UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ **Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended March 31, 2013 or**

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from to**

Commission file number: 001-32253

ENERSYS

(Exact name of registrant as specified in its charter)

Delaware	**23-3058564**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

2366 Bernville Road
Reading, Pennsylvania 19605
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 610-208-1991

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.01 par value per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ YES ☐ NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ YES ☒ NO

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ YES ☐ NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ YES ☒ NO

State the aggregate market value of the voting and non-voting common equity held by non-affiliates at September 30, 2012: $1,696,495,217 (1) (based upon its closing transaction price on the New York Stock Exchange on September 28, 2012).

(1) For this purpose only, "non-affiliates" excludes directors and executive officers.

Common stock outstanding at May 24, 2013: 53,251,921 Shares of Common Stock

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for its Annual Meeting of Stockholders to be held on August 1, 2013 are incorporated by reference in Part III of this Annual Report.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 (the “Reform Act”) provides a safe harbor for forward-looking statements made by or on behalf of EnerSys. EnerSys and its representatives may, from time to time, make written or verbal forward-looking statements, including statements contained in the Company’s filings with the Securities and Exchange Commission and its reports to stockholders. Generally, the inclusion of the words “anticipates,” “believe,” “expect,” “future,” “intend,” “estimate,” “anticipate,” “will,” “plans,” or the negative of such terms and similar expressions identify statements that constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and that are intended to come within the safe harbor protection provided by those sections. 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 and will be based on management’s then-current beliefs and assumptions regarding future events and operating performance and on information currently available to management, and are applicable only as of the dates of such statements.

Forward-looking statements involve risks, uncertainties and assumptions. Although we do not make forward-looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy. Actual results may differ materially from those expressed in these forward-looking statements due to a number of uncertainties and risks, including the risks described in this Annual Report on Form 10-K and other unforeseen risks. You should not put undue reliance on any forward-looking statements. These statements speak only as of the date of this Annual Report on Form 10-K, even if subsequently made available by us on our website or otherwise, and we undertake no obligation to update or revise these statements to reflect events or circumstances occurring after the date of this Annual Report on Form 10-K.

Our actual results may differ materially from those contemplated by the forward-looking statements for a number of reasons, including the following factors:

- general cyclical patterns of the industries in which our customers operate;
- the extent to which we cannot control our fixed and variable costs;
- the raw materials in our products may experience significant fluctuations in market price and availability;
- certain raw materials constitute hazardous materials that may give rise to costly environmental and safety claims;
- legislation regarding the restriction of the use of certain hazardous substances in our products;
- risks involved in our operations such as disruption of markets, changes in import and export laws, environmental regulations, currency restrictions and currency exchange rate fluctuations;
- our ability to raise our selling prices to our customers when our product costs increase;
- the extent to which we are able to efficiently utilize our global manufacturing facilities and optimize our capacity;
- general economic conditions in the markets in which we operate;
- competitiveness of the battery markets throughout the world;
- our timely development of competitive new products and product enhancements in a changing environment and the acceptance of such products and product enhancements by customers;
- our ability to adequately protect our proprietary intellectual property, technology and brand names;

- litigation and regulatory proceedings to which we might be subject;
- changes in our market share in the geographic business segments where we operate;
- our ability to implement our cost reduction initiatives successfully and improve our profitability;
- quality problems associated with our products;
- our ability to implement business strategies, including our acquisition strategy, manufacturing expansion and restructuring plans;
- our acquisition strategy may not be successful in locating advantageous targets;
- our ability to successfully integrate any assets, liabilities, customers, systems and management personnel we acquire into our operations and our ability to realize related revenue synergies and cost savings within expected time frames;
- our debt and debt service requirements which may restrict our operational and financial flexibility, as well as imposing unfavorable interest and financing costs;
- our ability to maintain our existing credit facilities or obtain satisfactory new credit facilities;
- adverse changes in our short- and long-term debt levels under our credit facilities;
- our exposure to fluctuations in interest rates on our variable-rate debt;
- our ability to attract and retain qualified personnel;
- our ability to maintain good relations with labor unions;
- credit risk associated with our customers, including risk of insolvency and bankruptcy;
- our ability to successfully recover in the event of a disaster affecting our infrastructure;
- terrorist acts or acts of war, could cause damage or disruption to our operations, our suppliers, channels to market or customers, or could cause costs to increase, or create political or economic instability; and
- the operation, capacity and security of our information systems and infrastructure.

This list of factors that may affect future performance is illustrative, but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

EnerSys
Annual Report on Form 10-K
For the Fiscal Year Ended March 31, 2013

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PART I

ITEM 1. *BUSINESS*

Overview

EnerSys (the "Company," "we," or "us") is the world's largest manufacturer, marketer and distributor of industrial batteries. We also manufacture, market and distribute related products such as chargers, power equipment and battery accessories, and we provide related after-market and customer-support services for industrial batteries. We market and sell our products globally to over 10,000 customers in more than 100 countries through a network of distributors, independent representatives and our internal sales force.

We operate and manage our business in three geographic regions of the world—Americas, EMEA and Asia, as described below. Our business is highly decentralized with manufacturing locations throughout the world. More than half of our manufacturing capacity is located outside of the United States, and approximately 60% of our net sales were generated outside of the United States. The Company has three reportable segments based on geographic regions, defined as follows:

- **Americas**, which includes North and South America, with our segment headquarters in Reading, Pennsylvania, USA,
- **EMEA**, which includes Europe, the Middle East and Africa, with our segment headquarters in Zurich, Switzerland, and
- **Asia**, which includes Asia, Australia and Oceania, with our segment headquarters in Singapore.

We have two primary industrial battery product lines: reserve power products and motive power products. Net sales classifications by product line are as follows:

- **Reserve power products** are used for backup power for the continuous operation of critical applications in telecommunications systems, uninterruptible power systems, or "UPS" applications for computer and computer-controlled systems, and other specialty power applications, including security systems, premium starting, lighting and ignition applications, in switchgear, electrical control systems used in electric utilities, large scale energy storage, energy pipelines, in commercial aircraft, satellites, military aircraft, submarines, ships and tactical vehicles.
- **Motive power products** are used to provide power for manufacturing, warehousing and other material handling equipment, primarily electric industrial forklift trucks, mining equipment, diesel locomotive starting and other rail equipment.

Additionally, see Note 22 to the Consolidated Financial Statements for information on segment reporting.

Fiscal Year Reporting

In this Annual Report on Form 10-K, when we refer to our fiscal years, we state "fiscal" and the year, as in "fiscal 2013", which refers to our fiscal year ended March 31, 2013. The Company reports interim financial information for 13-week periods, except for the first quarter, which always begins on April 1, and the fourth quarter, which always ends on March 31. The four quarters in fiscal 2013 ended on July 1, 2012, September 30, 2012, December 30, 2012, and March 31, 2013, respectively. The four quarters in fiscal 2012 ended on July 3, 2011, October 2, 2011, January 1, 2012, and March 31, 2012, respectively.

History

EnerSys and its predecessor companies have been manufacturers of industrial batteries for over 100 years. Morgan Stanley Capital Partners teamed with the management of Yuasa, Inc. in late 2000 to acquire from Yuasa

Corporation (Japan) its reserve power and motive power battery businesses in North and South America. We were incorporated in October 2000 for the purpose of completing the Yuasa, Inc. acquisition. On January 1, 2001, we changed our name from Yuasa, Inc. to EnerSys to reflect our focus on the energy systems nature of our businesses.

In 2004, EnerSys completed its initial public offering (the “IPO”). The Company’s registration statement (SEC File No. 333-115553) for its IPO was declared effective by the Securities and Exchange Commission (the “SEC”) and the Company’s common stock commenced trading on the New York Stock Exchange, under the trading symbol “ENS”.

Key Developments

There have been several key stages in the development of our business, which explain to a significant degree our results of operations over the past several years.

In March 2002, we acquired the reserve power and motive power business of the Energy Storage Group of Invensys plc. (“ESG”). Our successful integration of ESG provided global scale in both the reserve and motive power markets. The ESG acquisition also provided us with a further opportunity to reduce costs and improve operating efficiency that, among other initiatives, led to closing underutilized manufacturing plants, distribution facilities, sales offices and eliminating other redundant costs, including staff.

During fiscal years 2003 through 2012, we acquired twenty-two battery businesses around the globe.

While there were no acquisitions during fiscal 2013, we announced in March 2013 our plans to construct a new battery manufacturing facility in Gaoyou City, Jiangsu Province, People’s Republic of China for the production of industrial batteries for Chinese and international markets. The new facility is scheduled to be completed by 2015 and will provide capacity to meet increasing customer demand in these markets.

Liquidity and Capital Resources

We believe that our financial position is strong and we have substantial liquidity with $249 million of available cash and cash equivalents and undrawn committed and uncommitted credit lines of approximately $469 million at March 31, 2013 to cover short-term liquidity requirements. Our $350 million 2011 senior secured revolving credit facility (“2011 Credit Facility”), which we entered into in March 2011, is committed through March 2016 as long as we continue to comply with its covenants and conditions. The facility includes an early termination provision under which the Company is required to meet a liquidity test in February 2015 related to its capacity to meet certain potential funding obligations of the $172.5 million senior unsecured 3.375% convertible notes (“Convertible Notes”) in June 2015 at a conversion price of $40.60. It is our current intent to settle the principal amount of any such conversion in cash, and any additional optional conversions in cash, shares of EnerSys common stock or a combination of cash and shares.

Other than the 2011 Credit Facility, on which we have no outstanding balance as of March 31, 2013, and the Convertible Notes, we have no other significant amount of long-term debt maturing in the near future.

A substantial majority of the Company’s cash and investments are held by foreign subsidiaries and are considered to be indefinitely reinvested and expected to be utilized to fund local operating activities, capital expenditure requirements and acquisitions. The Company believes that it has sufficient sources of domestic and foreign liquidity.

(See *Liquidity and Capital Resources* in Item 7 *MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS* and Note 8 in *Notes to Consolidated Financial Statements* in Item 8).

Our Customers

We serve over 10,000 customers in over 100 countries, on a direct basis or through our distributors. We are not overly dependent on any particular end market. Our customer base is highly diverse and no single customer accounts for more than 5% of our revenues.

Our reserve power customers consist of regional customers as well as global customers. These customers are in diverse markets including telecom, UPS, electric utilities, security systems, emergency lighting, premium starting, lighting and ignition applications and space satellites. In addition, we sell our aerospace and defense products in numerous countries, including the governments of the U.S., Germany and the U.K. and to major defense and aviation original equipment manufacturers ("OEMs").

Our motive power products are sold to a large, diversified customer base. These customers include material handling equipment dealers, OEMs and end users of such equipment. End users include manufacturers, distributors, warehouse operators, retailers, airports, mine operators and railroads.

Distribution and Services

We distribute, sell and service reserve and motive power products throughout the world, principally through company-owned sales and service facilities, as well as through independent manufacturers' representatives. This company-owned network allows us to offer high-quality service, including preventative maintenance programs and customer support. Our warehouses and service locations enable us to respond quickly to customers in the markets we serve. We believe that the extensive industry experience of our sales organization results in strong long-term customer relationships.

Manufacturing and Raw Materials

We manufacture and assemble our products at manufacturing facilities located in the Americas, EMEA and Asia. With a view toward projected demand, we strive to optimize and balance capacity at our battery manufacturing facilities globally, while simultaneously minimizing our product cost. By taking a global view of our manufacturing requirements and capacity, we are better able to anticipate potential capacity bottlenecks and equipment and capital funding needs.

The primary raw materials used to manufacture our products include lead, plastics, steel and copper. We purchase lead from a number of leading suppliers throughout the world. Because lead is traded on the world's commodity markets and its price fluctuates daily, we periodically enter into hedging arrangements for a portion of our projected requirements to reduce the volatility of our costs.

Competition

The industrial battery market is highly competitive both among competitors who manufacture and sell industrial batteries and among customers who purchase industrial batteries. Our competitors range from development stage companies to large domestic and international corporations. Certain of our competitors produce energy storage products utilizing technologies that we do not possess at this time. We compete primarily on the basis of reputation, product quality, reliability of service, delivery and price. We believe that our products and services are competitively priced.

EMEA

We believe that we have the largest market share in the European industrial battery market. Our primary competitors are Exide Technologies, Hoppecke, FIAMM, NorthStar Battery, SAFT as well as Chinese producers in the reserve products market; and Exide Technologies, Hoppecke and Midac in the motive products market.

Americas

We believe that we have the largest market share in the Americas industrial battery market. We compete principally with Exide Technologies, East Penn Manufacturing and Newpower in the reserve and motive products markets; and C&D Technologies Inc., NorthStar Battery, SAFT and EaglePicher (OM Group) in the reserve products market.

Asia

We have a small share of the fragmented Asian industrial battery market. We compete principally with GS-Yuasa, Shin-Kobe and Zibo Torch in the motive products market and Coslight, Amara Raja, Narada, Leoch, Exide Industries and China Shoto in the reserve products market.

Warranties

Warranties for our products vary geographically and by product type and are competitive with other suppliers of these types of products. Generally, our reserve power product warranties range from one to twenty years and our motive power product warranties range from one to seven years. The length of our warranties is varied to reflect regional characteristics and competitive influences. In some cases, our warranty period may include a pro rata period, which is typically based around the design life of the product and the application served. Our warranties generally cover defects in workmanship and materials and are limited to specific usage parameters.

Intellectual Property

We have numerous patents and patent licenses in the United States and other jurisdictions but do not consider any one patent to be material to our business. From time to time, we apply for patents on new inventions and designs, but we believe that the growth of our business will depend primarily upon the quality of our products and our relationships with our customers, rather than the extent of our patent protection.

Although other manufacturers may possess certain thin plate pure lead ("TPPL") technology, we believe we are the only manufacturer of products using this technology in the reserve and motive power markets. Some aspects of this technology may be patented in the future. In any event, we believe that a significant capital investment would be required by any party desiring to produce products using TPPL technology for our markets.

We own or possess exclusive and non-exclusive licenses and other rights to use a number of trademarks in various jurisdictions. We have obtained registrations for many of these trademarks in the United States and other jurisdictions. Our various trademark registrations currently have durations of approximately 10 to 20 years, varying by mark and jurisdiction of registration and may be renewable. We endeavor to keep all of our material registrations current. We believe that many such rights and licenses are important to our business by helping to develop strong brand-name recognition in the marketplace. Some of the significant (registered and unregistered) trademarks that we use include: *ArmaSafePlus, Cyclon, DataSafe, Deserthog, Douglas Battery, Douglas Legacy, EAS, Energia, EnerSystem, Energy Leader, FIAMM Motive Power, General Battery, Genesis, Hawker, Huada, HUP, Ironclad, LifeGuard, LifePlus, Life Speed, LifeTech, Loadhog, Odyssey, Oerlikon Battery, Oldham, Perfect Plus, PowerGuard, PowerSafe, ProSeries, Redion, Smarthog, Superhog, Supersafe, TeleData, Waterless, Wi-IQ, Workhog and XFC.*

Today, our reserve power batteries are marketed and sold principally under the *ABSL, ABSL Power, ABSL Space, ArmaSafePlus, Cyclon, DataSafe, Genesis, Hawker, Huada, Odyssey, Oerlikon Battery, PowerSafe* and *SuperSafe* brands. Our motive power batteries are marketed and sold principally under the *Douglas Battery, Express, Fiamm Motive Power, General Battery, Hawker, Huada* and *Ironclad* brands. We also manufacture and sell related "DC" (Direct Current) power products including chargers, electronic power equipment and a wide variety of battery accessories. Our battery products span a broad range of sizes, configurations and electrical capacities, enabling us to meet a wide variety of customer applications.

Seasonality

Our business generally does not experience significant quarterly fluctuations in net sales as a result of weather or other trends that can be directly linked to seasonality patterns.

Product and Process Development

Our product and process development efforts are focused on the creation and optimization of new battery products using existing technologies, which, in certain cases, differentiate our stored energy solutions from that of our competition. We allocate our resources to the following key areas:

- the design and development of new products;
- optimizing and expanding our existing product offering;
- waste and scrap reduction;
- production efficiency and utilization;
- capacity expansion without additional facilities; and
- quality attribute maximization.

Employees

At March 31, 2013, we had approximately 9,000 employees. Of these employees, approximately 35% were covered by collective bargaining agreements. The average term of these agreements is two years, with the longest term being four years. Approximately 33% of these agreements expire over the next twelve months.

We consider our employee relations to be good. We have not experienced any significant labor unrest or disruption of production during fiscal 2013.

Environmental Matters

In the manufacture of our products throughout the world, we process, store, dispose of and otherwise use large amounts of hazardous materials, especially lead and acid. As a result, we are subject to extensive and evolving environmental, health and safety laws and regulations governing, among other things: the generation, handling, storage, use, transportation and disposal of hazardous materials; emissions or discharges of hazardous materials into the ground, air or water; and the health and safety of our employees. In addition, we are required to comply with the regulation issued from the European Economic Union called Registration, Evaluation, Authorization and Restriction of Chemicals or “REACH,” that came into force on June 1, 2007. Under the regulation, companies which manufacture or import more than one ton of a covered chemical substance per year are required to register it in a central database administered by the European Chemicals Agency. REACH requires a registration over a period of 11 years. Compliance with these laws and regulations results in ongoing costs. Failure to comply with these laws and regulations, or to obtain or comply with required environmental permits, could result in fines, criminal charges or other sanctions by regulators. From time to time, we have had instances of alleged or actual noncompliance that have resulted in the imposition of fines, penalties and required corrective actions. Our ongoing compliance with environmental, health and safety laws, regulations and permits could require us to incur significant expenses, limit our ability to modify or expand our facilities or continue production and require us to install additional pollution control equipment and make other capital improvements. In addition, private parties, including current or former employees, can bring personal injury or other claims against us due to the presence of, or their exposure to, hazardous substances used, stored, transported or disposed of by us or contained in our products.

Sumter, South Carolina

We currently are responsible for certain environmental obligations at our former battery facility in Sumter, South Carolina that predate our ownership of this facility. This battery facility was closed in 2001 and is separate from our current metal fabrication facility in Sumter. We have a reserve for this facility that totaled $2.9 million as of March 31, 2013. Based on current information, we believe this reserve is adequate to satisfy our environmental liabilities at this facility.

Environmental and safety certifications

Thirteen of our facilities in the Americas, EMEA and Asia are certified to ISO 14001 standards. ISO 14001 is a globally recognized, voluntary program that focuses on the implementation, maintenance and continual improvement of an environmental management system and the improvement of environmental performance. Two facilities in Europe and one in Africa are certified to OHSAS 18001 standards. OHSAS 18001 is a globally recognized occupational health and safety management systems standard.

Quality Systems

We utilize a global strategy for quality management systems, policies and procedures, the basis of which is the ISO 9001:2008 standard, which is a worldwide recognized quality standard. We believe in the principles of this standard and reinforce this by requiring mandatory compliance for all manufacturing, sales and service locations globally that are registered to the ISO 9001 standard. This strategy enables us to provide consistent quality products and services to meet our customers' needs.

Available Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. These filings are available to the public on the Internet at the SEC's website at *http://www.sec.gov*. You may also read and copy any document we file with the SEC at the SEC's public reference room, located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room.

Our Internet address is *http://www.enersys.com*. We make available free of charge on *http://www.enersys.com* our annual, quarterly and current reports, and amendments to those reports, as soon as reasonably practical after we electronically file such material with, or furnish it to, the SEC.

ITEM 1A. *RISK FACTORS*

The following risks and uncertainties, as well as others described in this Annual Report on Form 10-K, could materially and adversely affect our business, our results of operations and financial conditions and could cause actual results to differ materially from our expectations and projections. Stockholders are cautioned that these and other factors, including those beyond our control, may affect future performance and cause actual results to differ from those which may, from time to time, be anticipated. There may be additional risks that are not presently material or known. See "Cautionary Note Regarding Forward-Looking Statements." All forward-looking statements made by us or on our behalf are qualified by the risks described below.

We operate in an extremely competitive industry and are subject to pricing pressures.

We compete with a number of major international manufacturers and distributors, as well as a large number of smaller, regional competitors. Due to excess capacity in some sectors of our industry and consolidation among industrial battery purchasers, we have been subjected to significant pricing pressures. We anticipate continued competitive pricing pressure as foreign producers are able to employ labor at significantly lower costs than producers in the U.S. and Western Europe, expand their export capacity and increase their marketing presence in our major Americas and European markets. Several of our competitors have strong technical, marketing, sales, manufacturing, distribution and other resources, as well as significant name recognition, established positions in the market and long-standing relationships with OEMs and other customers. In addition, certain of our competitors own lead smelting facilities which, during periods of lead cost increases or price volatility, may provide a competitive pricing advantage and reduce their exposure to volatile raw material costs. Our ability to maintain and improve our operating margins has depended, and continues to depend, on our ability to control and reduce our costs. We cannot assure you that we will be able to continue to reduce our operating expenses, to raise or maintain our prices or increase our unit volume, in order to maintain or improve our operating results.

