. "We anticipate that the cost reduction and restructuring initiatives we have undertaken over the past three years coupled with our expectation of increasing sales volume will result in continued earnings improvement in the second half of this year."

Craig added, "Our second quarter guidance for non-GAAP adjusted net earnings per diluted share will be between \$0.49 to \$0.53, which excludes the expected charge of \$0.06 from our ongoing restructuring programs and acquisition expenses."

Reconciliation of Non-GAAP Financial Measures

This press release contains financial information determined by methods other than in accordance with U.S. Generally Accepted Accounting Principles, "GAAP". EnerSys' management uses the non-GAAP measure "adjusted net earnings" in their analysis of the Company's performance. This measure, as used by EnerSys in past quarters and years, adjusts net earnings determined in accordance with GAAP to reflect changes in financial results associated with the Company's restructuring initiatives and highlighted charges and income items. Management believes the presentation of this financial measure reflecting these non-GAAP adjustments provides important supplemental information in evaluating the operating results of the Company as distinct from results that include items that are not indicative of ongoing operating results; in particular, those charges that the Company incurs as a result of restructuring activities associated with its acquisitions and those charges and credits that are not directly related to operating unit performance and are unusual in nature. Because these charges are incurred as a result of a potential acquisition, they are not a helpful measure of the performance of our underlying business. This non-GAAP disclosure has limitations as an analytical tool, should not be viewed as a substitute for net earnings determined in accordance with GAAP, and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under GAAP, nor is it necessarily comparable to non-GAAP performance measures that may be presented by other companies. Management believes that this non-GAAP supplemental information will be helpful in understanding the Company's ongoing operating results. This supplemental presentation should not be construed as an inference that the Company's future results will be unaffected by similar adjustments to net earnings determined in accordance with GAAP.

Included below is a reconciliation of non-GAAP adjusted financial measures to reported amounts. Non-GAAP adjusted net earnings are calculated excluding restructuring and other highlighted charges and credits. The following tables provide additional information regarding certain non-GAAP measures:

	Quarter ended	
	July 4,	June 28,
	-----	-----
	2010	2009
	----	----
	(in millions, except share and per share amounts)	
Net earnings		
reconciliation		
As reported net earnings	\$23.0	\$8.4
Non-GAAP adjustments, net of tax:		
Restructuring charge-Europe	0.5 (1)	2.0 (1)
Restructuring charge-Americas	-	0.5 (1)
Acquisition activity expense	-	0.3 (2)
	---	---
Non-GAAP adjusted net earnings	\$23.5	\$11.2
	=====	=====
Outstanding shares used in per share calculations		
Basic	48,819,481	47,936,401

	=====	=====
Diluted	49,442,915	48,454,695
	=====	=====
Non-GAAP adjusted net earnings per share:		
Basic	\$0.48	\$0.23
	=====	=====
Diluted	\$0.48	\$0.23
	=====	=====
Reported net earnings per share:		
Basic	\$0.47	\$0.18
	=====	=====
Diluted	\$0.47	\$0.17
	=====	=====

(1) Resulting from pre-tax restructuring charges of approximately \$0.7 million in Europe in the first quarter of fiscal 2011 and approximately \$3.5 million, \$2.8 million in Europe and \$0.7 million in Americas, in the first quarter of fiscal 2010.

(2) Resulting from pre-tax charges for expense related to activities for potential acquisition of approximately \$0.4 million in Americas in the first quarter of fiscal 2010.

Summary of Earnings (Unaudited)
(In millions, except share and per share data)

	Quarter ended	
	July 4, 2010	June 28, 2009
	-----	-----
Net sales	\$435.0	\$340.3
Gross profit	96.6	77.5
Operating expenses	58.4	54.4
Restructuring charges	0.7	3.5
Operating earnings	37.5	19.5
Earnings before income taxes	31.5	12.3
Net earnings	\$23.0	\$8.4
	=====	=====
Net earnings per common share:		
Basic	\$0.47	\$0.18
	=====	=====
Diluted	\$0.47	\$0.17
	=====	=====
Weighted average shares outstanding:		
Basic	48,819,481	47,936,401
	=====	=====
Diluted	49,442,915	48,454,695
	=====	=====

call will conclude with a question and answer session.

The call, scheduled for Thursday, August 12, at 9:00 a.m. Eastern Time, will be hosted by John D. Craig, Chairman, President & Chief Executive Officer and Michael J. Schmidlein, Senior Vice President Finance and Chief Financial Officer.

The call will also be Webcast on EnerSys' website. There will be a free download of a compatible media player on the Company's web site at <http://www.enersys.com>.

The conference call information is:

Date:	Thursday, August 12, 2010	
Time:	9:00 a.m. Eastern Time	
Via Internet:	http://www.enersys.com	
Domestic Dial-In Number:	866-783-2146	
International Dial-In Number:	857-350-1605	
Passcode:		98239797

A replay of the conference call will be available from 12:00 p.m. on August 12, 2010 through midnight on September 11, 2010.

The replay information is:

Via Internet:	http://www.enersys.com	
Domestic Replay Number:	888-286-8010	
International Replay Number:	617-801-6888	
Passcode:		34623256

EDITOR'S NOTE: EnerSys, the world leader in stored energy solutions for industrial applications, manufactures and distributes reserve power and motive power batteries, chargers, power equipment, and battery accessories to customers worldwide. Motive power batteries are utilized in electric fork trucks and other commercial electric powered vehicles. Reserve power batteries are used in the telecommunications and utility industries, uninterruptible power supplies, and numerous applications requiring standby power. The Company also provides aftermarket and customer support services to its customers from over 100 countries through its sales and manufacturing locations around the world under the direction of its Americas, Europe and Asia regional headquarters.

More information regarding EnerSys can be found at www.enersys.com.

Caution Concerning Forward-Looking Statements

This press release, and oral statements made regarding the subjects of this release, contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, or the Reform Act, which may include, but are not limited to, statements regarding EnerSys' earnings estimates, plans, objectives, expectations and intentions and other statements contained in this press release that are not historical facts, including statements identified by words such as "believe," "plan," "seek," "expect," "intend," "estimate," "anticipate," "will," and similar expressions. All statements addressing operating performance, events, or developments that EnerSys expects or anticipates will occur in the future, including statements relating to sales growth, earnings or earnings per share growth, and market share, as well as statements expressing optimism or pessimism about future operating results, are forward-looking statements within the meaning of the Reform Act. The forward-looking statements are based on management's current views and assumptions regarding future events and operating performance, and are inherently subject to significant business, economic, and competitive uncertainties and contingencies and changes in circumstances, many of which are beyond the Company's control. The statements in this press release are made as of the date of this press release, even if subsequently made available by EnerSys on its website or otherwise. EnerSys does not undertake any obligation to update or revise these statements to reflect events or circumstances occurring after the date of this press release.

Although EnerSys does not make forward-looking statements unless it believes it has a reasonable basis for doing so, EnerSys cannot guarantee their accuracy. The foregoing factors, among others, could cause actual results to differ materially from those described in these forward-looking statements. For a list of other factors which could affect EnerSys' results, including earnings estimates, see EnerSys' filings with the Securities and Exchange Commission, including "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations," including "Forward-Looking Statements," set forth in EnerSys' Quarterly Report on Form 10-Q for the quarter ended July 4, 2010. No undue reliance should be placed on any forward-looking statements.

SOURCE EnerSys