The uncertainty in global economic conditions could negatively affect the Company's operating results.

Our operating results are directly affected by the general global economic conditions of the industries in which our major customer groups operate. Our business segments are highly dependent on the economic and market conditions in each of the geographic areas in which we operate. Our products are heavily dependent on the end markets that we serve and our operating results will vary by geographic segment, depending on the economic environment in these markets. Sales of our motive power products, for example, depend significantly on demand for new electric industrial forklift trucks, which in turn depends on end-user demand for additional motive capacity in their distribution and manufacturing facilities. The uncertainty in global economic conditions varies by geographic segment, and can result in substantial volatility in global credit markets, particularly in the United States, where we service the vast majority of our debt. These conditions affect our business by reducing prices that our customers may be able or willing to pay for our products or by reducing the demand for our products, which could in turn negatively impact our sales and earnings generation and result in a material adverse effect on our business, cash flow, results of operations and financial position.

Risk of forced conversion of Convertible Notes which could adversely affect the Company's liquidity.

Under the terms of our Convertible Notes, a holder of Convertible Notes may require the Company to repurchase some or all of the holder's Convertible Notes for cash upon the occurrence of a fundamental change as defined in the indenture and on each of June 1, 2015, 2018, 2023, 2028 and 2033 at a price equal to 100% of the accreted principal amount of the Convertible Notes being repurchased, plus accrued and unpaid interest, if any, in each case. As of March 31, 2013, the Company has $172.5 million of Convertible Notes outstanding.

It is the Company's current intent to settle the principal amount of any such conversions in cash, and any additional optional conversions in cash, shares of EnerSys common stock or a combination of cash and shares. To the extent that then existing domestic cash balances and cash flow from operations, together with borrowing capacity under then existing credit facilities, are insufficient to satisfy any such settlement or optional put or conversion, we may require additional financing from other sources. Our ability to obtain such additional financing in the future will depend in part upon prevailing capital market conditions, as well as conditions in our business and our operating results; and those factors may affect our efforts to arrange additional financing on terms that are acceptable to us. The Convertible Notes will mature on June 1, 2038, unless earlier converted, redeemed or repurchased by the Company.

Reliance on third party relationships and derivative agreements could adversely affect the Company's business.

We depend on third parties, including suppliers, distributors, lead toll operators, freight forwarders, insurance brokers, commodity brokers, major financial institutions and other third party service providers, for key aspects of our business including the provision of derivative contracts to manage risks of: (a) lead cost volatility, (b) foreign currency exposures and (c) interest rate volatility. Failure of these third parties to meet their contractual, regulatory and other obligations to the Company or the development of factors that materially disrupt our relationships with these third parties could expose us to the risks of business disruption, higher lead costs, unfavorable foreign currency rates and higher expenses, which could have a material adverse effect on our business.

Our raw materials costs are volatile and expose us to significant movements in our product costs.

Lead is our most significant raw material and is used along with significant amounts of plastics, steel, copper and other materials in our manufacturing processes. We estimate that raw material costs account for over half of our cost of goods sold. The costs of these raw materials, particularly lead, are volatile and beyond our control. Volatile raw material costs can significantly affect our operating results and make period-to-period comparisons extremely difficult. We cannot assure you that we will be able to hedge the costs of our raw material requirements at a reasonable level or, even with respect to our agreements that adjust pricing to a market-based index for lead, pass on to our customers the increased costs of our raw materials.

Our operations expose us to litigation, tax, environmental and other legal compliance risks.

We are subject to a variety of litigation, tax, environmental, health and safety and other legal compliance risks. These risks include, among other things, possible liability relating to product liability matters, personal injuries, intellectual property rights, contract-related claims, government contracts, taxes, health and safety liabilities, environmental matters and compliance with U.S. and foreign laws, competition laws and laws governing improper business practices. We or one of our business units could be charged with wrongdoing as a result of such matters. If convicted or found liable, we could be subject to significant fines, penalties, repayments or other damages (in certain cases, treble damages). As a global business, we are subject to complex laws and regulations in the U.S. and other countries in which we operate. Those laws and regulations may be interpreted in different ways. They may also change from time to time, as may related interpretations and other guidance. Changes in laws or regulations could result in higher expenses and payments, and uncertainty relating to laws or regulations may also affect how we conduct our operations and structure our investments and could limit our ability to enforce our rights.

In the area of taxes, changes in tax laws and regulations, as well as changes in related interpretations and other tax guidance could materially impact our tax receivables and liabilities and our deferred tax assets and tax liabilities. Additionally, in the ordinary course of business, we are subject to examinations by various authorities, including tax authorities. In addition to ongoing investigations, there could be additional investigations launched in the future by governmental authorities in various jurisdictions and existing investigations could be expanded. The global and diverse nature of our operations means that these risks will continue to exist and additional legal proceedings and contingencies will arise from time to time. Our results may be affected by the outcome of legal proceedings and other contingencies that cannot be predicted with certainty.

In the manufacture of our products throughout the world, we process, store, dispose of and otherwise use large amounts of hazardous materials, especially lead and acid. As a result, we are subject to extensive and changing environmental, health and safety laws and regulations governing, among other things: the generation, handling, storage, use, transportation and disposal of hazardous materials; remediation of polluted ground or water; emissions or discharges of hazardous materials into the ground, air or water; and the health and safety of our employees. Compliance with these laws and regulations results in ongoing costs. Failure to comply with these laws or regulations, or to obtain or comply with required environmental permits, could result in fines, criminal charges or other sanctions by regulators. From time to time we have had instances of alleged or actual noncompliance that have resulted in the imposition of fines, penalties and required corrective actions. Our ongoing compliance with environmental, health and safety laws, regulations and permits could require us to incur significant expenses, limit our ability to modify or expand our facilities or continue production and require us to install additional pollution control equipment and make other capital improvements. In addition, private parties, including current or former employees, could bring personal injury or other claims against us due to the presence of, or exposure to, hazardous substances used, stored or disposed of by us or contained in our products.

Certain environmental laws assess liability on owners or operators of real property for the cost of investigation, removal or remediation of hazardous substances at their current or former properties or at properties at which they have disposed of hazardous substances. These laws may also assess costs to repair damage to natural resources. We may be responsible for remediating damage to our properties that was caused by former owners. Soil and groundwater contamination has occurred at some of our current and former properties and may occur or be discovered at other properties in the future. We are currently investigating and monitoring soil and groundwater contamination at several of our properties, in most cases as required by regulatory permitting processes. We may be required to conduct these operations at other properties in the future. In addition, we have been and in the future may be liable to contribute to the cleanup of locations owned or operated by other persons to which we or our predecessor companies have sent wastes for disposal, pursuant to federal and other environmental laws. Under these laws, the owner or operator of contaminated properties and companies that generated, disposed of or arranged for the disposal of wastes sent to a contaminated disposal facility can be held jointly and severally liable for the investigation and cleanup of such properties, regardless of fault.

Changes in environmental and climate laws or regulations, including laws relating to greenhouse gas emissions, could lead to new or additional investment in production designs and could increase environmental compliance expenditures. Changes in climate change concerns, or in the regulation of such concerns, including greenhouse gas emissions, could subject us to additional costs and restrictions, including increased energy and raw materials costs. Additionally, we cannot assure you that we have been or at all times will be in compliance with environmental laws and regulations or that we will not be required to expend significant funds to comply with, or discharge liabilities arising under, environmental laws, regulations and permits, or that we will not be exposed to material environmental, health or safety litigation.

Also, the U.S. Foreign Corrupt Practices Act (“FCPA”) and similar worldwide anti-bribery laws in non-U.S. jurisdictions generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. The FCPA applies to companies, individual directors, officers, employees and agents. Under the FCPA, U.S. companies may be held liable for actions taken by strategic or local partners or representatives. The FCPA also imposes accounting standards and requirements on publicly traded U.S. corporations and their foreign affiliates, which are intended to prevent the diversion of corporate funds to the payment of bribes and other improper payments. Certain of our customer relationships outside of the U.S. are with governmental entities and are therefore subject to such anti-bribery laws. Our policies mandate compliance with these anti-bribery laws. Despite meaningful measures that we undertake to facilitate lawful conduct, which include training and internal control policies, these measures may not always prevent reckless or criminal acts by our employees or agents. As a result, we could be subject to criminal and civil penalties, disgorgement, further changes or enhancements to our procedures, policies and controls, personnel changes or other remedial actions. Violations of these laws, or allegations of such violations, could disrupt our operations, involve significant management distraction and result in a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

There is also a regulation to improve the transparency and accountability concerning the supply of minerals coming from the conflict zones in and around the Democratic Republic of Congo. New U.S. legislation includes disclosure requirements regarding the use of conflict minerals mined from the Democratic Republic of Congo and adjoining countries and procedures regarding a manufacturer’s efforts to prevent the sourcing of such conflict minerals. The implementation of these requirements could affect the sourcing and availability of minerals used in the manufacture of our products. As a result, there may only be a limited pool of suppliers who provide conflict-free metals, and we cannot assure you that we will be able to obtain products in sufficient quantities or at competitive prices. Future regulations may become more stringent or costly and our compliance costs and potential liabilities could increase, which may harm our business.

We are exposed to exchange rate risks, and our net earnings and financial condition may suffer due to currency translations.

We invoice our foreign sales and service transactions in local and foreign currencies and translate net sales using actual exchange rates during the period. We translate our non-U.S. assets and liabilities into U.S. dollars using current exchange rates as of the balance sheet dates. Because a significant portion of our revenues and expenses are denominated in foreign currencies, changes in exchange rates between the U.S. dollar and foreign currencies, primarily the euro, British pound, Polish zloty, Chinese renminbi, Mexican peso and Swiss franc may adversely affect our revenue, cost of goods sold and operating margins. For example, foreign currency depreciation against the U.S. dollar will reduce the value of our foreign revenues and operating earnings as well as reduce our net investment in foreign subsidiaries. Approximately 60% of net sales were generated outside of the United States for the last three fiscal years.

Most of the risk of fluctuating foreign currencies is in our EMEA segment, which comprised just under 50% of our net sales during the last two fiscal years. The euro is the dominant currency in our EMEA operations. In the event that one or more European countries were to replace the euro with another currency, our sales into such countries, or into Europe generally, would likely be adversely affected until stable exchange rates are established.

The translation impact from currency fluctuations on net sales and operating earnings in Americas and Asia segments are not significant, as a substantial majority of these net sales and operating earnings are in U.S. dollars or foreign currencies that have been closely correlated to the U.S. dollar.

If foreign currencies depreciate against the U.S. dollar, it would make it more expensive for our non-U.S. subsidiaries to purchase certain of our raw material commodities that are priced globally in U.S. dollars, while the related revenue will decrease when translated to U.S. dollars. Significant movements in foreign exchange rates can have a material impact on our results of operations and financial condition. We periodically engage in hedging of our foreign currency exposures, but cannot assure you that we can successfully hedge all of our foreign currency exposures or do so at a reasonable cost.

We quantify and monitor our global foreign currency exposures. Our largest foreign currency exposure is from the purchase and conversion of U.S. dollar based lead costs into local currencies in Europe. Additionally, we have currency exposures from intercompany financing and trade transactions. On a selective basis, we enter into foreign currency forward contracts and option contracts to reduce the impact from the volatility of currency movements; however, we cannot be certain that foreign currency fluctuations will not impact our operations in the future.

Our international operations may be adversely affected by actions taken by foreign governments or other forces or events over which we may have no control.

We currently have significant manufacturing and/or distribution facilities outside of the United States, in Argentina, Australia, Belgium, Brazil, Bulgaria, Canada, the Czech Republic, France, Germany, India, Italy, Mexico, People’s Republic of China, Poland, South Africa, Spain, Switzerland, Tunisia and the United Kingdom. We may face political instability, economic uncertainty, and/or difficult labor relations in our foreign operations. We also may face barriers in the form of long-standing relationships between potential customers and their existing suppliers, national policies favoring domestic manufacturers and protective regulations including exchange controls, restrictions on foreign investment or the repatriation of profits or invested capital, changes in export or import restrictions and changes in the tax system or rate of taxation in countries where we do business. We cannot assure you that we will be able to successfully develop and expand our international operations and sales or that we will be able to overcome the significant obstacles and risks of our international operations.

Our failure to introduce new products and product enhancements and broad market acceptance of new technologies introduced by our competitors could adversely affect our business.

Many new energy storage technologies have been introduced over the past several years. For certain important and growing markets, such as aerospace and defense, lithium-based battery technologies have a large and growing market share. Our ability to achieve significant and sustained penetration of key developing markets, including aerospace and defense, will depend upon our success in developing or acquiring these and other technologies, either independently, through joint ventures or through acquisitions. If we fail to develop or acquire, and manufacture and sell, products that satisfy our customers' demands, or we fail to respond effectively to new product announcements by our competitors by quickly introducing competitive products, then market acceptance of our products could be reduced and our business could be adversely affected. We cannot assure you that our lead-acid products will remain competitive with products based on new technologies.

We may not be able to adequately protect our proprietary intellectual property and technology.

We rely on a combination of copyright, trademark, patent and trade secret laws, non-disclosure agreements and other confidentiality procedures and contractual provisions to establish, protect and maintain our proprietary intellectual property and technology and other confidential information. Certain of these technologies, especially TPPL technology, are important to our business and are not protected by patents. Despite our efforts to protect our proprietary intellectual property and technology and other confidential information, unauthorized parties may attempt to copy or otherwise obtain and use our intellectual property and proprietary technologies.

Relocation of our customers' operations could adversely affect our business.

The trend by a number of our North American and Western European customers to move manufacturing operations and expand their businesses in faster growing and low labor-cost markets may have an adverse impact on our business. As our customers in traditional manufacturing-based industries seek to move their manufacturing operations to these locations, there is a risk that these customers will source their energy storage products from competitors located in those territories and will cease or reduce the purchase of products from our manufacturing plants. We cannot assure you that we will be able to compete effectively with manufacturing operations of energy storage products in those territories, whether by establishing or expanding our manufacturing operations in those lower-cost territories or acquiring existing manufacturers.

We may fail to implement our cost reduction initiatives successfully and improve our profitability.

We must continue to implement cost reduction initiatives to achieve additional cost savings in future periods. We cannot assure you that we will be able to achieve all of the cost savings that we expect to realize from current or future initiatives. In particular, we may be unable to implement one or more of our initiatives successfully or we may experience unexpected cost increases that offset the savings that we achieve. Given the continued competitive pricing pressures experienced in our industry, our failure to realize cost savings would adversely affect our results of operations.

Quality problems with our products could harm our reputation and erode our competitive position.

The success of our business will depend upon the quality of our products and our relationships with customers. In the event that our products fail to meet our customers' standards, our reputation could be harmed, which would adversely affect our marketing and sales efforts. We cannot assure you that our customers will not experience quality problems with our products.

We offer our products under a variety of brand names, the protection of which is important to our reputation for quality in the consumer marketplace.

We rely upon a combination of trademark, licensing and contractual covenants to establish and protect the brand names of our products. We have registered many of our trademarks in the U.S. Patent and Trademark Office and in other countries. In many market segments, our reputation is closely related to our brand names. Monitoring unauthorized use of our brand names is difficult, and we cannot be certain that the steps we have taken will prevent their unauthorized use, particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the U.S. We cannot assure you that our brand names will not be misappropriated or utilized without our consent or that such actions will not have a material adverse effect on our reputation and on our results of operations.

We may fail to implement our plans to make acquisitions or successfully integrate them into our operations.

As part of our business strategy, we have grown, and plan to continue growing, by acquiring other product lines, technologies or facilities that complement or expand our existing business. There is significant competition for acquisition targets in the industrial battery industry. We may not be able to identify suitable acquisition candidates or negotiate attractive terms. In addition, we may have difficulty obtaining the financing necessary to complete transactions we pursue. In that regard, our credit facilities restrict the amount of additional indebtedness that we may incur to finance acquisitions and place other restrictions on our ability to make acquisitions. Exceeding any of these restrictions would require the consent of our lenders. We may be unable to successfully integrate any assets, liabilities, customers, systems and management personnel we acquire into our operations and we may not be able to realize related revenue synergies and cost savings within expected time frames. Our failure to execute our acquisition strategy could have a material adverse effect on our business. We cannot assure you that our acquisition strategy will be successful or that we will be able to successfully integrate acquisitions we do make.

Any acquisitions that we complete may dilute stockholder ownership interests in EnerSys, may have adverse effects on our financial condition and results of operations and may cause unanticipated liabilities.

Future acquisitions may involve the issuance of our equity securities as payment, in part or in full, for the businesses or assets acquired. Any future issuances of equity securities would dilute stockholder ownership interests. In addition, future acquisitions might not increase, and may even decrease our earnings or earnings per share and the benefits derived by us from an acquisition might not outweigh or might not exceed the dilutive effect of the acquisition. We also may incur additional debt or suffer adverse tax and accounting consequences in connection with any future acquisitions.

The failure or security breach of critical computer systems could seriously affect our sales and operations.

We operate a number of critical computer systems throughout our business that can fail for a variety of reasons. If such a failure were to occur, we may not be able to sufficiently recover from the failure in time to avoid the loss of data or any adverse impact on certain of our operations that are dependent on such systems. This could result in lost sales and the inefficient operation of our facilities for the duration of such a failure.

We operate a number of critical computer systems throughout our business for the exchange of information both within the company and in communicating with third parties. Despite our efforts to protect the integrity of our systems and network as well as sensitive, confidential or personal data or information, our facilities and systems and those of our third-party service providers may be vulnerable to security breaches, theft, misplaced or lost data, programming and/or human errors that could potentially lead to the compromising of sensitive, confidential or personal data or information, improper use of our systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of information, defective products, production downtimes and operational disruptions, which in turn could adversely affect our reputation, competitiveness, and results of operations.

Our ability to maintain adequate credit facilities.

Our ability to continue our ongoing business operations and fund future growth depends on our ability to maintain adequate credit facilities and to comply with the financial and other covenants in such credit facilities or to secure alternative sources of financing. However, such credit facilities or alternate financing may not be available or, if available, may not be on terms favorable to us.

Our indebtedness could adversely affect our financial condition and results of operations.

As of March 31, 2013, we had $178.5 million of total consolidated debt (including capital lease obligations and net of the discount on the Convertible Notes). This level of debt could:

- increase our vulnerability to adverse general economic and industry conditions, including interest rate fluctuations, because a portion of our borrowings bear, and will continue to bear, interest at floating rates;

- require us to dedicate a substantial portion of our cash flow from operations to debt service payments, which would reduce the availability of our cash to fund working capital, capital expenditures or other general corporate purposes, including acquisitions;
- limit our flexibility in planning for, or reacting to, changes in our business and industry;
- restrict our ability to introduce new products or new technologies or exploit business opportunities;
- place us at a disadvantage compared with competitors that have proportionately less debt;
- limit our ability to borrow additional funds in the future, if we need them, due to financial and restrictive covenants in our debt agreements;
- have a material adverse effect on us if we fail to comply with the financial and restrictive covenants in our debt agreements; and
- dilute share ownership percentage if the Company's share price, at the time of conversion, is higher than the Convertible Notes' conversion price of $40.60 per share and the Company does not settle the Convertible Notes, including any optional conversions, solely in cash.

There can be no assurance that we will continue to declare cash dividends at all or in any particular amounts.

On May 28, 2013, we announced the declaration of our first quarterly cash dividend of $0.125 per share of common stock to be paid on June 28, 2013 to stockholders of record as of June 14, 2013. Future payment of a regular quarterly cash dividend on our common shares will be subject to, among other things, our results of operations, cash balances and future cash requirements, financial condition, statutory requirements of Delaware law, compliance with the terms of existing and future indebtedness and credit facilities, and other factors that the Board of Directors may deem relevant. Our dividend payments may change from time to time, and we cannot provide assurance that we will continue to declare dividends at all or in any particular amounts. A reduction in or elimination of our dividend payments could have a negative effect on our share price.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

None.

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ITEM 2. *PROPERTIES*

The Company's worldwide headquarters is located in Reading, Pennsylvania. Geographic headquarters for our Americas, EMEA and Asia segments are located in Reading, Pennsylvania, Zurich, Switzerland and Singapore, respectively. The Company owns approximately 80% of its manufacturing facilities and distribution centers worldwide. The following sets forth the Company's principal owned or leased facilities by business segment:

Americas: Longmont, Colorado; Hays, Kansas; Richmond, Kentucky; Warrensburg, Missouri; Cleveland, Ohio; Horsham, Pennsylvania; Sumter, South Carolina; and Ooltewah, Tennessee in the United States; Monterrey and Tijuana in Mexico; Buenos Aires, Argentina and Sao Paulo in Brazil.

EMEA: Targovishte, Bulgaria; Hostimice, Czech Republic; Arras, France; Hagen and Zwickau in Germany; Bielsko-Biala, Poland; Newport, Culhman and Thurso in the United Kingdom; Port Elizabeth, South Africa; and Tunis, Tunisia.

Asia: Jiangsu, Chaoan and Chongqing in the People's Republic of China and Andhra Pradesh in India.

We consider our plants and facilities, whether owned or leased, to be in satisfactory condition and adequate to meet the needs of our current businesses and projected growth. Information as to material lease commitments is included in Note 9, "Leases," to the Consolidated Financial Statements appearing in this Annual Report on Form 10-K.

ITEM 3. *LEGAL PROCEEDINGS*

From time to time, we are involved in litigation incidental to the conduct of our business. We do not expect that any of this litigation, individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations or cash flow.

ITEM 4. *MINE SAFETY DISCLOSURES*

Not applicable.

PART II

ITEM 5. *MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES*

Market Information

The Company's common stock has been listed on the New York Stock Exchange under the symbol "ENS" since it began trading on July 30, 2004. Prior to that time, there had been no public market for our common stock. The following table sets forth, on a per share basis for the periods presented, the range of high, low and closing prices of the Company's common stock.

Quarter Ended	High Price	Low Price	Closing Price
March 31, 2013	$ 45.87	$ 36.57	$ 45.58
December 30, 2012	37.73	31.07	36.80
September 30, 2012	39.61	31.77	35.29
July 1, 2012	35.80	30.02	35.07
March 31, 2012	$ 36.15	$ 25.93	$ 34.65
January 1, 2012	27.25	17.50	25.97
October 2, 2011	36.48	17.35	20.02
July 3, 2011	40.32	30.95	35.21

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Holders of Record

As of May 24, 2013, there were approximately 353 record holders of common stock of the Company. Because many of these shares are held by brokers and other institutions on behalf of stockholders, the Company is unable to estimate the total number of stockholders represented by these record holders.

Dividends

On May 28, 2013, we announced the payment of our first quarterly cash dividend of $0.125 per share of common stock to be paid on June 28, 2013 to stockholders of record as of June 14, 2013. The declaration of cash dividends on our common stock is at the discretion of the Board of Directors, and any decision to declare a dividend is based on a number of factors, including, but not limited to, earnings, prospects, financial condition, applicable covenants under our credit agreements and other contractual restrictions, Delaware law and other factors deemed relevant.

Recent Sales of Unregistered Securities

During the three fiscal years ended March 31, 2013, we did not issue any unregistered securities.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The table below sets forth information regarding the Company's purchases of its common stock during its fourth quarter ended March 31, 2013:

Purchases of Equity Securities

Period	(a) Total number of shares (or units) purchased	(b) Average price paid per share (or unit)	(c) Total number of shares (or units) purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares (or units) that may be purchased under the plans or programs(2)(3)(4)
December 31, 2012-January 27, 2013	—	$ —	—	$ 50,508,064
January 28, 2013-February 24, 2013	1,415(1)	41.00	—	51,545,998
February 25, 2013-March 31, 2013	—	—	—	66,658,304
Total	1,415	$ 41.00	—	

(1) As provided in our equity incentive plans, vested options may be exercised through surrender to the Company of option shares or vested options outstanding under our equity incentive plans to satisfy the applicable aggregate exercise price (and withholding tax) required to be paid upon such exercise.

(2) On May 26, 2011, the Company's Board of Directors authorized the Company to repurchase up to the number of shares exercised through previous stock option awards and repurchase shares up to the amount necessary to offset the dilutive effect of the common stock granted under the 2010 Equity Incentive Plan. As of January 27, 2013, February 24, 2013 and March 31, 2013, this repurchase limit amounted to a total 12,278 shares, 37,361 shares, and 40,075 shares, respectively, that may be repurchased under this program. For purposes of presenting the approximate dollar value of shares that may be purchased under this program, we multiplied the remaining balance under this program by $41.38 per share, which is the average closing price of the Company's common stock during the period.

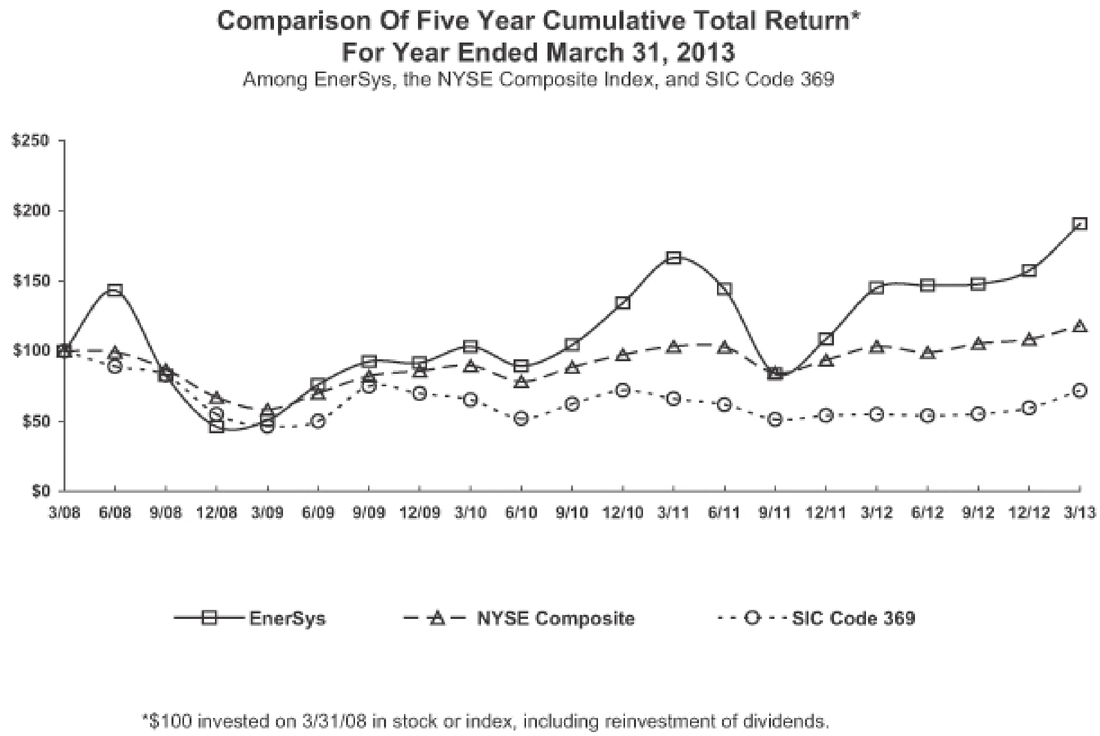
(3) On May 24, 2012, the Company's Board of Directors authorized the Company to repurchase up to $50 million of its common stock. This authorization expired on March 31, 2013 and was unutilized.

(4) The Company's Board of Directors authorized the Company to repurchase up to $65 million of its common stock. This authorization expires on March 31, 2014.

STOCK PERFORMANCE GRAPH

The following graph compares the changes in cumulative total returns on EnerSys' common stock with the changes in cumulative total returns of the New York Stock Exchange Composite Index, a broad equity market index, and the total return on a selected peer group index. The peer group selected is based on the standard industrial classification codes ("SIC Codes") established by the U.S. government. The index chosen was "Miscellaneous Electrical Equipment and Suppliers" and comprises all publicly traded companies having the same three-digit SIC Code (369) as EnerSys.

The graph was prepared assuming that $100 was invested in EnerSys' common stock, the New York Stock Exchange Composite Index and the peer group (duly updated for changes) on March 31, 2008.



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ITEM 6. *SELECTED FINANCIAL DATA*

	Fiscal Year Ended March 31, 2013	2012	2011	2010	2009
	(In thousands, except share and per share data)				
Consolidated Statements of Income:					
Net sales	$ 2,277,559	$ 2,283,369	$ 1,964,462	$ 1,579,385	$1,972,867
Cost of goods sold	1,708,203	1,770,664	1,514,618	1,218,481	1,559,433
Gross profit	569,356	512,705	449,844	360,904	413,434
Operating expenses	312,324	297,806	259,217	235,597	256,507
Restructuring charges	7,164	4,988	6,813	13,929	22,424
Legal proceedings (settlement income) charge	—	(900)	—	—	3,366
Bargain purchase gain	—	—	—	(2,919)	—
Gain on sale of facilities	—	—	—	—	(11,308)
Operating earnings	249,868	210,811	183,814	114,297	142,445
Interest expense	18,719	16,484	22,038	22,658	26,733
Charges related to refinancing	—	—	8,155	—	5,209
Other (income) expense, net	916	3,068	2,177	4,384	(8,597)
Earnings before income taxes	230,233	191,259	151,444	87,255	119,100
Income tax expense	65,275	47,292	38,018	24,951	37,170
Net earnings	164,958	143,967	113,426	62,304	81,930
Net losses attributable to noncontrolling interests	(1,550)	(36)	—	—	—
Net earnings attributable to EnerSys stockholders	$ 166,508	$ 144,003	$ 113,426	$ 62,304	$ 81,930
Net earnings per common share attributable to EnerSys stockholders:					
Basic	$ 3.47	$ 2.95	$ 2.30	$ 1.29	$ 1.68
Diluted	$ 3.42	$ 2.93	$ 2.27	$ 1.28	$ 1.66
Weighted-average number of common shares outstanding:					
Basic	48,022,005	48,748,205	49,376,132	48,122,207	48,824,434
Diluted	48,635,449	49,216,035	50,044,246	48,834,095	49,420,303

	Fiscal Year Ended March 31, 2013	2012	2011	2010	2009
	(In thousands)				
Consolidated cash flow data:					
Net cash provided by operating activities	$ 244,400	$ 204,196	$ 76,459	$ 136,602	$ 219,437
Net cash used in investing activities	(55,092)	(72,420)	(91,661)	(77,244)	(46,810)
Net cash used in financing activities	(95,962)	(79,382)	(82,677)	(24,472)	(23,196)
Other operating data:					
Capital expenditures	55,286	48,943	59,940	45,111	57,143

	As of March 31, 2013	2012	2011	2010	2009
	(In thousands)				
Consolidated balance sheet data:					
Cash and cash equivalents	$ 249,348	$ 160,490	$ 108,869	$ 201,042	$ 163,161
Working capital	685,403	611,372	554,164	475,768	429,769
Total assets	1,987,867	1,924,955	1,828,387	1,652,010	1,492,851
Total debt, including capital leases, excluding discount on the Convertible Notes	178,489	256,101	253,400	350,486	375,656
Total EnerSys stockholders' equity	1,169,401	1,032,195	974,331	779,897	670,151

ITEM 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

The following discussion and analysis of our results of operations and financial condition for the fiscal years ended March 31, 2013, 2012, and 2011, should be read in conjunction with our audited consolidated financial statements and the notes to those statements included in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K. Our discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, opinions, expectations, anticipations and intentions and beliefs. Actual results and the timing of events could differ materially from those anticipated in those forward-looking statements as a result of a number of factors. See "Cautionary Note Regarding Forward-Looking Statements," "Business" and "Risk Factors," sections elsewhere in this Annual Report on Form 10-K. In the following discussion and analysis of results of operations and financial condition, certain financial measures may be considered "non-GAAP financial measures" under Securities and Exchange Commission rules. These rules require supplemental explanation and reconciliation, which is provided in this Annual Report on Form 10-K.

EnerSys' management uses the non-GAAP measures, EBITDA and Adjusted EBITDA, in its computation of compliance with loan covenants. These measures, as used by EnerSys, adjust net earnings determined in accordance with GAAP for interest, taxes, depreciation and amortization, and certain charges or credits as permitted by our credit agreements, that were recorded during the periods presented.

EnerSys' management uses the non-GAAP measures, Primary Working Capital and Primary Working Capital Percentage (see definition in "Overview" below) along with capital expenditures, in its evaluation of business segment cash flow and financial position performance.

These non-GAAP disclosures have limitations as analytical tools, should not be viewed as a substitute for cash flow or operating 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 are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. This supplemental presentation should not be construed as an inference that the Company's future results will be unaffected by similar adjustments to operating earnings determined in accordance with GAAP.

Overview

We are the global leader in stored energy solutions for industrial applications. We manufacture, market and distribute industrial batteries and related products such as chargers, power equipment and battery accessories, and we provide related after-market and customer-support services for industrial batteries. We market and sell our products globally to over 10,000 customers in more than 100 countries through a network of distributors, independent representatives and our internal sales force.

We operate and manage our business in three geographic regions of the world—Americas, EMEA and Asia, as described below. Our business is highly decentralized with manufacturing locations throughout the world. More than half of our manufacturing capacity is located outside of the United States, and approximately 60% of our net sales are generated outside of the United States. The Company has three reportable segments based on geographic regions, defined as follows:

- **Americas**, which includes North and South America, with our segment headquarters in Reading, Pennsylvania, USA,
- **EMEA**, which includes Europe, the Middle East and Africa, with our segment headquarters in Zurich, Switzerland, and
- **Asia**, which includes Asia, Australia and Oceania, with our segment headquarters in Singapore.

See Note 22 to the Consolidated Financial Statements for segment related disclosures.

We evaluate segment performance based primarily upon operating earnings, exclusive of highlighted items. Highlighted items are those that the Company deems are not indicative of ongoing operating results, including those charges that the Company incurs as a result of restructuring activities and those charges and credits that are not directly related to ongoing segment performance. All corporate and centrally incurred costs are allocated to the reportable segments based principally on net sales. We evaluate segment cash flow and financial position performance based primarily upon capital expenditures and Primary Working Capital levels (see definition of Primary Working Capital in “Liquidity and Capital Resources” below).

Our management structure, financial reporting systems, and associated internal controls and procedures, are all consistent with our three geographic segments. We report on a March 31 fiscal year-end. Our financial results are largely driven by the following factors:

- global economic conditions and general cyclical patterns of the industries in which our customers operate;
- changes in our selling prices and, in periods when our product costs increase, our ability to raise our selling prices to pass such cost increases through to our customers;
- the extent to which we are able to efficiently utilize our global manufacturing facilities and optimize our capacity;
- the extent to which we can control our fixed and variable costs, including those for our raw materials, manufacturing, distribution and operating activities;
- changes in our level of debt and changes in the variable interest rates under our credit facilities;
- the mix of earnings in the various tax jurisdictions we operate in and their tax impact on our income tax rates; and
- the size and number of acquisitions and our ability to achieve their intended benefits.

We have two primary industrial battery product lines: reserve power products and motive power products. Net sales classifications by product line are as follows:

- **Reserve power products** are used for backup power for the continuous operation of critical applications in telecommunications systems, UPS applications for computer and computer-controlled systems, and other specialty power applications, including security systems, premium starting, lighting and ignition applications, in switchgear, electrical control systems used in electric utilities, large scale energy storage, energy pipelines, in commercial aircraft, satellites, military aircraft, submarines, ships and tactical vehicles
- **Motive power products** are used to provide power for manufacturing, warehousing and other material handling equipment, primarily electric industrial forklift trucks, mining equipment, diesel locomotive starting and other rail equipment.

Current Market Conditions

Economic Climate

Recent indicators suggest a mixed trend in economic activity among our different geographical regions. The Americas’ and Asia’s economic expansion continues but at a slower rate. The ongoing financial crisis and austerity measures in Europe are a factor in slowing overall economic growth in this region and leading to declining economic growth rates in many of the Western European countries.

Overall, on a consolidated basis, we have experienced stable trends in our revenue and order rates.

We believe we are well positioned to take advantage of future growth in our markets. We continue to take numerous steps to restructure our manufacturing base and administrative operations to reduce our costs. We have developed new product initiatives in advanced nickel, TPPL for motive power and large scale energy storage. We expect the economic climate and our strong capital structure will be conducive to a continuation of acquisitions which in combination with our new product initiatives will help grow our business faster than the overall market growth.

Volatility of Commodities and Foreign Currencies

Our most significant commodity and foreign currency exposures are related to lead and the euro. Volatility of commodity costs and foreign currency exchange rates have caused large swings in our production costs. As the global economic climate changes, we anticipate that our commodity costs may continue to fluctuate significantly as they have in the past several years.

Customer Pricing

Our selling prices fluctuated during the last several years to offset the volatile cost of commodities. Approximately 35% of our revenue is currently subject to agreements that adjust pricing to a market-based index for lead. During fiscal 2011 and 2012, our selling prices increased, to reflect the rising commodity prices, and declined slightly in fiscal 2013.

Liquidity and Capital Resources

Current market conditions related to our liquidity and capital resources are favorable. In March 2011, we refinanced our 2008 senior secured credit facility with a $350 million revolving credit line gaining additional flexibility in terms, liquidity, and an extended maturity to March 2016. We believe current conditions remain favorable for the Company to have continued positive cash flow from operations that, along with available cash and cash equivalents and our undrawn lines of credit, will be sufficient to fund our capital expenditures, acquisitions and other investments for growth.

Our cash flows from operating activities were $244 million and $204 million during fiscal 2013 and 2012, respectively. We invested $55 million and $49 million in capital expenditures in fiscal 2013 and 2012, respectively. We also repurchased $23 million and $58 million of our common stock in fiscal 2013 and 2012, respectively. Our investments in new business opportunities in fiscal 2012 were $24 million.

As a result of the above actions, at March 31, 2013, our financial position is strong and we have substantial liquidity with $249 million of available cash and cash equivalents, $349 million of undrawn, committed credit lines, and over $120 million of uncommitted credit lines. A substantial majority of the Company's cash and investments are held by foreign subsidiaries and are considered to be indefinitely reinvested and expected to be utilized to fund local operating activities, capital expenditure requirements and acquisitions. The Company believes that it has sufficient sources of domestic and foreign liquidity.

Cost Savings Initiatives-Restructuring

Cost savings programs remain a continuous element of our business strategy and are directed primarily at further reductions in plant manufacturing (labor and overhead), raw material costs and our operating expenses (primarily selling, general and administrative). In order to realize cost savings benefits for a majority of these initiatives, costs are incurred either in the form of capital expenditures, funding the cash obligations of previously recorded restructuring expenses or current period expenses.

In fiscal 2010, we began the restructuring programs primarily related to the Oerlikon acquisition in Europe and completed the restructuring as of March 31, 2012.

During fiscal 2011, we began further restructuring programs related to our EMEA operations, including distribution, which upon completion is expected to result in the reduction of approximately 60 employees. Our fiscal 2013 operating results reflected approximately $4.0 million of favorable annualized pre-tax earnings impact of these programs. This program has been completed as of March 31, 2013.

During fiscal 2012, we announced restructuring programs related to our operations in EMEA, primarily consisting of the transfer of manufacturing of select products between certain of our manufacturing operations and restructuring of our selling, general and administrative operations. These actions are expected to result in the reduction of approximately 85 employees upon completion. Our fiscal 2013 operating results reflected approximately $4.6 million of the estimated $6.0 million of favorable annualized pre-tax earnings impact of the fiscal 2012 programs. The Company does not expect to be committed to significant additional restructuring charges in fiscal 2014 related to these actions and expects to complete the program during fiscal 2014.

During fiscal 2013, the Company announced further restructurings related to improving the efficiency of its manufacturing operations in EMEA, primarily consisting of cash expenses for employee severance-related payments and non-cash expenses associated with the write-off of certain fixed assets and inventory. The Company estimates that these actions will result in the reduction of approximately 130 employees upon completion. Our fiscal 2013 operating results reflect approximately $1.3 million of the estimated $7.0 million of favorable annualized pre-tax earnings impact of the fiscal 2013 programs. The Company expects to be committed to an additional $3.0 million of restructuring charges related to these programs during fiscal 2014, and expects to complete the program during fiscal 2015.

During fiscal 2013, the Company announced a restructuring related to the closure of its manufacturing facility located in Chaoan, People’s Republic of China, in which the Company will transfer the manufacturing at that location to its Chongqing, People’s Republic of China facility to improve operational efficiencies. The Company expects to be committed to an additional $0.7 million related to the program and expects to complete the program in fiscal 2014.

Critical Accounting Policies and Estimates

Our significant accounting policies are described in Notes to Consolidated Financial Statements in Item 8. In preparing our financial statements, management is required to make estimates and assumptions that, among other things, affect the reported amounts in the Consolidated Financial Statements and accompanying notes. These estimates and assumptions are most significant where they involve levels of subjectivity and judgment necessary to account for highly uncertain matters or matters susceptible to change, and where they can have a material impact on our financial condition and operating performance. We discuss below the more significant estimates and related assumptions used in the preparation of our consolidated financial statements. If actual results were to differ materially from the estimates made, the reported results could be materially affected.

Revenue Recognition

We recognize revenue when the earnings process is complete. This occurs when risk and title transfers, collectability is reasonably assured and pricing is fixed and determinable. Shipment terms to our battery product customers are either shipping point or destination and do not differ significantly between our business segments of the world. Accordingly, revenue is recognized when risk and title is transferred to the customer. Amounts invoiced to customers for shipping and handling are classified as revenue. Taxes on revenue producing transactions are not included in net sales.

We recognize revenue from the service of reserve power and motive power products when the respective services are performed.

Management believes that the accounting estimates related to revenue recognition are critical accounting estimates because they require reasonable assurance of collection of revenue proceeds and completion of all performance obligations. Also, revenues are recorded net of provisions for sales discounts and returns, which are established at the time of sale. These estimates are based on our past experience.

Asset Impairment Determinations

We test for the impairment of our goodwill and indefinite-lived trademarks at least annually and whenever events or circumstances occur indicating that a possible impairment has been incurred. We utilize financial projections, certain cash flow measures, as well as our market capitalization in the determination of the estimated fair value of these assets.

With respect to our other long-lived assets other than goodwill and indefinite-lived trademarks, we test for impairment when indicators of impairment are present. An asset is considered impaired when the undiscounted estimated net cash flows expected to be generated by the asset are less than its carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value of the impaired asset.

In making future cash flow analyses of goodwill and other long-lived assets, we make assumptions relating to the following:

- the intended use of assets and the expected future cash flows resulting directly from such use;
- industry-specific economic conditions;
- competitor activities and regulatory initiatives; and
- client and customer preferences and patterns.

We believe that an accounting estimate relating to asset impairment is a critical accounting estimate because the assumptions underlying future cash flow estimates are subject to change from time to time and the recognition of an impairment could have a significant impact on our financial statements.

Litigation and Claims

From time to time, the Company has been or may be a party to various legal actions and investigations including, among others, employment matters, compliance with government regulations, federal and state employment laws, including wage and hour laws, contractual disputes and other matters, including matters arising in the ordinary course of business. These claims may be brought by, among others, governments, customers, suppliers and employees. Management considers the measurement of litigation reserves as a critical accounting estimate because of the significant uncertainty in some cases relating to the outcome of potential claims or litigation and the difficulty of predicting the likelihood and range of potential liability involved, coupled with the material impact on our results of operations that could result from litigation or other claims. In determining legal reserves, management considers, among other issues:

- interpretation of contractual rights and obligations;
- the status of government regulatory initiatives, interpretations and investigations;
- the status of settlement negotiations;
- prior experience with similar types of claims;
- whether there is available insurance coverage; and
- advice of outside counsel.

Environmental Loss Contingencies

Accruals for environmental loss contingencies (i.e., environmental reserves) are recorded when it is probable that a liability has been incurred and the amount can reasonably be estimated. Management views the measurement of environmental reserves as a critical accounting estimate because of the considerable uncertainty surrounding estimation, including the need to forecast well into the future. From time to time, we may be involved in legal proceedings under federal, state and local, as well as international environmental laws in connection with our operations and companies that we have acquired. The estimation of environmental reserves is based on the evaluation of currently available information, prior experience in the remediation of contaminated sites and assumptions with respect to government regulations and enforcement activity, changes in remediation technology and practices, and financial obligations and creditworthiness of other responsible parties and insurers.

Warranty

We record a warranty reserve for possible claims against our product warranties, which generally run for a period ranging from one to twenty years for our reserve power batteries and for a period ranging from one to seven years for our motive power batteries. The assessment of the adequacy of the reserve includes a review of open claims and historical experience.

Management believes that the accounting estimate related to the warranty reserve is a critical accounting estimate because the underlying assumptions used for the reserve can change from time to time and warranty claims could potentially have a material impact on our results of operations.

Allowance for Doubtful Accounts

We encounter risks associated with sales and the collection of the associated accounts receivable. We record a provision for accounts receivable that are considered to be uncollectible. In order to calculate the appropriate provision, management analyzes the creditworthiness of specific customers and the aging of customer balances. Management also considers general and specific industry economic conditions, industry concentration and contractual rights and obligations.

Management believes that the accounting estimate related to the allowance for doubtful accounts is a critical accounting estimate because the underlying assumptions used for the allowance can change from time to time and uncollectible accounts could potentially have a material impact on our results of operations.

Retirement Plans

We use certain assumptions in the calculation of the actuarial valuation of our defined benefit plans. These assumptions include the discount rate, expected long-term rates of return on assets and rates of increase in compensation levels. Changes in these assumptions can result in changes to the recognized pension expense and recorded liabilities.

We account for our defined benefit pension plans in accordance with the Financial Accounting Standards Board ("FASB") guidance. The guidance requires an entity to recognize in its statements of financial position an asset for a defined benefit postretirement plan's overfunded status or a liability for a plan's underfunded status, measure a defined benefit postretirement plan's assets and obligation that determine its funded status as of the end of the employer's fiscal year, and recognize changes in the funded status of a defined benefit postretirement plan in comprehensive income in the year in which the change occurs.

Critical accounting estimates and assumptions related to the actuarial valuation of our defined benefit plans are evaluated periodically as conditions warrant and changes to such estimates are recorded.

Equity-Based Compensation

We recognize compensation cost relating to equity-based payment transactions by using a fair-value measurement method, in accordance with FASB guidance on accounting for share-based payment. FASB guidance requires all equity-based payments to employees, including grants of restricted stock units, stock options and market share units, to be recognized as compensation expense based on fair value at grant date over the requisite service period of the awards. We determine the fair value of restricted stock units based on the quoted market price of our common stock on the date of grant. The fair value of stock options is determined using the Black-Scholes option-pricing model, which uses both historical and current market data to estimate the fair value. The fair value of market share units is estimated at the date of grant using a binomial lattice model. Both models incorporate various assumptions such as the risk-free interest rate, expected volatility, expected dividend yield and expected life of the awards. When estimating the requisite service period of the awards, we consider many related factors including types of awards, employee class, and historical experience. Actual results, and future changes in estimates of the requisite service period may differ substantially from our current estimates.

Income Taxes

Our effective tax rate is based on pretax income, statutory tax rates and tax planning opportunities available in the various jurisdictions in which we operate. We account for income taxes in accordance with applicable guidance on accounting for income taxes *,* which requires that deferred tax assets and liabilities be recognized using enacted tax rates for the effect of temporary differences between book and tax bases on recorded assets and liabilities. Accounting guidance also requires that deferred tax assets be reduced by a valuation allowance, when it is more likely than not that a tax benefit will not be realized.

The recognition and measurement of a tax position is based on management’s best judgment given the facts, circumstances and information available at the reporting date. We evaluate tax positions to determine whether the benefits of tax positions are more likely than not of being sustained upon audit based on the technical merits of the tax position. For tax positions that are more likely than not of being sustained upon audit, we recognize the largest amount of the benefit that is greater than 50% likely of being realized upon ultimate settlement in the financial statements. For tax positions that are not more likely than not of being sustained upon audit, we do not recognize any portion of the benefit in the financial statements. If the more likely than not threshold is not met in the period for which a tax position is taken, we may subsequently recognize the benefit of that tax position if the tax matter is effectively settled, the statute of limitations expires, or if the more likely than not threshold is met in a subsequent period.

We evaluate, on a quarterly basis, our ability to realize deferred tax assets by assessing our valuation allowance and by adjusting the amount of such allowance, if necessary. The factors used to assess the likelihood of realization are our forecast of future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets.

To the extent we prevail in matters for which reserves have been established, or are required to pay amounts in excess of our reserves, our effective tax rate in a given financial statement period could be materially affected. An unfavorable tax settlement would require use of cash and result in an increase in the effective tax rate in the year of resolution. A favorable tax settlement would be recognized as a reduction in our effective tax rate in the year of resolution.

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Results of Operations—Fiscal 2013 Compared to Fiscal 2012

The following table presents summary consolidated statement of income data for fiscal year ended March 31, 2013, compared to fiscal year ended March 31, 2012:

	Fiscal 2013		Fiscal 2012		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Net sales	$2,277.6	100.0%	$2,283.4	100.0%	$ (5.8)	(0.3)%
Cost of goods sold	1,708.2	75.0	1,770.7	77.6	(62.5)	(3.5)
Gross profit	569.4	25.0	512.7	22.4	56.7	11.0
Operating expenses	312.3	13.7	297.8	13.0	14.5	4.9
Restructuring charges	7.2	0.3	5.0	0.2	2.2	43.6
Legal proceedings settlement income	—	—	(0.9)	(0.1)	0.9	NM
Operating earnings	249.9	11.0	210.8	9.3	39.1	18.5
Interest expense	18.7	0.8	16.5	0.7	2.2	13.6
Other (income) expense, net	0.9	0.1	3.1	0.2	(2.2)	(70.1)
Earnings before income taxes	230.3	10.1	191.2	8.4	39.1	20.4
Income tax expense	65.3	2.9	47.3	2.1	18.0	38.0
Net earnings	165.0	7.2	143.9	6.3	21.1	14.6
Net losses attributable to noncontrolling interests	(1.5)	(0.1)	(0.1)	—	(1.4)	NM
Net earnings attributable to EnerSys stockholders	$ 166.5	7.3%	$ 144.0	6.3%	$ 22.5	15.6%

NM = not meaningful

Overview

Our sales in fiscal 2013 were relatively flat at approximately $2.3 billion compared to prior year sales. Acquisitions and improvement in organic volume contributed approximately 2% and 1%, respectively, and were offset by a 3% decrease due to foreign currency translation impact. Despite sales being relatively flat, the gross margin percentage in fiscal 2013 was up 260 basis points at 25.0% versus 22.4% in fiscal 2012, due mainly to lower commodity costs.

A discussion of specific fiscal 2013 versus fiscal 2012 operating results follows, including an analysis and discussion of the results of our reportable segments.

Net Sales

Net sales by reportable segment were as follows:

	Fiscal 2013		Fiscal 2012		Increase (Decrease)	
	In Millions	% Net Sales	In Millions	% Net Sales	In Millions	%
EMEA	$ 926.2	40.7%	$ 995.4	43.6%	$(69.2)	(7.0)%
Americas	1,126.9	49.5	1,082.8	47.4	44.1	4.1
Asia	224.5	9.8	205.2	9.0	19.3	9.4
Total net sales	$2,277.6	100.0%	$2,283.4	100.0%	$ (5.8)	(0.3)%

The EMEA segment's revenue decreased by $69.2 million or 7.0% in fiscal 2013, as compared to fiscal 2012. A negative currency translation impact of approximately 6% combined with a decrease in organic volume and pricing of approximately 2% and 1%, respectively, partially offset by a 2% increase from acquisitions resulted in the decreased revenue.

The Americas segment's revenue increased by $44.1 million or 4.1% in fiscal 2013, as compared to fiscal 2012, primarily due to an increase in organic volume and acquisitions of approximately 3% and 2%, respectively, partially offset by a negative currency translation impact of approximately 1%.

The Asia segment's revenue increased by $19.3 million or 9.4% in fiscal 2013 as compared to fiscal 2012. Higher organic volume and acquisitions contributed approximately 5% and 7%, respectively, partially offset by a decrease in both pricing and currency translation impact of approximately 1%.

Net sales by product line were as follows:

	Fiscal 2013		Fiscal 2012		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Reserve power	$ 1,119.1	49.1%	$ 1,092.7	47.9%	$ 26.4	2.4%
Motive power	1,158.5	50.9	1,190.7	52.1	(32.2)	(2.7)
Total net sales	$ 2,277.6	100.0%	$ 2,283.4	100.0%	$ (5.8)	(0.3)%

Sales in our reserve power product line increased in fiscal 2013 by $26.4 million or 2.4% compared to the prior year primarily due to acquisitions and higher organic volume which contributed approximately 3% each, offset by negative currency translation impact and price decreases of approximately 3% and 1%, respectively.

Sales in our motive power product line decreased in fiscal 2013 by $32.2 million or 2.7% compared to the prior year primarily due to currency translation impact and decrease in organic volume of approximately 3% and 1%, respectively, partially offset by a 1% increase due to acquisitions.

Gross Profit

	Fiscal 2013		Fiscal 2012		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Gross profit	$569.4	25.0%	$512.7	22.4%	$56.7	11.0%

Gross profit increased $56.7 million or 11.0% in fiscal 2013 compared to fiscal 2012. Gross profit, excluding the effect of foreign currency translation, increased $69 million or 13.4% in fiscal 2013 compared to fiscal 2012. This increase is primarily attributed to lower commodity costs with pricing declining slightly. We have made great efforts to sustain gross margin and continue to focus on a wide variety of sales initiatives, which include improving product mix to higher margin products and obtaining appropriate pricing for products relative to our costs. At the same time, we continue to focus on cost savings initiatives such as relocating production to low cost facilities and implementing more automation in our manufacturing plants.

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Operating Items

	Fiscal 2013		Fiscal 2012		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Operating expenses	$312.3	13.7%	$297.8	13.0%	$ 14.5	4.9%
Restructuring charges	7.2	0.3	5.0	0.2	2.2	43.6
Legal proceedings settlement income	—	—	0.9	0.1	(0.9)	NM

NM = not meaningful

Operating Expenses

Operating expenses increased $14.5 million or 4.9% in fiscal 2013 from fiscal 2012. Operating expenses, excluding the effect of foreign currency translation, increased $25.5 million or 8.6% in fiscal 2013 compared to fiscal 2012. As a percentage of sales, operating expenses increased from 13.0% in fiscal 2012 to 13.7% in fiscal 2013 partially as a result of higher payroll related costs, including stock compensation expense.

Restructuring Charges

In fiscal 2013, we recorded $7.2 million of restructuring charges, primarily for staff reductions and asset write-offs in Europe and Asia.

In fiscal 2012, we recorded $5.0 million of restructuring charges, primarily for staff reductions in Europe.

The fiscal 2012 and 2013 restructuring programs are expected to incur additional restructuring charges of approximately $4.0 million during fiscal 2014.

Operating Earnings

Operating earnings by segment were as follows:

	Fiscal 2013		Fiscal 2012		Increase (Decrease)	
	In Millions	As % Net Sales(1)	In Millions	As % Net Sales(1)	In Millions	%
EMEA	$ 64.2	6.9%	$ 63.9	6.4%	$ 0.3	0.3%
Americas	171.7	15.3	138.8	12.8	32.9	23.7
Asia	21.2	9.4	12.2	5.9	9.0	74.3
Subtotal	257.1	11.3	214.9	9.4	42.2	19.6
Restructuring charges-EMEA	4.5	0.5	5.0	0.5	(0.5)	(10.3)
Restructuring charges-Asia	2.7	1.2	—	—	2.7	NM
Legal proceedings settlement income-EMEA	—	—	(0.9)	(0.1)	0.9	NM
Total	$249.9	11.0%	$210.8	9.3%	$39.1	18.5%

(1) The percentages shown for the segments are computed as a percentage of the applicable segment’s net sales.

Fiscal 2013 operating earnings of $249.9 million were $39.1 million higher than in fiscal 2012 and were 11.0% of sales. Fiscal 2013 operating earnings were favorably affected by organic volume, acquisitions, our continuing cost savings programs and lower commodity costs. Fiscal 2013 and 2012 operating earnings included $7.2 million and $5.0 million, respectively, of restructuring charges and $0.3 million and $2.8 million, respectively, for acquisition activity related expense.

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The EMEA segment's operating earnings, excluding the highlighted items discussed above, increased $0.3 million or 0.3% in fiscal 2013 compared to fiscal 2012. Benefits of the restructuring programs on both production and operating expenses and lower commodity costs kept operating earnings relatively flat compared to the prior year despite the economic downturn in the region.

The Americas segment's operating earnings increased $32.9 million or 23.7% in fiscal 2013, with the operating margin increasing 250 basis points to 15.3%. This increase of operating margin in our Americas segment is primarily due to an increase in organic volumes and decreased commodity costs and better product mix.

Operating earnings in Asia, excluding the highlighted items discussed above, increased 74.3% in fiscal 2013 in comparison to fiscal 2012, with the operating margin as a percentage of sales increasing by 350 basis points to 9.4%. The increase in our Asia segment earnings in fiscal 2013 was primarily attributable to volume increase and better product mix.

Interest Expense

	Fiscal 2013		Fiscal 2012		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Interest expense	$18.7	0.8%	$16.5	0.7%	$ 2.2	13.6%

Interest expense of $18.7 million in fiscal 2013 (net of interest income of $1.4 million) was $2.2 million higher than the $16.5 million in fiscal 2012 (net of interest income of $0.9 million). The increase in interest expense in fiscal 2013 compared to fiscal 2012 is attributable primarily to higher interest expense on indebtedness in Asia and South America where we made recent acquisitions and higher bond accretion partially offset by lower average borrowings.

Our average debt outstanding (including the average amount of the Convertible Notes discount of $20.8 million) was $246.3 million in fiscal 2013, compared to our average debt outstanding (including the average amount of the Convertible Notes discount of $27.5 million) of $270.1 million in fiscal 2012. Our average cash interest rate incurred in fiscal 2013 was 4.2% compared to 3.1% in fiscal 2012.

Included in interest expense is non-cash, accreted interest on the Convertible Notes of $7.0 million in fiscal 2013 and $6.4 million in fiscal 2012. Also included in interest expense are non-cash charges related to amortization of deferred financing fees of $1.3 million in both fiscal 2013 and fiscal 2012.

Other (Income) Expense, Net

	Fiscal 2013		Fiscal 2012		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Other (income) expense, net	$ 0.9	0.1%	$ 3.1	0.2%	$ (2.2)	(70.1)%

Other (income) expense, net was expense of $0.9 million in fiscal 2013 compared to expense of $3.1 million in fiscal 2012. Current year includes foreign currency losses of $1.9 million, miscellaneous charges of $0.8 million partially offset by insurance recoveries of $1.8 million. Prior year includes foreign currency losses of $1.5 million and other miscellaneous charges of $1.6 million.

Earnings Before Income Taxes

	Fiscal 2013		Fiscal 2012		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Earnings before income taxes	$230.3	10.1%	$191.2	8.4%	$39.1	20.4%

As a result of the factors discussed above, fiscal 2013 earnings before income taxes were $230.3 million, an increase of $39.1 million or 20.4% compared to fiscal 2012.

Income Tax Expense

	Fiscal 2013		Fiscal 2012		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Income tax expense	$65.3	2.9%	$47.3	2.1%	$18.0	38.0%
Effective tax rate	28.4%		24.7%			

The effective income tax rate was 28.4% in fiscal 2013 compared to the fiscal 2012 effective tax rate of 24.7%. The rate increase in fiscal 2013 as compared to fiscal 2012 is primarily due to changes in the mix of earnings among tax jurisdictions and the increase in non-deductible expenses in certain jurisdictions.

Results of Operations—Fiscal 2012 Compared to Fiscal 2011

The following table presents summary Consolidated Statement of Income data for fiscal year ended March 31, 2012, compared to fiscal year ended March 31, 2011:

	Fiscal 2012		Fiscal 2011		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Net sales	$ 2,283.4	100.0%	$ 1,964.4	100.0%	$ 319.0	16.2%
Cost of goods sold	1,770.7	77.6	1,514.6	77.1	256.1	16.9
Gross profit	512.7	22.4	449.8	22.9	62.9	14.0
Operating expenses	297.8	13.0	259.2	13.2	38.6	14.9
Legal proceedings settlement income	(0.9)	(0.1)	—	—	(0.9)	NM
Restructuring charges	5.0	0.2	6.8	0.3	(1.8)	(26.8)
Operating earnings	210.8	9.3	183.8	9.4	27.0	14.7
Interest expense	16.5	0.7	22.0	1.1	(5.5)	(25.2)
Other (income) expense, net	3.1	0.2	2.2	0.2	0.9	40.9
Charges related to refinancing	—	—	8.2	0.4	(8.2)	NM
Earnings before income taxes	191.2	8.4	151.4	7.7	39.8	26.3
Income tax expense	47.3	2.1	38.0	1.9	9.3	24.4
Net earnings	143.9	6.3	113.4	5.8	30.5	26.9
Net losses attributable to noncontrolling interests	(0.1)	—	—	—	(0.1)	NM
Net earnings attributable to EnerSys stockholders	$ 144.0	6.3%	$ 113.4	5.8%	$ 30.6	27.0%

NM = not meaningful

Overview

Our sales in fiscal 2012 were approximately $2.3 billion, a 16.2% increase from prior year sales primarily due to an improvement in organic volume and acquisitions of approximately 8% and 4%, respectively. Despite higher sales, the gross margin percentage in fiscal 2012 was down 50 basis points at 22.4% versus 22.9% in fiscal 2011, due mainly to higher commodity costs and unforeseen plant interruptions at two of our facilities.

Our financial position continued to be strong and we had substantial liquidity from our cash and cash equivalents, committed and uncommitted credit lines and our 2011 Credit Facility. Our positive cash flows and liquidity enabled us to continue to invest in new business opportunities such as acquisitions in South Africa, South America, Germany and India and to repurchase our shares.

A discussion of specific fiscal 2012 versus fiscal 2011 operating results follows, including an analysis and discussion of the results of our segments.

Net Sales

Total net sales increased 16.2% or $319 million in fiscal 2012 from fiscal 2011. This was due to an 8% or $149 million increase in organic volume and price increases of 2% or $49 million. Acquisitions in fiscal 2012 added approximately 4% or $73 million to net sales. Fluctuations in the U.S. dollar versus foreign currencies increased sales by 2% or $48 million.

Fluctuations in foreign currencies had a positive impact on sales of fiscal 2012 versus fiscal 2011. The euro exchange rate to the U.S. dollar averaged $1.39 / € in fiscal 2012, compared to $1.33 / € in fiscal 2011 and $1.42 / € in fiscal 2010.

Net sales by segment were as follows:

	Fiscal 2012		Fiscal 2011		Increase (Decrease)	
	In Millions	% Net Sales	In Millions	% Net Sales	In Millions	%
EMEA	$ 995.4	43.6%	$ 890.3	45.3%	$ 105.1	11.8%
Americas	1,082.8	47.4	896.6	45.7	186.2	20.8
Asia	205.2	9.0	177.5	9.0	27.7	15.6
Total net sales	$ 2,283.4	100.0%	$ 1,964.4	100.0%	$ 319.0	16.2%

The EMEA segment's revenue increased by $105.1 million or 11.8% in fiscal 2012, as compared to fiscal 2011. Acquisitions and currency translation impact contributed approximately 5% and 4%, respectively, while increases in pricing contributed approximately 2%. Organic volume in EMEA was flat.

The Americas segment's revenue increased by $186.2 million or 20.8% in fiscal 2012, as compared to fiscal 2011, primarily due to higher organic volume, which contributed approximately a 15% increase. Price increases and acquisitions contributed approximately 3% each to the improvement.

The Asia segment's revenue increased by $27.7 million or 15.6% in fiscal 2012 as compared to fiscal 2011. Higher organic volume and currency translation impact contributed approximately 8% and 7%, respectively, while increases in pricing contributed approximately 1%.

Net sales by product line were as follows:

	Fiscal 2012		Fiscal 2011		Increase (Decrease)	
	In Millions	As %Net Sales	In Millions	As %Net Sales	In Millions	%
Reserve power	$ 1,092.7	47.9%	$ 970.4	49.4%	$ 122.3	12.6%
Motive power	1,190.7	52.1	994.0	50.6	196.7	19.8
Total net sales	$ 2,283.4	100.0%	$ 1,964.4	100.0%	$ 319.0	16.2%

Sales in our reserve power product line increased in fiscal 2012 by $122.3 million or 12.6% compared to the prior year primarily due to acquisitions and higher organic volume which contributed approximately 5% and 4%, respectively. Currency translation impact and price increases contributed approximately 3% and 1%, respectively.

Sales in our motive power product line increased in fiscal 2012 by $196.7 million or 19.8% compared to the prior year primarily due to an increase in organic volume of approximately 11%. Price increases, acquisitions and currency translation impact contributed approximately 4%, 3% and 2%, respectively.

Gross Profit

	Fiscal 2012		Fiscal 2011		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Gross profit	$512.7	22.4%	$449.8	22.9%	$62.9	14.0%

Gross profit increased $62.9 million or 14.0% in fiscal 2012 compared to fiscal 2011. Gross profit, excluding the effect of foreign currency translation, increased $55 million or 12.3% in fiscal 2012 compared to fiscal 2011. Lead costs represented approximately 34% of total cost of goods sold for fiscal 2012 as compared to approximately 33% of total cost of goods sold for fiscal 2011. We made great efforts to sustain gross margin in an environment of rising commodity and energy costs, and continued to focus on a wide variety of sales initiatives, which included improving product mix to higher margin products and obtaining appropriate pricing for products relative to our costs. At the same time, we continued to focus on cost savings initiatives such as relocating production to low cost facilities and implementing more automation in our manufacturing plants.

Operating Items

	Fiscal 2012		Fiscal 2011		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Operating expenses	$297.8	13.0%	$259.2	13.2%	$38.6	14.9%
Legal proceedings settlement income	0.9	0.1	—	—	0.9	NM
Restructuring charges	5.0	0.2	6.8	0.3	(1.8)	(26.8)

NM = not meaningful

Operating Expenses

Operating expenses increased $38.6 million or 14.9% in fiscal 2012 from fiscal 2011. Operating expenses, excluding the effect of foreign currency translation, increased $29.4 million or 11.4% in fiscal 2012 compared to fiscal 2011. As a percentage of sales, operating expenses decreased from 13.2% in fiscal 2011 to 13.0% in fiscal 2012. The 20 basis point decrease was achieved by leveraging our operating expenses with higher sales.

Legal Proceedings Settlement Income

In fiscal 2009, the Court of Commerce in Lyon, France ruled that the Company's French subsidiary, EnerSys Sarl, which was acquired by the Company in 2002, was partially responsible for a 1999 fire in a French hotel under construction. The Company's portion of damages was assessed at €2.7 million or $4.2 million, which was duly recorded and paid by the Company, but the ruling was appealed. In a subsequent ruling by the Court of Appeal of Lyon, France, the portion of damages was reduced, entitling the Company to a refund of the monies paid of €0.7 million or $0.9 million, which has been recorded and collected in the second quarter of fiscal 2012. The Company further appealed the ruling to the French Supreme Court, which on March 14, 2012, ruled in the Company's favor and ordered the case back to the Court of Appeal of Lyon to further review certain aspects of the original decision in the case, including the assessment of damages. The Court of Appeal of Lyon heard arguments on April 9, 2013 and a ruling is expected in the second quarter of fiscal 2014.

Restructuring Charges

In fiscal 2012, we recorded $5.0 million of restructuring charges, primarily for staff reductions in Europe.

In fiscal 2011, we recorded $6.8 million of restructuring charges, of which $2.5 million related to the continuation of the restructuring program of our Oerlikon operations begun in fiscal 2010, and $4.3 million related primarily to new fiscal 2011 programs to further restructure our European operations, including distribution.

At March 31, 2012, the Oerlikon and fiscal 2009 European restructuring programs were completed. The fiscal 2011 and 2012 restructuring programs incurred additional restructuring charges of approximately $1 million in fiscal 2013.

Operating Earnings

Fiscal 2012 operating earnings of $210.8 million were $27.0 million higher than in fiscal 2011 and was 9.3% of sales. Fiscal 2012 operating earnings were favorably affected by higher organic volume, our continuing cost savings programs and price increases, partially offset by higher commodity costs. Fiscal 2012 and 2011 operating earnings included $5.0 million and $6.8 million, respectively, of restructuring charges and $2.8 million and $2.5 million, respectively, for acquisition activity related expense in EMEA, Americas and Asia.

Operating earnings by segment were as follows:

	Fiscal 2012		Fiscal 2011		Increase (Decrease)	
	In Millions	As % Net Sales(1)	In Millions	As % Net Sales(1)	In Millions	%
EMEA	$ 63.9	6.4%	$ 55.6	6.3%	$ 8.3	14.8%
Americas	138.8	12.8	124.5	13.9	14.3	11.6
Asia	12.2	5.9	10.5	5.9	1.7	15.9
Subtotal	214.9	9.4	190.6	9.7	24.3	12.7
Legal proceedings settlement income-EMEA	(0.9)	(0.1)	—	—	(0.9)	NM
Restructuring charges-EMEA	5.0	0.5	6.8	0.8	(1.8)	(26.8)
Total	$ 210.8	9.3%	$ 183.8	9.4%	$27.0	14.7%

(1) The percentages shown for the segments are computed as a percentage of the applicable segment's net sales.

The EMEA segment's operating earnings, excluding the highlighted items discussed above, increased $8.3 million or 14.8% in fiscal 2012 compared to fiscal 2011. This improvement in operating earnings, despite a negative impact of approximately $2 million due to a three-week strike at our manufacturing plant in Poland in the second quarter of fiscal 2012 and start-up costs relating to our new business in Germany of approximately $1.3 million, is primarily attributable to pricing and the benefits of the restructuring programs on both production and operating expenses, partially offset by higher commodity costs.

The Americas segment's operating earnings increased $14.3 million or 11.6% in fiscal 2012, with the operating margin decreasing 110 basis points to 12.8%. This decline of operating margin in our Americas segment, despite a 15% increase in organic volumes, was due to increased commodity costs net of pricing and product mix.

Operating earnings in Asia increased 15.9% in fiscal 2012 in comparison to fiscal 2011, with the operating margin as a percentage of sales remaining flat at 5.9%. The increase in our Asia segment earnings in fiscal 2012 was primarily attributable to volume increase and better product mix, offset partially by higher commodity costs. We incurred approximately $3.8 million of start-up costs related to our new facility in Chongqing, China in fiscal 2012. Start-up costs related to Chongqing were approximately $1.6 million in fiscal 2011. In addition, we incurred approximately $0.9 million in fiscal 2012, costs related to a temporary closure of our facility in Jiangsu Province, People's Republic of China, by government authorities for an environmental review, as were, to our knowledge, all lead processing facilities in that province. After completion of the review, the government authorities allowed the plant to reopen in November 2011 on a conditional basis with the understanding that the Company would work with the assistance of the government agencies, to relocate to a more preferable location.

Interest Expense

	Fiscal 2012		Fiscal 2011		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Interest expense	$16.5	0.7%	$22.0	1.1%	$(5.5)	(25.2)%

Interest expense of $16.5 million in fiscal 2012 (net of interest income of $0.9 million) was $5.5 million lower than the $22.0 million in fiscal 2011 (net of interest income of $1.3 million). The decrease in interest expense in fiscal 2012 compared to fiscal 2011 is attributable primarily to $6.7 million of expense associated with outstanding interest rate hedging contracts in the prior fiscal year. In fiscal 2012, the swaps no longer qualified for hedge accounting and losses realized on the swaps amounting to $1.0 million were included in other (income) expense, net. Lower interest expense in fiscal 2012 was also due to lower average borrowings offset by higher interest expense in Asia and South America.

Our average debt outstanding (including the average amount of the Convertible Notes discount of $27.5 million) was $270.1 million in fiscal 2012, compared to our average debt outstanding (including the average amount of the Convertible Notes discount of $33.7 million) of $326.3 million, in fiscal 2011. Our average cash interest rate incurred in fiscal 2012 was 3.1% compared to 4.4% in fiscal 2011.

Included in interest expense is non-cash, accreted interest on the Convertible Notes of $6.4 million in fiscal 2012 and $5.9 million in fiscal 2011. Also included in interest expense are non-cash charges related to amortization of deferred financing fees of $1.3 million in fiscal 2012, compared to $1.9 million, in fiscal 2011.

Charges Related to Refinancing

	Fiscal 2012		Fiscal 2011		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Charges related to refinancing	$ —	— %	$ 8.2	0.4%	$ (8.2)	NM

In fiscal 2011, we incurred charges in connection with the refinancing of our credit facility. These charges included $2.3 million in write offs of deferred financing fees and $5.9 million of unrealized losses on account of discontinuing hedge accounting for the interest rate swap agreements.

Other (Income) Expense, Net

	Fiscal 2012		Fiscal 2011		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Other (income) expense, net	$ 3.1	0.2%	$ 2.2	0.2%	$ 0.9	40.9%

Other (income) expense, net was expense of $3.1 million in fiscal 2012 compared to expense of $2.2 million in fiscal 2011. This $0.9 million unfavorable change is attributable to $1.5 million foreign currency losses in fiscal 2012 compared to $0.7 million foreign currency losses in the comparable prior year period and unrealized losses of $1.0 million on interest rate swaps as discussed above, offset by the $0.6 million for the secondary offering fees related to the shares sold by certain stockholders of the Company, including affiliates of Metalmark Capital LLC and certain other institutional stockholders in fiscal 2011.

Earnings Before Income Taxes

	Fiscal 2012		Fiscal 2011		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Earnings before income taxes	$191.2	8.4%	$151.4	7.7%	$39.8	26.3%

As a result of the factors discussed above, fiscal 2012 earnings before income taxes were $191.2 million, an increase of $39.8 million or 26.3% compared to fiscal 2011.

Income Tax Expense

	Fiscal 2012		Fiscal 2011		Increase (Decrease)	
	In Millions	As % Net Sales	In Millions	As % Net Sales	In Millions	%
Income tax expense	$47.3	2.1%	$ 38.0	1.9%	$ 9.3	24.4%
Effective tax rate	24.7%		25.1%			

The effective income tax rate was 24.7% in fiscal 2012, compared to the fiscal 2011 effective tax rate of 25.1%. The rate decrease in fiscal 2012 as compared to fiscal 2011 is primarily due to changes in the mix of earnings among tax jurisdictions.

Liquidity and Capital Resources

Overview

As we discussed in our *Overview* and *Current Market Conditions* above, our results have been significantly affected by the economic environment during the past three fiscal years. In periods of increasing revenue, such as in fiscal 2012 and 2011, operating cash flow was generally reduced by the need for additional Primary Working Capital. In fiscal 2013, revenue and Primary Working Capital remained relatively flat. We have maintained sufficient lines of credit since the Company was formed in 2000 to fund our requirements for Primary Working Capital, capital expenditures, acquisitions, common stock repurchases and other investments. As discussed earlier, we believe that the 2011 Credit Facility, which consists of a revolving line of credit of $350 million expiring in March 2016, along with other credit lines of $148 million and our available cash and cash equivalents of $249.3 million as of March 31, 2013, will be sufficient for our needs and anticipated growth in the foreseeable future.

Cash Flow and Financing Activities

Cash and cash equivalents at March 31, 2013, 2012 and 2011, were $249.3 million, $160.5 million and $108.9 million, respectively.

Cash provided by operating activities for fiscal 2013, 2012 and 2011, was $244.4 million, $204.2 million and $76.5 million, respectively.

During fiscal 2013, cash from operating activities was provided primarily from net earnings of $165.0 million, depreciation and amortization of $50.5 million and a net source of $26.4 million from non-cash interest expense, provision for doubtful accounts, deferred taxes, net gains and settlements on derivatives, stock compensation, asset write-offs related to restructuring and losses on disposal of fixed assets. Primary Working Capital improved by $9.9 million and was offset partially by a change in current and other assets, accrued expenses, and other liabilities of $7.4 million.

During fiscal 2012, cash from operating activities was provided primarily from net earnings of $144.0 million, depreciation and amortization of $50.4 million and a net source of $14.5 million from non-cash interest expense, provision for doubtful accounts, deferred taxes, net gains and settlements on derivatives, stock compensation and gains on disposal of fixed assets. Change in current and other assets, accrued expenses, and other liabilities contributed a further $20.2 million, offset by a $24.9 million increase in Primary Working Capital.

During fiscal 2011, cash from operating activities was provided primarily from net earnings of $113.4 million, depreciation and amortization of $44.4 million and a net source of $17.6 million from non-cash interest expense, write-off of deferred finance fees, provision for doubtful accounts, deferred taxes and stock compensation. This cash flow was partially offset by an $86.7 million increase in Primary Working Capital and a $12.2 million net increase in current and other assets, accrued expenses, and other liabilities.

As explained in the discussion of our use of “non-GAAP financial measures,” we monitor the level and percentage of Primary Working Capital to sales. Primary Working Capital for this purpose is trade accounts receivable, plus inventories, minus trade accounts payable and the resulting net amount is divided by the trailing three-month net sales (annualized) to derive a Primary Working Capital percentage. Primary Working Capital was $552.7 million (yielding a Primary Working Capital percentage of 24.2%) at March 31, 2013 and $578.6 million (yielding a Primary Working Capital percentage of 24.4%) at March 31, 2012. The 20 basis point decrease at March 31, 2013 versus March 31, 2012 was mainly attributed to a drop in accounts receivable balances while sales were flat.

Primary Working Capital and Primary Working Capital percentages at March 31, 2013, 2012 and 2011 are computed as follows:

At March 31,	Trade Receivables	Inventory	Accounts Payable (in millions)	Primary Working Capital	Quarter Revenue Annualized	Primary Working Capital (%)
2013	$ 448.1	$353.9	$ (249.3)	$552.7	$2,288.5	24.2%
2012	$ 466.8	$361.8	$ (250.0)	$578.6	$ 2,371.0	24.4%
2011	$ 464.1	$ 335.0	$(251.8)	$ 547.3	$2,192.2	25.0%

Cash used in investing activities for fiscal 2013, 2012 and 2011 was $55.1 million, $72.4 million and $91.7 million, respectively. Capital expenditures were $55.3 million, $48.9 million and $59.9 million in fiscal 2013, 2012 and 2011, respectively. The current year’s capital spending focused primarily on TPPL capacity expansion in EMEA and Americas, completion of expansion of our Chongqing plant in the People’s Republic of China and the acquisition of land, building and equipment in our primary lithium business in Pennsylvania. Our purchases of and investments in businesses were $23.6 million and $32.2 million in fiscal 2012 and 2011, respectively. No acquisitions were made during fiscal 2013.

During fiscal 2013, we borrowed $246.0 million on our revolver and repaid $325.4 million. Borrowings on long-term debt and short-term debt were $5.6 million and $7.4 million, respectively, which were partially offset by repayments of long-term debt of $16.5 million in Asia. During fiscal 2013, we repurchased $22.6 million of our common stock.

During fiscal 2012, we borrowed $111.6 million on our revolver and repaid $132.2 million. Borrowings financed a portion of our repurchases of common stock of $58.4 million and acquisitions of $23.6 million.

During fiscal 2011, we repaid $201.1 million of the 2008 Credit Facility and $11.1 million of the Euro 25,000 Credit Facility Agreement among EnerSys Holdings (Luxembourg), S.a.r.l., San Paolo IMI S.p.A., as Facility Agent and lender, and Banca Intesa S.p.A., as lender (the "Euro Term Loan") with $100 million of revolver proceeds borrowed under the new 2011 Credit Facility and available cash and cash equivalents. Additionally, in fiscal 2011, we borrowed under the 75,000 Chinese Renminbi ("RMB") credit facility ("China Term Loan"), $6.1 million, $3.1 million of short-term debt and paid $3.5 million in refinancing fees related to the 2011 Credit Facility.

The exercise of stock options and the related tax benefits contributed $11.3 million, $2.7 million and $24.0 million, respectively, in fiscal 2013, 2012 and 2011.

As a result of the above, cash and cash equivalents increased $88.8 million from $160.5 million at March 31, 2012 to $249.3 million at March 31, 2013.

We currently are in compliance with all covenants and conditions under our credit agreements.

In addition to cash flows from operating activities, we had available committed and uncommitted credit lines of approximately $469 million at March 31, 2013 to cover short-term liquidity requirements. Our 2011 Credit Facility is committed through March 2016, as long as we continue to comply with the covenants and conditions of the credit facility agreement. Included in our available credit lines at March 31, 2013 is $348.8 million of our 2011 Credit Facility.

We believe that our cash flow from operations, available cash and cash equivalents and available borrowing capacity under our credit facilities will be sufficient to meet our liquidity needs, including normal levels of capital expenditures, for the foreseeable future; however, there can be no assurance that this will be the case.

Off-Balance Sheet Arrangements

The Company did not have any off-balance sheet arrangements during any of the periods covered by this report.

Contractual Obligations and Commercial Commitments

At March 31, 2013, we had certain cash obligations, which are due as follows:

	Total	Less than 1 year	2 to 3 years	4 to 5 years	After 5 years
			(in millions)		
Debt obligations	$195.2	$ 22.7	$172.5	$ —	$ —
Interest on debt	12.6	5.8	6.8	—	—
Operating leases	64.0	19.4	24.5	11.5	8.6
Pension benefit payments and profit sharing	30.4	2.5	4.7	5.7	17.5
Restructuring	2.0	2.0	—	—	—
Facility construction commitments	10.0	10.0	—	—	—
Interest rate swap agreements	0.6	0.6	—	—	—
Lead and foreign currency forward contracts	4.8	4.8	—	—	—
Purchase commitments	10.6	10.6	—	—	—
Capital lease obligations, including interest	0.5	0.3	0.2	—	—
Total	$ 330.7	$ 78.7	$ 208.7	$ 17.2	$26.1

Due to the uncertainty of future cash outflows, uncertain tax positions have been excluded from the table above.

Under our 2011 Credit Facility and other credit arrangements, we had outstanding standby letters of credit of $11.9 million as of March 31, 2013.

Credit Facilities and Leverage

Our focus on working capital management and cash flow from operations is measured by our ability to reduce debt and reduce our leverage ratios. Shown below are the leverage ratios at March 31, 2013 and 2012, in connection with our 2011 Credit Facility.

The total net debt as defined under our 2011Credit Facility is $81.6 million for fiscal 2013 and is 0.3 times adjusted EBITDA (non-GAAP) as described below and reflects improved net earnings and positive cash flows.

The following table provides a reconciliation of net earnings to EBITDA (non-GAAP) and adjusted EBITDA (non-GAAP) as per our 2011 Credit Facility:

	Fiscal 2013	Fiscal 2012
	(in millions, except ratios)	
Net earnings as reported	$ 165.0	$ 144.0
Add back:		
Depreciation and amortization	50.5	50.4
Interest expense	18.7	16.5
Income tax expense	65.3	47.3
EBITDA (non GAAP) (1)	$ 299.5	$ 258.2
Adjustments per credit agreement definitions	14.7 (2)	11.6 (2)
Adjusted EBITDA (non-GAAP) per credit agreement	$ 314.2	$ 269.8
Total net debt (3)	$ 81.6	$ 214.4
Leverage ratios:		
Total net debt/adjusted EBITDA ratio (4)	0.3 X	0.8 X
Maximum ratio permitted	3.25 X	3.25 X
Consolidated interest coverage ratio (5)	23.2 X	22.6 X
Minimum ratio required	4.5 X	4.5 X

(1) We have included EBITDA (non-GAAP) and adjusted EBITDA (non-GAAP) because our lenders use it as a key measure of our performance. EBITDA is defined as earnings before interest expense, income tax expense, depreciation and amortization. EBITDA is not a measure of financial performance under GAAP and should not be considered an alternative to net earnings or any other measure of performance under GAAP or to cash flows from operating, investing or financing activities as an indicator of cash flows or as a measure of liquidity. Our calculation of EBITDA may be different from the calculations used by other companies, and therefore comparability may be limited. Certain financial covenants in our 2011 Credit Facility are based on EBITDA, subject to adjustments, which are shown above. Continued availability of credit under our 2011 Credit Facility is critical to our ability to meet our business plans, we believe that an understanding of the key terms of our credit agreement is important to an investor’s understanding of our financial condition and liquidity risks. Failure to comply with our financial covenants, unless waived by our lenders, would mean we could not borrow any further amounts under our revolving credit facility and would give our lenders the right to demand immediate repayment of all outstanding revolving credit loans. We would be unable to continue our operations at current levels if we lost the liquidity provided under our credit agreements. Depreciation and amortization in this table excludes the amortization of deferred financing fees, which is included in interest expense.

(2) The $14.7 million and $11.6 million adjustment to EBITDA in fiscal 2013 and 2012, respectively, related to the adjustment of non-cash stock compensation expense.

(3) Debt includes capital lease obligations and letters of credit and is net of U.S. cash and cash equivalents and a portion of European cash investments, as defined in the 2011 Credit Facility. In fiscal 2013, U.S. cash and cash equivalents and European cash investments were $26 million and $100 million, respectively, and in fiscal 2012, were $5 million and $70 million, respectively.

(4) These ratios are included to show compliance with the leverage ratios set forth in our credit facilities. We show both our current ratios and the maximum ratio permitted or minimum ratio required under our 2011 Credit Facility.

(5) As defined in the 2011 Credit Facility, interest expense used in the consolidated interest coverage ratio excludes non-cash interest of $8.5 million and includes $3.3 million of interest rate swap contract settlements for fiscal 2013. For fiscal 2012, interest expense used in the consolidated interest coverage ratio excludes non-cash interest of $8.0 million and includes $3.4 million of interest rate swap contract settlements.

EnerSys Stockholders' Equity

EnerSys stockholders' equity increased $137.2 million during fiscal 2013 due to net earnings of $166.5 million; $26.1 million of increases related to stock-based compensation and the exercise of stock options; acquisition of noncontrolling interest of $0.6 million; decrease due to repurchase of common shares of $22.6 million; currency translation adjustments of $27.2 million due primarily to the weakening of European currencies; $2.0 million unrealized loss on derivative instruments; and $4.2 million related to pension liabilities.

EnerSys stockholders' equity increased $57.9 million during fiscal 2012 due to net earnings of $144.0 million; $14.3 million of increases related to stock-based compensation and the exercise of stock options; decrease of $1.0 million due to acquisition of noncontrolling interest in a subsidiary; decrease due to repurchase of common shares of $58.4 million; currency translation adjustments of $32.3 million due primarily to the weakening of European currencies; $3.2 million unrealized loss on derivative instruments; and $5.5 million related to pension liabilities.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

During fiscal 2013, no new accounting standards were adopted or pending adoption that would have a significant impact on our Consolidated Financial Statements or the Notes to the Consolidated Financial Statements.

Related Party Transactions

FASB guidance, *Related Party Disclosures* requires us to identify and describe material transactions involving related persons or entities and to disclose information necessary to understand the effects of such transactions on our consolidated financial statements. In fiscal 2011, under the terms of a security holder agreement, we paid $0.6 million in fees related to secondary offerings of 2.85 million shares of our common stock to underwriters by certain of our stockholders, including affiliates of Metalmark Capital LLC and certain other institutional stockholders.

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Sequential Quarterly Information

Fiscal 2013 and 2012 quarterly operating results, and the associated quarterly trends within each of those two fiscal years, are affected by the same economic and business conditions as described in the fiscal 2013 versus fiscal 2012 analyses previously discussed.

	Fiscal 2013				Fiscal 2012			
	July 1, 2012 1st Qtr.	Sep. 30, 2012 2nd Qtr.	Dec. 30, 2012 3rd Qtr.	March 31, 2013 4th Qtr.	July 3, 2011 1st Qtr.	Oct. 2, 2011 2nd Qtr.	Jan. 1, 2012 3rd Qtr.	March 31, 2012 4th Qtr.
	(in millions, except share and per share amounts)							
Net sales	$ 593.9	$ 554.2	$ 557.3	$ 572.2	$ 569.2	$ 547.2	$ 574.2	$ 592.8
Cost of goods sold	445.6	415.9	413.6	433.1	447.2	432.8	443.4	447.3
Gross profit	148.3	138.3	143.7	139.1	122.0	114.4	130.8	145.5
Operating expenses	77.7	74.1	80.2	80.3	72.9	71.9	75.7	77.3
Restructuring charges	0.4	1.3	3.7	1.8	0.4	0.9	1.4	2.3
Legal proceedings settlement income	—	—	—	—	—	(0.9)	—	—
Operating earnings	70.2	62.9	59.8	57.0	48.7	42.5	53.7	65.9
Interest expense	4.7	5.0	4.6	4.4	3.4	4.1	4.8	4.2
Other (income) expense, net	1.2	(1.8)	1.3	0.2	1.2	—	1.1	1.2
Earnings before income taxes	64.3	59.7	53.9	52.4	44.1	38.4	47.8	60.5
Income tax expense	18.7	16.7	15.2	14.7	10.6	10.1	11.0	15.6
Net earnings	45.6	43.0	38.7	37.7	33.5	28.3	36.8	44.9
Net losses attributable to noncontrolling interests	(0.2)	(0.8)	(0.5)	—	—	—	—	(0.5)
Net earnings attributable to EnerSys stockholders	$ 45.8	$ 43.8	$ 39.2	$ 37.7	$ 33.5	$ 28.3	$ 36.8	$ 45.4
Net earnings per common share attributable to EnerSys stockholders:								
Basic	$ 0.96	$ 0.91	$ 0.81	$ 0.79	$ 0.67	$ 0.57	$ 0.77	$ 0.95
Diluted	$ 0.95	$ 0.90	$ 0.80	$ 0.77	$ 0.66	$ 0.57	$ 0.77	$ 0.94
Weighted-average number of common shares outstanding:								
Basic	47,901,203	48,188,331	48,176,206	47,822,281	50,052,627	49,469,694	47,704,567	47,765,933
Diluted	48,426,991	48,719,916	48,682,346	48,712,542	50,668,276	49,806,964	48,045,900	48,343,000

Net Sales

Quarterly net sales by segment were as follows:

	Fiscal 2013				Fiscal 2012			
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
	(in millions)							
Net sales by segment:								
EMEA	$ 237.1	$ 215.4	$ 231.4	$ 242.3	$ 253.0	$ 245.3	$ 247.6	$ 249.5
Americas	288.9	276.7	275.8	285.5	259.2	252.3	281.2	290.1
Asia	67.9	62.1	50.1	44.4	57.0	49.6	45.4	53.2
Total	$593.9	$554.2	$557.3	$572.2	$569.2	$547.2	$574.2	$592.8
Segment net sales as % of total:								
EMEA	39.9%	38.9%	41.5%	42.3%	44.4%	44.8%	43.1%	42.1%
Americas	48.7	49.9	49.5	49.9	45.6	46.1	49.0	48.9
Asia	11.4	11.2	9.0	7.8	10.0	9.1	7.9	9.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Quarterly net sales by product line were as follows:

	Fiscal 2013				Fiscal 2012			
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
	(in millions)							
Net sales by product line:								
Reserve power	$ 289.3	$ 285.3	$265.2	$ 279.3	$265.9	$ 267.3	$ 277.3	$ 282.2
Motive power	304.6	268.9	292.1	292.9	303.3	279.9	296.9	310.6
Total	$593.9	$ 554.2	$ 557.3	$ 572.2	$569.2	$ 547.2	$ 574.2	$592.8
Product line net sales as % of total:								
Reserve power	48.7%	51.5%	47.6%	48.8%	46.7%	48.9%	48.3%	47.6%
Motive power	51.3	48.5	52.4	51.2	53.3	51.1	51.7	52.4
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

Market Risks

Our cash flows and earnings are subject to fluctuations resulting from changes in interest rates, foreign currency exchange rates and raw material costs. We manage our exposure to these market risks through internally established policies and procedures and, when deemed appropriate, through the use of derivative financial instruments. Our policy does not allow speculation in derivative instruments for profit or execution of derivative instrument contracts for which there are no underlying exposures. We do not use financial instruments for trading purposes and are not a party to any leveraged derivatives. We monitor our underlying market risk exposures on an ongoing basis and believe that we can modify or adapt our hedging strategies as needed.

Counterparty Risks

We had entered into interest rate swap agreements to manage risk on a portion of our long-term floating-rate debt. We have entered into lead forward purchase contracts to manage risk on the cost of lead. We have entered into foreign exchange forward contracts to manage risk on foreign currency exposures. The Company’s agreements are with creditworthy financial institutions. Those contracts that result in a liability position at March 31, 2013 are $4.8 million (pre-tax), therefore, there is no risk of nonperformance by these counterparties. Those contracts that result in an asset position at March 31, 2013 are $1.3 million (pre-tax) and the vast majority of these will settle within one year. The impact on the Company due to nonperformance by the counterparties has been evaluated and not deemed material.

Interest Rate Risks

We are exposed to changes in variable U.S. interest rates on borrowings under our credit agreements. On a selective basis, from time to time, we enter into interest rate swap agreements to reduce the negative impact that increases in interest rates could have on our outstanding variable rate debt. At the end of fiscal 2011, these interest rate swaps no longer qualified for hedge accounting due to the refinancing of the Company’s then existing credit facility. Changes in the fair value of these contracts for fiscal 2013 and 2012 have therefore been recorded in the Consolidated Statements of Income in other (income) expense, net, while changes in fair value for the comparable period in fiscal 2011 were recorded in accumulated other comprehensive income.

At March 31, 2013 and 2012, the aggregate notional amount of interest rate swap agreements is $65.0 million and $85.0 million, respectively. These agreements expired in May 2013.

Under the interest rate swaps, the Company received three-month LIBOR and paid a fixed interest rate which averaged 4.32% and 4.28%, on March 31, 2013 and 2012, respectively.

A 100 basis point increase in interest rates would have increased annual interest expense by approximately $0.2 million on the variable rate portions of our debt.

Commodity Cost Risks—Lead Contracts

We have a significant risk in our exposure to certain raw materials. Our largest single raw material cost is for lead, for which the cost remains volatile. In order to hedge against increases in our lead cost, we have entered into contracts with financial institutions to fix the price of lead. A vast majority of such contracts are for a period not extending beyond one year. We had the following contracts outstanding at the dates shown below:

Date	$'s Under Contract (in millions)	# Pounds Purchased (in millions)	Average Cost/Pound	Approximate % of Lead Requirements(1)
March 31, 2013	$ 56.6	56.3	$ 1.00	12%
March 31, 2012	56.6	60.0	0.94	12
March 31, 2011	68.2	63.4	1.08	14

(1) Based on the fiscal year lead requirements for the period then ended.

We estimate that a 10% increase in our cost of lead would have increased our annual cost of goods sold by approximately $54 million for the fiscal year ended March 31, 2013.

Foreign Currency Exchange Rate Risks

We manufacture and assemble our products globally in the Americas, EMEA and Asia. Approximately 60% of our sales and expenses are transacted in foreign currencies. Our sales revenue, production costs, profit margins and competitive position are affected by the strength of the currencies in countries where we manufacture or purchase goods relative to the strength of the currencies in countries where our products are sold. Additionally, as we report our financial statements in U.S. dollars, our financial results are affected by the strength of the currencies in countries where we have operations relative to the strength of the U.S. dollar. The principal foreign currencies in which we conduct business are the Euro, Swiss franc, British pound, Polish zloty, Chinese renminbi and Mexican peso.

We quantify and monitor our global foreign currency exposures. Our largest foreign currency exposure is from the purchase and conversion of U.S. dollar based lead costs into local currencies in EMEA. Additionally, we have currency exposures from intercompany financing and trade transactions. On a selective basis, we enter into foreign currency forward contracts and option contracts to reduce the impact from the volatility of currency movements; however, we cannot be certain that foreign currency fluctuations will not impact our operations in the future.

To hedge these exposures, we have entered into forward contracts with financial institutions to fix the value at which we will buy or sell certain currencies. The vast majority of such contracts are for a period not extending beyond one year. Forward contracts outstanding as of March 31, 2013 were $73.1 million. The details of contracts outstanding as of March 31, 2013 were as follows:

Transactions Hedged	$US Equivalent (in millions)	Average Rate Hedged	Approximate % of Annual Requirements[1]
Sell Euros for U.S. dollars	$ 20.5	$/€1.30	12%
Sell Euros for Polish zloty	14.2	PLN/€ 4.18	20
Sell Euros for British pounds	25.1	£/€ 0.81	41
Sell South African Rand for Euros	4.4	ZAR/€ 11.85	34
Sell Australian dollars for U.S. dollars	1.3	$/AUD 1.03	13
Sell U.S. dollars for Mexican pesos	2.5	MXN/$ 13.44	50
Sell Australian dollars for Euros	2.2	AUD/€ 1.28	17
Other	2.9		
Total	$ 73.1		

(1) Based on the fiscal year currency requirements for the year ended March 31, 2013.

Foreign exchange translation adjustments are recorded as a separate component of accumulated other comprehensive income in EnerSys' stockholders' equity and noncontrolling interests.

Based on changes in the timing and amount of interest rate and foreign currency exchange rate movements and our actual exposures and hedges, actual gains and losses in the future may differ from our historical results.

ITEM 8. *FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA*

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
EnerSys

We have audited the accompanying consolidated balance sheets of EnerSys as of March 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for each of the three years in the period ended March 31, 2013. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of EnerSys at March 31, 2013 and 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended March 31, 2013, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), EnerSys' internal control over financial reporting as of March 31, 2013, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 28, 2013 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania
May 28, 2013

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
EnerSys

We have audited EnerSys' internal control over financial reporting as of March 31, 2013, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). EnerSys' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying *Management Report on Internal Control over Financial Reporting* . Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, EnerSys maintained, in all material respects, effective internal control over financial reporting as of March 31, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of EnerSys as of March 31, 2013 and 2012 and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for each of the three years in the period ended March 31, 2013 of EnerSys and our report dated May 28, 2013 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania
May 28, 2013

EnerSys

Consolidated Balance Sheets
(In Thousands, Except Share and Per Share Data)

	March 31, 2013	March 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	$ 249,348	$ 160,490
Accounts receivable, net of allowance for doubtful accounts (2013—$9,292; 2012—$10,022)	448,068	466,769
Inventories, net	353,941	361,774
Deferred taxes	37,786	30,247
Prepaid and other current assets	63,819	52,393
Total current assets	1,152,962	1,071,673
Property, plant, and equipment, net	350,126	353,215
Goodwill	345,499	352,737
Other intangible assets, net	103,701	107,082
Deferred taxes	14,168	15,999
Other assets	21,411	24,249
Total assets	$ 1,987,867	$ 1,924,955
Liabilities and Equity		
Current liabilities:		
Short-term debt	$ 22,702	$ 16,042
Current portion of long-term debt	—	2,540
Current portion of capital lease obligations	311	409
Accounts payable	249,359	249,996
Accrued expenses	191,664	188,403
Deferred taxes	3,523	2,911
Total current liabilities	467,559	460,301
Long-term debt	155,273	236,589
Capital lease obligations	203	521
Deferred taxes	88,036	84,479
Other liabilities	90,418	92,468
Total liabilities	801,489	874,358
Commitments and contingencies	—	—
Redeemable noncontrolling interests	11,095	9,782
Equity:		
Series A Convertible Preferred Stock, $0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding at March 31, 2013 and at March 31, 2012	—	—
Common Stock, $0.01 par value, 135,000,000 shares authorized, 52,970,281 shares issued and 47,840,204 shares outstanding at March 31, 2013; 52,247,014 shares issued and 47,800,129 shares outstanding at March 31, 2012	529	522
Additional paid-in capital	501,646	474,924
Treasury stock at cost, 5,130,077 shares held as of March 31, 2013 and 4,446,885 shares held as of March 31, 2012	(100,776)	(78,183)
Retained earnings	727,347	560,839
Accumulated other comprehensive income	40,655	74,093
Total EnerSys stockholders' equity	1,169,401	1,032,195
Nonredeemable noncontrolling interests	5,882	8,620
Total equity	1,175,283	1,040,815
Total liabilities and equity	$ 1,987,867	$ 1,924,955

See accompanying notes.

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EnerSys

Consolidated Statements of Income
(In Thousands, Except Share and Per Share Data)

	Fiscal year ended March 31,		
	2013	2012	2011
Net sales	$ 2,277,559	$ 2,283,369	$ 1,964,462
Cost of goods sold	1,708,203	1,770,664	1,514,618
Gross profit	569,356	512,705	449,844
Operating expenses	312,324	297,806	259,217
Restructuring charges	7,164	4,988	6,813
Legal proceedings settlement income	—	(900)	—
Operating earnings	249,868	210,811	183,814
Interest expense	18,719	16,484	22,038
Charges related to refinancing	—	—	8,155
Other (income) expense, net	916	3,068	2,177
Earnings before income taxes	230,233	191,259	151,444
Income tax expense	65,275	47,292	38,018
Net earnings	164,958	143,967	113,426
Net losses attributable to noncontrolling interests	(1,550)	(36)	—
Net earnings attributable to EnerSys stockholders	$ 166,508	$ 144,003	$ 113,426
Net earnings per common share attributable to EnerSys stockholders:			
Basic	$ 3.47	$ 2.95	$ 2.30
Diluted	$ 3.42	$ 2.93	$ 2.27
Weighted-average number of common shares outstanding:			
Basic	48,022,005	48,748,205	49,376,132
Diluted	48,635,449	49,216,035	50,044,246

See accompanying notes.

EnerSys

Consolidated Statements of Comprehensive Income
(In Thousands)

	Fiscal year ended March 31,		
	2013	2012	2011
Net earnings	$164,958	$143,967	$113,426
Other comprehensive income (loss):			
Net unrealized gain (loss) on derivative instruments, net of tax	(2,007)	(3,261)	9,470
Pension funded status adjustment, net of tax	(4,187)	(5,470)	1,967
Foreign currency translation adjustment	(28,894)	(32,516)	36,539
Total other comprehensive income (loss), net of tax	(35,088)	(41,247)	47,976
Total comprehensive income	129,870	102,720	161,402
Comprehensive income (loss) attributable to noncontrolling interests	(3,200)	(196)	335
Comprehensive income attributable to EnerSys stockholders	$ 133,070	$102,916	$161,067

See accompanying notes.

EnerSys

Consolidated Statements of Changes in Stockholders' Equity
(In Thousands)

	Series A Convertible Preferred Stock	Common Stock	Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income	Total EnerSys Stockholders' Equity	Non-redeemable Non-controlling Interests	Total Equity
Balance at March 31, 2010	**$ —**	**$ 504**	**$428,579**	**$ (19,800)**	**$303,410**	**$ 67,204**	**$ 779,897**	**$ 4,327**	**$ 784,224**
Stock-based compensation	—	—	9,056	—	—	—	9,056	—	9,056
Exercise of stock options	—	14	17,880	—	—	—	17,894	—	17,894
Tax benefit from stock options	—	—	6,082	—	—	—	6,082	—	6,082
Net earnings	—	—	—	—	113,426	—	113,426	—	113,426
Other comprehensive income:									
Pension funded status adjustment (net of tax expense of $794)	—	—	—	—	—	1,967	1,967	—	1,967
Net unrealized gain (loss) on derivative instruments (net of tax expense of $5,251)	—	—	—	—	—	9,470	9,470	—	9,470
Foreign currency translation adjustment	—	—	—	—	—	36,539	36,539	335	36,874
Balance at March 31, 2011	**$ —**	**$ 518**	**$461,597**	**$ (19,800)**	**$416,836**	**$ 115,180**	**$ 974,331**	**$ 4,662**	**$ 978,993**
Stock-based compensation	—	—	11,585	—	—	—	11,585	—	11,585
Exercise of stock options	—	4	970	—	—	—	974	—	974
Tax benefit from stock options	—	—	1,772	—	—	—	1,772	—	1,772
Purchase of common stock	—	—	—	(58,383)	—	—	(58,383)	—	(58,383)
Purchase of noncontrolling interests	—	—	(1,000)	—	—	—	(1,000)	—	(1,000)
Noncontrolling interests attributable to the consolidation of fiscal 2012 acquisitions	—	—	—	—	—	—	—	4,020	4,020
Net earnings (excludes $170 of losses attributable to redeemable noncontrolling interests)	—	—	—	—	144,003	—	144,003	134	144,137
Other comprehensive income:									
Pension funded status adjustment (net of tax benefit of $1,841)	—	—	—	—	—	(5,470)	(5,470)	—	(5,470)
Net unrealized gain (loss) on derivative instruments (net of tax benefit of $1,909)	—	—	—	—	—	(3,261)	(3,261)	—	(3,261)
Foreign currency translation adjustment (excludes $36 related to redeemable noncontrolling interests)	—	—	—	—	—	(32,356)	(32,356)	(196)	(32,552)
Balance at March 31, 2012	**$ —**	**$ 522**	**$474,924**	**$ (78,183)**	**$ 560,839**	**$ 74,093**	**$ 1,032,195**	**$ 8,620**	**$1,040,815**
Stock-based compensation	—	—	14,737	—	—	—	14,737	—	14,737
Exercise of stock options	—	7	10,026	—	—	—	10,033	—	10,033
Tax benefit from stock options	—	—	1,351	—	—	—	1,351	—	1,351
Purchase of common stock	—	—	—	(22,593)	—	—	(22,593)	—	(22,593)
Purchase of noncontrolling interests	—	—	608	—	—	—	608	(2,739)	(2,131)
Proceeds from noncontrolling interests	—	—	—	—	—	—	—	613	613
Net earnings (excluding $1,429 of losses attributable to redeemable noncontrolling interests)	—	—	—	—	166,508	—	166,508	(121)	166,387
Other comprehensive income:									
Pension funded status adjustment (net of tax benefit of $1,195)	—	—	—	—	—	(4,187)	(4,187)	—	(4,187)
Net unrealized gain (loss) on derivative instruments (net of tax benefit of $1,134)	—	—	—	—	—	(2,007)	(2,007)	—	(2,007)
Foreign currency translation adjustment (excludes ($1,159) related to redeemable noncontrolling interests)	—	—	—	—	—	(27,244)	(27,244)	(491)	(27,735)
Balance at March 31, 2013	**$ —**	**$ 529**	**$501,646**	**$(100,776)**	**$ 727,347**	**$ 40,655**	**$ 1,169,401**	**$ 5,882**	**$1,175,283**

See accompanying notes.

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EnerSys

Consolidated Statements of Cash Flows
(In Thousands)

	Fiscal year ended March 31,		
	2013	2012	2011
Cash flows from operating activities			
Net earnings	$164,958	$ 143,967	$ 113,426
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	50,502	50,360	44,393
Write-off of assets related to restructuring activities	3,689	—	—
Derivatives not designated in hedging relationships:			
Net (gains) losses	(2,496)	1,083	—
Cash settlements	(851)	(3,763)	—
Provision for doubtful accounts	998	1,395	1,513
Deferred income taxes	1,673	(3,227)	(3,064)
Non-cash interest expense	8,492	7,983	7,776
Stock-based compensation	14,737	11,585	9,056
Write-off of deferred financing fees	—	—	2,308
Loss (gain) on disposal of fixed assets	170	(432)	—
Changes in assets and liabilities, net of effects of acquisitions:			
Accounts receivable	5,421	7,106	(61,892)
Inventory	(921)	(19,655)	(67,250)
Prepaid and other current assets	(15,754)	8,834	(15,658)
Other assets	3,293	(955)	(2,552)
Accounts payable	5,370	(12,377)	42,422
Accrued expenses	2,997	13,505	(3,822)
Other liabilities	2,122	(1,213)	9,803
Net cash provided by operating activities	244,400	204,196	76,459
Cash flows from investing activities			
Capital expenditures	(55,286)	(48,943)	(59,940)
Purchase of businesses, net of cash acquired	—	(23,553)	(32,200)
Proceeds from disposal of property, plant, and equipment	194	76	479
Net cash used in investing activities	(55,092)	(72,420)	(91,661)
Cash flows from financing activities			
Net increase (decrease) in short-term debt	7,435	(462)	3,084
Proceeds from revolving credit borrowings	246,050	111,550	100,000
Repayment of revolving credit borrowings	(325,450)	(132,150)	—
Proceeds from long-term debt—other	5,556	—	6,112
Payments of long-term debt—other	(16,468)	(308)	(212,238)
Deferred financing fees incurred in connection with refinancing prior credit facility	—	—	(3,500)
Capital lease obligations and other	(358)	(1,375)	(111)
Net effect from exercising of stock options and vesting of equity awards	10,033	974	17,894
Excess tax benefits from exercise of stock options and vesting of equity awards	1,351	1,772	6,082
Purchase of treasury stock	(22,593)	(58,383)	—
Purchase of noncontrolling interests	(2,131)	(1,000)	—
Proceeds from noncontrolling interests	613	—	—
Net cash used in financing activities	(95,962)	(79,382)	(82,677)
Effect of exchange rate changes on cash and cash equivalents	(4,488)	(773)	5,706
Net increase (decrease) in cash and cash equivalents	88,858	51,621	(92,173)
Cash and cash equivalents at beginning of year	160,490	108,869	201,042
Cash and cash equivalents at end of year	$ 249,348	$ 160,490	$ 108,869

See accompanying notes.

EnerSys

Notes to Consolidated Financial Statements
March 31, 2013
(In Thousands, Except Share and Per Share Data)

1. Summary of Significant Accounting Policies

Description of Business

EnerSys (the “Company”) and its predecessor companies have been manufacturers of industrial batteries for over 100 years. EnerSys is a global leader in stored energy solutions for industrial applications. The Company manufactures markets and distributes industrial batteries and related products such as chargers, power equipment and battery accessories, and provides related after-market and customer-support services for industrial batteries.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries and any partially owned subsidiaries that the Company has the ability to control. Control generally equates to ownership percentage, whereby investments that are more than 50% owned are generally consolidated, investments in affiliates of 50% or less but greater than 20% are generally accounted for using the equity method, and investments in affiliates of 20% or less are accounted for using the cost method. All intercompany transactions and balances have been eliminated in consolidation.

The Company also consolidates certain subsidiaries in which the noncontrolling interest party has within its control the right to require the Company to redeem all or a portion of its interest in the subsidiary. The redeemable noncontrolling interests are reported at their estimated redemption value. Any adjustment to the redemption value impacts retained earnings but does not impact net income or comprehensive income. Noncontrolling interests which are redeemable only upon future events, the occurrence of which is not currently probable, are recorded at carrying value.

Foreign Currency Translation

Results of foreign operations are translated into U.S. dollars using average exchange rates during the periods. The assets and liabilities are translated into U.S. dollars using exchange rates as of the balance sheet dates. Gains or losses resulting from translating the foreign currency financial statements are accumulated as a separate component of accumulated other comprehensive income (“AOCI”) in EnerSys’ stockholders’ equity and noncontrolling interests.

Transaction gains and losses resulting from exchange rate changes on transactions denominated in currencies other than the functional currency of the applicable subsidiary are included in the Consolidated Statements of Income, within “Other (income) expense, net”, in the year in which the change occurs.

Revenue Recognition

The Company recognizes revenue when the earnings process is complete. This occurs when risk and title transfers, collectibility is reasonably assured and pricing is fixed and determinable. Shipment terms are either shipping point or destination and do not differ significantly between the Company’s business segments. Accordingly, revenue is recognized when risk and title are transferred to the customer. Amounts invoiced to customers for shipping and handling are classified as revenue. Taxes on revenue producing transactions are not included in net sales.

The Company recognizes revenue from the service of its reserve power and motive power products when the respective services are performed.

Accruals are made at the time of sale for sales returns and other allowances based on the Company's historical experience.

Freight Expense

Amounts billed to customers for outbound freight costs are classified as sales in the Consolidated Statements of Income. Costs incurred by the Company for outbound freight costs to customers, inbound and transfer freight are classified in cost of goods sold.

Warranties

The Company's products are warranted for a period ranging from one to twenty years for reserve power batteries and for a period ranging from one to seven years for motive power batteries. The Company provides for estimated product warranty expenses when the related products are sold. The assessment of the adequacy of the reserve includes a review of open claims and historical experience.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less when purchased.

Concentration of Credit Risk

Financial instruments that subject the Company to potential concentration of credit risk consist principally of short-term cash investments and trade accounts receivable. The Company invests its cash with various financial institutions and in various investment instruments limiting the amount of credit exposure to any one financial institution or entity. The Company has bank deposits that exceed federally insured limits. In addition, certain cash investments may be made in U.S. and foreign government bonds, or other highly rated investments guaranteed by the U.S. or foreign governments. Concentration of credit risk with respect to trade receivables is limited by a large, diversified customer base and its geographic dispersion. The Company performs ongoing credit evaluations of its customers' financial condition and requires collateral, such as letters of credit, in certain circumstances.

Accounts Receivable

The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of customers to make required payments. The allowance is based on management's estimate of uncollectible accounts, analysis of historical data and trends, as well as reviews of all relevant factors concerning the financial capability of its customers. Accounts receivable are considered to be past due based on how payments are received compared to the customer's credit terms. Accounts are written off when management determines the account is uncollectible.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method. The cost of inventory consists of material, labor, and associated overhead.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost and include expenditures that substantially increase the useful lives of the assets. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows: 10 to 33 years for buildings and improvements and 3 to 15 years for machinery and equipment.

Maintenance and repairs are expensed as incurred. Interest on capital projects is capitalized during the construction period.

Business Combinations

The purchase price of an acquired company is allocated between tangible and intangible assets acquired and liabilities assumed from the acquired business based on their estimated fair values, with the residual of the purchase price recorded as goodwill. The results of operations of the acquired businesses are included in the Company's operating results from the dates of acquisition.

Goodwill and Other Intangible Assets

Goodwill and indefinite-lived trademarks are tested for impairment at least annually and whenever events or circumstances occur indicating that a possible impairment may have been incurred. Goodwill is tested for impairment by determining the fair value of the Company's reporting units. These estimated fair values are based on financial projections, certain cash flow measures, and market capitalization. The indefinite-lived trademarks are tested for impairment by comparing the carrying value to the fair value based on current revenue projections of the related operations, under the relief from royalty method. Any excess carrying value over the amount of fair value is recognized as impairment. Any impairment would be recognized in full in the reporting period in which it has been identified.

Finite-lived assets such as customer relationships, patents, and non-compete agreements are amortized over their estimated useful lives, generally over periods ranging from 3 to 20 years. The Company reviews the carrying values of these assets for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated cash flows expected to result from its use and eventual disposition. The Company continually evaluates the reasonableness of the useful lives of these assets.

Impairment of Long-Lived Assets

The Company reviews the carrying values of its property and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated cash flows expected to result from its use and eventual disposition. The factors considered by the Company in performing this assessment include current operating results, trends and other economic factors. In assessing the recoverability of the carrying value of the property and equipment, the Company must make assumptions regarding future cash flows and other factors. If these estimates or the related assumptions change in the future, the Company may be required to record an impairment loss for these assets.

Environmental Expenditures

The Company records a loss and establishes a reserve for environmental remediation liabilities when it is probable that an asset has been impaired or a liability exists and the amount of the liability can be reasonably estimated. Reasonable estimates involve judgments made by management after considering a broad range of information including: notifications, demands or settlements that have been received from a regulatory authority or private party, estimates performed by independent engineering companies and outside counsel, available facts existing and proposed technology, the identification of other potentially responsible parties, their ability to contribute and prior experience. These judgments are reviewed quarterly as more information is received and the amounts reserved are updated as necessary. However, the reserves may materially differ from ultimate actual liabilities if the loss contingency is difficult to estimate or if management's judgments turn out to be inaccurate. If management believes no best estimate exists, the minimum probable loss is accrued.

Derivative Financial Instruments

The Company utilizes derivative instruments to mitigate volatility related to interest rates, lead prices and foreign currency exposures. The Company does not hold or issue derivative financial instruments for trading or speculative purposes. The Company recognizes derivatives as either assets or liabilities in the accompanying Consolidated Balance Sheets and measures those instruments at fair value. Changes in the fair value of those instruments are reported in AOCI if they qualify for hedge accounting or in earnings if they do not qualify for hedge accounting. Derivatives qualify for hedge accounting if they are designated as hedge instruments and if the hedge is highly effective in achieving offsetting changes in the fair value or cash flows of the asset or liability hedged. Effectiveness is measured on a regular basis using statistical analysis and by comparing the overall changes in the expected cash flows on the lead and foreign currency forward contracts with the changes in the expected all-in cash outflow required for the lead and foreign currency purchases. This analysis is performed on the initial purchases quarterly that cover the quantities hedged. Accordingly, gains and losses from changes in derivative fair value of effective hedges are deferred and reported in AOCI until the underlying transaction affects earnings.

The Company has commodity, foreign exchange and interest rate hedging authorization from the Board of Directors and has established a hedging and risk management program that includes the management of market and counterparty risk. Key risk control activities designed to ensure compliance with the risk management program include, but are not limited to, credit review and approval, validation of transactions and market prices, verification of risk and transaction limits, portfolio stress tests, sensitivity analyses and frequent portfolio reporting, including open positions, determinations of fair value and other risk management metrics.

Market risk is the potential loss the Company and its subsidiaries may incur as a result of price changes associated with a particular financial or commodity instrument. The Company utilizes forward contracts, and swaps as part of its risk management strategies, to minimize unanticipated fluctuations in earnings caused by changes in commodity prices, interest rates and/or foreign currency exchange rates. All derivatives are recognized on the balance sheet at their fair value, unless they qualify for Normal Purchase Normal Sale.

Credit risk is the potential loss the Company may incur due to the counterparty's non-performance. The Company is exposed to credit risk from interest rate, foreign currency and commodity derivatives with financial institutions. The Company has credit policies to manage their credit risk, including the use of an established credit approval process, monitoring of the counterparty positions and the use of master netting agreements.

The Company has elected to offset net derivative positions under master netting arrangements. The Company does not have any positions involving cash collateral (payables or receivables) under a master netting arrangement as of March 31, 2013 and 2012.

The Company does not have any credit-related contingent features associated with its derivative instruments.

Fair Value of Financial Instruments

The fair value of the Company's cash and cash equivalents, accounts receivable and accounts payable approximate carrying value due to their short maturities.

The fair value of the Company's $350,000 senior secured revolving credit facility ("2011 Credit Facility"), the 75,000 Chinese Renminbi ("RMB") credit facility ("China Term Loan"), the 273,780 Indian Rupee ("INR") term loan ("India Term Loan") and short-term debt approximate their carrying value, as they are variable rate debt and the terms are comparable to market terms as of the balance sheet dates and are classified as Level 2.

The fair value amounts of the Company's $172,500 senior unsecured 3.375% convertible notes ("Convertible Notes") represent the trading values of the Convertible Notes which is based upon quoted market prices and are classified as Level 2.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The Company and its subsidiaries use, as appropriate, a market approach (generally, data from market transactions), an income approach (generally, present value techniques and option-pricing models), and/or a cost approach (generally, replacement cost) to measure the fair value of an asset or liability. These valuation approaches incorporate inputs such as observable, independent market data and/or unobservable data that management believes are predicated on the assumptions market participants would use to price an asset or liability. These inputs may incorporate, as applicable, certain risks such as nonperformance risk, which includes credit risk.

Lead contracts, foreign currency contracts and interest rate contracts generally use an income approach to measure the fair value of these contracts, utilizing readily observable inputs, such as forward interest rates (e.g., London Interbank Offered Rate—"LIBOR") and forward foreign currency exchange rates (e.g., GBP and euro) and commodity prices (e.g., London Metals Exchange), as well as inputs that may not be observable, such as credit valuation adjustments. When observable inputs are used to measure all or most of the value of a contract, the contract is classified as Level 2. Over-the-counter (OTC) contracts are valued using quotes obtained from an exchange, binding and non-binding broker quotes. Furthermore, the Company obtains independent quotes from the market to validate the forward price curves. OTC contracts include forwards, swaps and options. To the extent possible, fair value measurements utilize various inputs that include quoted prices for similar contracts or market-corroborated inputs.

When unobservable inputs are significant to the fair value measurement, a contract is classified as Level 3. The Company did not have any Level 3 positions at March 31, 2013 or March 31, 2012. Additionally, Level 2 fair value measurements include adjustments for credit risk based on the Company's own creditworthiness (for net liabilities) and its counterparties' creditworthiness (for net assets). The Company assumes that observable market prices include sufficient adjustments for liquidity and modeling risks. The Company did not have any contracts that transferred between Level 2 and Level 3 as well as Level 1 and Level 2.

Income Taxes

The Company accounts for income taxes in accordance with the Financial Accounting Standards Board ("FASB") guidance, which requires deferred tax assets and liabilities be recognized using enacted tax rates to measure the effect of temporary differences between book and tax bases on recorded assets and liabilities. FASB guidance also requires that deferred tax assets be reduced by a valuation allowance, if it is more likely than not some portion or all of the deferred tax assets will not be recognized.

The Company evaluates on a quarterly basis its ability to realize deferred tax assets by assessing its valuation allowance and by adjusting the amount of such allowance, if necessary. The factors used to assess the likelihood of realization are forecasts of future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets.

In accordance with FASB guidance on accounting for uncertainty in income taxes, the Company evaluates tax positions to determine whether the benefits of tax positions are more likely than not of being sustained upon audit based on the technical merits of the tax position. For tax positions that are more likely than not of being sustained upon audit, the Company recognizes the largest amount of the benefit that is greater than 50% likely of being realized upon ultimate settlement. For tax positions that are not more likely than not of being sustained upon audit, the Company does not recognize any portion of the benefit. If the more likely than not threshold is not met in the period for which a tax position is taken, the Company may subsequently recognize the benefit of that tax position if the tax matter is effectively settled, the statute of limitations expires, or if the more likely than not threshold is met in a subsequent period.

Deferred Financing Fees

Debt issuance costs that are incurred by the Company in connection with the issuance of debt are deferred and amortized to interest expense over the life of the underlying indebtedness, adjusted to reflect any early repayments.

Retirement Plans

The Company accounts for retirement plans in accordance with FASB guidance on employers' accounting for defined benefit pension plans , which requires an entity to recognize in its statement of financial position an asset for a defined benefit postretirement plan's overfunded status or a liability for a plan's underfunded status, and to measure a defined benefit postretirement plan's assets and obligations that determine its funded status as of the balance sheet date.

The Company uses certain assumptions in the calculation of the actuarial valuations of its defined benefit plans. These assumptions include discount rate, rates of increase in compensation levels and expected long-term rates of return of plan assets. If actual results are less favorable than those projected by the Company, additional expense may be required.

Stock-Based Compensation Plans

The Company measures the cost of employee services received in exchange for the award of an equity instrument based on the grant-date fair value of the award, with such cost recognized over the applicable vesting period.

Market Share Units

The fair value of the market share units is estimated at the date of grant using a binomial lattice model with the following assumptions: a risk-free interest rate, dividend yield, time to maturity and expected volatility. These units vest and are settled in common stock on the third anniversary of the date of grant. Market share units are converted into between zero and two shares of common stock for each unit granted at the end of a three-year performance cycle. The conversion ratio is calculated by dividing the average closing share price of the Company's common stock during the ninety calendar days immediately preceding the vesting date by the average closing share price of the Company's common stock during the ninety calendar days immediately preceding the grant date, with the resulting quotient capped at two. This quotient is then multiplied by the number of market share units granted to yield the number of shares of common stock to be delivered on the vesting date. The Company recognizes compensation expense using the straight-line method over the life of the market share units.

Restricted Stock Units

The fair value of restricted stock units is based on the closing market price of the Company's common stock on the date of grant. These awards generally vest, and are settled in common stock, at 25% per year, over a four-year period from the date of grant. The Company recognizes compensation expense using the straight-line method over the life of the restricted stock units.

Stock Options

The fair value of the options granted is estimated at the date of grant using the Black-Scholes option-pricing model utilizing assumptions based on historical data and current market data. The assumptions include expected term of the options, risk-free interest rate, expected volatility, and dividend yield. The expected term represents the expected amount of time that options granted are expected to be outstanding, based on historical and forecasted exercise behavior. The risk-free rate is based on the rate at the grant date of zero-coupon U.S. Treasury Notes with a term equal to the expected term of the option. Expected volatility is estimated using historical volatility rates based on historical weekly price changes. The Company's dividend yield is based on historical data. The Company recognizes compensation expense using the straight-line method over the vesting period of the options.

Earnings Per Share

Basic earnings per common share ("EPS") are computed by dividing net earnings attributable to EnerSys stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that would occur if securities or other contracts to issue common stock were exercised or converted into common stock. At March 31, 2013, 2012 and 2011, the Company had outstanding stock options, restricted stock units, market share units and Convertible Notes, which could potentially dilute basic earnings per share in the future.

Segment Reporting

FASB guidance defines that a segment for reporting purposes is based on the financial performance measures that are regularly reviewed by the chief operating decision maker to assess segment performance and to make decisions about a public entity's allocation of resources. Based on this guidance, the Company reports its segment results based upon the three geographical regions of operations.

- **Americas**, which includes North and South America, with segment headquarters in Reading, Pennsylvania, USA,
- **EMEA**, which includes Europe, the Middle East and Africa, with segment headquarters in Zurich, Switzerland, and
- **Asia**, which includes Asia, Australia and Oceania, with segment headquarters in Singapore.

New Accounting Pronouncements

In June 2011, the FASB issued ASU No. 2011-05, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income" requiring entities to present net income and other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements and eliminated the option to present components of other comprehensive income as part of the statement of shareholders' equity. This guidance became effective for the Company in the first quarter of fiscal 2013 and did not have an impact on its financial statements other than the change in presentation.

In February 2013, the FASB finalized the disclosure requirements on how entities should present financial information about reclassification adjustments from accumulated other comprehensive income in ASU No. 2013-02, "Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income". The standard requires that companies present either in a single note or parenthetically on the face of the financial statements, the effect of significant amounts reclassified from each component of accumulated other comprehensive income based on its source and the income statement line items affected by the reclassification. If a component is not required to be reclassified to net income in its entirety, companies would instead cross-reference to the related footnote for additional information. The disclosures required by this amendment are effective for public entities for fiscal years and interim periods within those years beginning after December 15, 2012.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Acquisitions

In fiscal 2012, the Company completed the following four acquisitions with a combined net purchase price of $23,553, using cash on hand.

The Company obtained a controlling financial interest in Powertech Batteries (which is a part of Allied Electronics Corporation Limited (Altron)), in South Africa to produce and market batteries for industrial applications which would serve both reserve power and motive power customers across sub-Saharan Africa, including South Africa.

The Company obtained a controlling financial interest in EAS Germany GmbH, to produce large format lithium-ion battery cells with GAIA Akkumulatorenwerke GmbH ("GAIA"), a wholly owned subsidiary of Lithium Technology Corporation ("LTC").

The Company obtained a controlling financial interest in Energy Leader Batteries India Limited in India to serve both reserve and motive power customers in India.

The Company also acquired Industrial Battery Holding S.A., the parent company of EnerSystem, a market leader in the South American motive power and reserve power battery markets, with headquarters in Buenos Aires, Argentina and with manufacturing plants in Argentina and Brazil as well as operations in Chile.

The Company finalized purchase accounting for these acquisitions in fiscal 2013. These adjustments in the aggregate were not significant to the financial statements.

The Company acquired intangible assets, in connection with each of the fiscal 2012 acquisitions, including trademarks, customer relationships, technology and goodwill. Trademarks were valued at $2,000, non-compete agreements at $500, customer relationships at $3,400 and technology at $4,265. Customer relationships, non-compete agreements and technology were assigned finite useful lives and amortization is recorded over the economic life of the intangibles. Goodwill relating to these acquisitions was recorded at $16,764.

The results of these acquisitions have been included in the Company's results of operations from the dates of their respective acquisitions. Pro forma earnings per share computations have not been presented as these acquisitions are not considered material.

In fiscal 2011, the Company made three acquisitions, the most significant of which was the acquisition of the lithium-ion battery business, ABSL Power Solutions Ltd ("ABSL"), which was completed on February 28, 2011. The purchase price paid for these transactions, net of cash received, was $32,200 and was financed using cash on hand. The Company acquired intangible assets, in connection with the ABSL acquisition, including trademarks, customer relationships, technology and goodwill. Trademarks were valued at $1,774, customer relationships at $3,547 and technology at $2,741. Customer relationships and technology were assigned finite useful lives and amortization is recorded over the economic life of the intangibles. Goodwill relating to the acquisition of ABSL was recorded at $15,342.

These acquisitions and investments provide the Company with an expanded geographic presence and advanced technology products for use in high integrity applications in telecommunications, utilities, rail, material handling and mining, as well as other sectors.

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3. Inventories

Net inventories consist of:

	March 31, 2013	March 31, 2012
Raw materials	$ 88,787	$ 100,538
Work-in-process	113,119	111,629
Finished goods	152,035	149,607
Total	$ 353,941	$ 361,774

Inventory reserves for obsolescence and other estimated losses, mainly relating to finished goods, were $17,372 and $14,831 at March 31, 2013 and 2012, respectively, and have been included in the net amounts shown above.

4. Property, Plant, and Equipment

Property, plant, and equipment consist of:

	March 31, 2013	March 31, 2012
Land, buildings, and improvements	$ 206,610	$ 201,038
Machinery and equipment	528,546	511,599
Construction in progress	25,139	29,779
	760,295	742,416
Less accumulated depreciation	(410,169)	(389,201)
Total	$ 350,126	$ 353,215

Depreciation expense for the fiscal years ended March 31, 2013, 2012 and 2011 totaled $47,876, $48,532, and $43,517, respectively. Interest capitalized in connection with major construction projects amounted to $619, $797, and $1,292 for the fiscal years ended March 31, 2013, 2012 and 2011, respectively.

5. Goodwill and Other Intangible Assets

Information regarding the Company's other intangible assets are as follows:

	March 31,					
	2013			2012		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Indefinite-lived intangible assets:						
Trademarks	$ 86,298	$ (953)	$ 85,345	$ 86,745	$ (953)	$ 85,792
Finite-lived intangible assets:						
Customer relationships	14,016	(3,994)	10,022	14,330	(2,839)	11,491
Non-compete	2,558	(1,524)	1,034	2,602	(1,224)	1,378
Patents	5,383	(1,237)	4,146	5,230	(615)	4,615
Trademarks	2,004	(727)	1,277	2,003	(643)	1,360
Licenses	2,527	(650)	1,877	2,640	(194)	2,446
Total	$ 112,786	$ (9,085)	$ 103,701	$ 113,550	$ (6,468)	$ 107,082

The Company's amortization expense related to finite-lived intangible assets was $2,626, $1,828, and $876, for the years ended March 31, 2013, 2012 and 2011, respectively. The expected amortization expense based on the finite-lived intangible assets as of March 31, 2013, is $2,160 in 2014, $2,045 in 2015, $2,013 in 2016, $1,799 in 2017 and $1,432 in 2018.

The changes in the carrying amount of goodwill by reportable segment are as follows:

	Fiscal year ended March 31, 2013			
	EMEA	Americas	Asia	Total
Balance at beginning of year	$ 173,442	$150,754	$28,541	$352,737
Adjustments related to the finalization of purchase accounting for fiscal 2012 acquisitions	155	230	(20)	365
Foreign currency translation adjustment	(6,889)	(953)	239	(7,603)
Balance at end of year	$166,708	$ 150,031	$28,760	$345,499

	Fiscal year ended March 31, 2012			
	EMEA	Americas	Asia	Total
Balance at beginning of year	$177,881	$ 143,225	$22,560	$343,666
Goodwill acquired during the year	3,164	7,973	5,262	16,399
Adjustments related to the finalization of purchase accounting for fiscal 2011 acquisitions	374	5	—	379
Foreign currency translation adjustment	(7,977)	(449)	719	(7,707)
Balance at end of year	$ 173,442	$150,754	$ 28,541	$ 352,737

During fiscal 2013, the Company retroactively adjusted the fair value of the redeemable noncontrolling interests by approximately $5,676 relating to the Powertech Batteries and Energy Leader Batteries India Limited acquisitions and increased the corresponding goodwill associated with these transactions as of March 31, 2012. In addition, the Company adjusted nonredeemable noncontrolling interests by an amount of $4,106 to properly account for the redeemable noncontrolling interests.

The Company estimated tax-deductible goodwill to be approximately $10,444 and $12,745 as of March 31, 2013 and 2012, respectively.

6. Prepaid and Other Current Assets

Prepaid and other current assets consist of the following:

	March 31,	
	2013	2012
Prepaid non-income taxes	$27,525	$ 23,737
Prepaid income taxes	16,145	7,716
Non-trade receivables	6,096	8,247
Other	14,053	12,693
Total	$ 63,819	$ 52,393

7. Accrued Expenses

Accrued expenses consist of the following:

	March 31, 2013	March 31, 2012
Payroll and benefits	$ 52,484	$55,595
Accrued selling expenses	28,896	26,269
Warranty	20,079	19,274
Income taxes payable	19,273	16,979
Freight	11,768	12,314
VAT and other non-income taxes	10,438	10,966
Deferred income	7,789	12,057
Lead forward contracts	2,832	—
Interest	2,171	2,040
Pension and social security	1,787	1,696
Restructuring	1,959	1,186
Interest rate swaps	654	3,628
Other	31,534	26,399
Total	$191,664	$ 188,403

8. Debt

Summary of Long-Term Debt

The following summarizes the Company’s long-term debt:

	March 31, 2013	March 31, 2012
3.375% Convertible Notes, net of discount, due 2038	$155,273	$ 148,272
2011 Credit Facility due 2016	—	79,400
China Term Loan due 2017	—	6,034
India Term Loan due 2017	—	5,383
Other	—	40
	155,273	239,129
Less current portion	—	2,540
Total long-term debt	$155,273	$236,589

2011 Senior Secured Revolving Credit Facility

On March 29, 2011, the Company entered into a $350,000 senior secured revolving credit facility (“2011 Credit Facility”). The 2011 Credit Facility matures on March 31, 2016. This facility includes an early termination provision under which the Company is required to meet a liquidity test in February 2015 related to its capacity to meet certain potential obligations related to the Convertible Notes in June 2015. Borrowings under the 2011 Credit Facility bear interest at a floating rate based, at the Company’s option, upon (i) LIBOR plus an applicable percentage (currently 1.25%), (ii) the greater of the Federal Funds rate plus 0.50% or the prime rate, or one-month LIBOR plus 1.0%, plus an applicable percentage (currently 0.25%). There are no prepayment penalties on loans under the 2011 Credit Facility. There was no balance outstanding as of March 31, 2013.

Obligations under the 2011 Credit Facility are secured by substantially all of the Company’s existing and future acquired assets, including substantially all of the capital stock of the Company’s United States subsidiaries that are guarantors under the credit facility, and 65% of the capital stock of certain of the Company’s foreign subsidiaries that are owned by the Company’s United States companies.

China Term Loan

During the fourth quarter of fiscal 2011, the Company completed the financing of the China Term Loan. This was a six-year term loan to provide a portion of the capital requirements for the Company's operations in China. This term loan was paid in full during the fourth quarter of fiscal 2013.

India Term Loan

During the fourth quarter of fiscal 2012, the Company obtained a controlling financial interest in Energy Leader Batteries India Limited in India. The Company assumed the India Term Loan at the date of acquisition. The loan was paid in full during the third quarter of fiscal 2013 and was replaced with a short-term borrowing. The amount outstanding as of March 31, 2013, on the short-term borrowings was $15,077.

Senior Unsecured 3.375% Convertible Notes

On May 28, 2008, the Company completed a registered offering of $172,500 aggregate principal amount of senior unsecured 3.375% Convertible Notes Due 2038 ("Convertible Notes") (see prospectus and supplemental indenture dated May 28, 2008). The Company received net proceeds of $168,200 after the deduction of commissions and offering expenses. The Company used all of the net proceeds to repay a portion of its then existing senior secured credit facility.

The Convertible Notes are general senior unsecured obligations and rank equally with the Company's existing and future senior unsecured obligations and are junior to any of the Company's future secured obligations to the extent of the value of the collateral securing such obligations. The Convertible Notes are not guaranteed, and are structurally subordinate in right of payment to, all of the (i) existing and future indebtedness and other liabilities of the Company's subsidiaries and (ii) preferred stock of the Company's subsidiaries to the extent of their respective liquidation preferences.

The Convertible Notes require the semi annual payment of interest in arrears on June 1 and December 1 of each year beginning December 1, 2008, at 3.375% per annum on the principal amount outstanding. The Convertible Notes will accrete principal beginning on June 1, 2015 and will bear contingent interest, if any, beginning with the six-month interest period commencing on June 1, 2015 under certain circumstances. The Convertible Notes will mature on June 1, 2038. Prior to maturity, the holders may convert their Convertible Notes into shares of the Company's common stock at any time after March 1, 2015 or prior to that date under certain circumstances. When issued, the initial conversion rate was 24.6305 shares per $1,000 principal amount of Convertible Notes, which was equivalent to an initial conversion price of $40.60 per share. It is the Company's current intent to settle the principal amount of any conversions in cash, and any additional conversion consideration in cash, shares of EnerSys common stock or a combination of cash and shares. The Convertible Notes will mature on June 1, 2038, unless earlier converted, redeemed or repurchased.

At any time after June 6, 2015, the Company may at its option redeem the Convertible Notes, in whole or in part, for cash, at a redemption price equal to 100% of the principal amount of Convertible Notes to be redeemed, plus any accrued and unpaid interest. A holder of Convertible Notes may require the Company to repurchase some or all of the holder's Convertible Notes for cash upon the occurrence of a fundamental change as defined in the indenture and on each of June 1, 2015, 2018, 2023, 2028 and 2033 at a price equal to 100% of the principal amount of the Convertible Notes being repurchased, plus accrued and unpaid interest, if any, in each case. If applicable, the Company will pay a make-whole premium on Convertible Notes converted in connection with certain fundamental changes that occur prior to June 6, 2015. The amount of the make-whole premium, if any, will be based on the Company's stock price and the effective date of the fundamental change. The indenture contains a detailed description of how the make-whole premium will be determined and a table showing the make-whole premium that would apply at various stock prices. No make-whole premium would be paid if the price of the Common Stock on the effective date of the fundamental change is less than $29.00. Any make-whole premium will be payable in shares of Common Stock (or the consideration into which the Company's Common Stock has been exchanged in the fundamental change) on the conversion date for the Convertible Notes converted in connection with the fundamental change.

The Convertible Notes were issued in an offering registered under the Securities Act of 1933, as amended ("Securities Act").

In accordance with FASB guidance on the accounting for convertible debt instruments that may be settled in cash upon conversion (including partial settlement), the liability and equity components are separated in a manner that will reflect the entity's non-convertible debt borrowing rate when interest expense is recognized in subsequent periods.

The following represents the principal amount of the liability component, the unamortized discount, and the net carrying amount of our Convertible Notes as of March 31, 2013 and 2012, respectively:

	March 31, 2013	March 31, 2012
Principal	$ 172,500	$172,500
Unamortized discount	(17,227)	(24,228)
Net carrying amount	$155,273	$148,272
Carrying amount of equity component	$ 29,850	$ 29,850

As of March 31, 2013, the remaining discount will be amortized over a period of 26 months. The conversion price of the $172,500 in aggregate principal amount of the Convertible Notes is $40.60 per share and the number of shares on which the aggregate consideration to be delivered upon conversion is 4,248,761.

The effective interest rate on the liability component of the Convertible Notes was 8.50%. The amount of interest cost recognized for the amortization of the discount on the liability component of the Convertible Notes was $7,001, $6,435 and $5,917, respectively, for the fiscal years ended March 31, 2013, 2012 and 2011.

As of March 31, 2013 and 2012, the Company had available and undrawn, under all its lines of credit, $469,123 and $377,230, respectively. Included in the March 31, 2013 and 2012 amounts are $120,373 and $95,340, respectively, of uncommitted lines of credit.

The Company paid $10,056, $8,933 and $16,101, net of interest received, for interest during the fiscal years ended March 31, 2013, 2012 and 2011, respectively.

The Company's financing agreements contain various covenants, which, absent prepayment in full of the indebtedness and other obligations, or the receipt of waivers, would limit the Company's ability to conduct certain specified business transactions including incurring debt, mergers, consolidations or similar transactions, buying or selling assets out of the ordinary course of business, engaging in sale and leaseback transactions, paying dividends and certain other actions. The Company is in compliance with all such covenants.

Short-Term Debt

As of March 31, 2013 and 2012, the Company had $22,702 and $16,042, respectively, of short-term borrowings from banks. The weighted-average interest rates on these borrowings were approximately 9% for each of the fiscal years ended March 31, 2013 and 2012.

Letters of Credit

As of March 31, 2013 and 2012, the Company had $11,854 and $9,108, respectively, of standby letters of credit outstanding under the 2011 Credit Facility and other credit arrangements.

Deferred Financing Fees

In fiscal 2011, in connection with the refinancing of the Company's previous credit facility, the Company wrote off $2,308 of unamortized deferred financing fees associated with the previous Credit Facility, and incurred $3,500 in new deferred financing fees.

Deferred financing fees, net of accumulated amortization, totaled $3,355 and $4,634 as of March 31, 2013 and 2012, respectively. Amortization expense, relating to deferred financing fees, included in interest expense was $1,279, $1,278, and $1,861 for the fiscal years ended March 31, 2013, 2012 and 2011, respectively.

9. Leases

The Company's future minimum lease payments under capital and operating leases that have noncancelable terms in excess of one year as of March 31, 2013 are as follows:

	Capital Leases	Operating Leases
2014	$ 330	$ 19,433
2015	130	14,129
2016	48	10,312
2017	27	6,793
2018	14	4,714
Thereafter	—	8,606
Total minimum lease payments	549	$63,987
Amounts representing interest	34	
Net minimum lease payments, including current portion of $311	$515	

Rental expense was $33,090, $31,619, and $28,047 for the fiscal years ended March 31, 2013, 2012 and 2011, respectively. Amortization of capitalized leased assets is included in depreciation expense. Certain operating lease agreements contain renewal or purchase options and/or escalation clauses.

10. Other Liabilities

Other liabilities consist of the following:

	March 31, 2013	March 31, 2012
Pension and profit sharing obligation	$ 34,554	$ 30,752
Warranty	22,512	22,793
Long-term income taxes liabilities	17,165	13,520
Deferred income	6,285	6,094
Interest rate swap liabilities	—	244
Other	9,902	19,065
Total	$ 90,418	$ 92,468

11. Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses the following valuation techniques to measure fair value for its financial assets and financial liabilities:

Level 1	Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2	Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs which are derived principally from or corroborated by observable market data.
Level 3	Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

The following tables represent the financial assets and (liabilities), measured at fair value on a recurring basis as of March 31, 2013 and March 31, 2012 and the basis for that measurement:

	Total Fair Value Measurement March 31, 2013	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swap agreements	$ (654)	$ —	$ (654)	$ —
Lead forward contracts	(2,832)	—	(2,832)	—
Foreign currency forward contracts	(11)	—	(11)	—
Total derivatives	$ (3,497)	$ —	$(3,497)	$ —

	Total Fair Value Measurement March 31, 2012	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swap agreements	$ (3,872)	$ —	$(3,872)	$ —
Lead forward contracts	(851)	—	(851)	—
Foreign currency forward contracts	782	—	782	—
Total derivatives	$ (3,941)	$ —	$(3,941)	$ —

The fair values of interest rate swap agreements are based on observable prices as quoted for receiving the variable three-month LIBOR and paying fixed interest rates and, therefore, were classified as Level 2.

The fair values of lead forward contracts are calculated using observable prices for lead as quoted on the London Metal Exchange (“LME”) and, therefore, were classified as Level 2.

The fair values for foreign currency forward contracts are based upon current quoted market prices and are classified as Level 2 based on the nature of the underlying market in which these derivatives are traded.

Financial Instruments

The fair values of the Company’s cash and cash equivalents accounts receivable and accounts payable approximate carrying value due to their short maturities.

The fair values of the Company’s 2011 Credit Facility, the China Term Loan, the India Term Loan and short-term debt approximate their carrying value, as they are variable rate debt and the terms are comparable to market terms as of the balance sheet dates. The China Term Loan and the India Term Loan were repaid in full as of March 31, 2013.

The Convertible Notes, with a face value of $172,500, were issued when the Company's stock price was trading at $30.19 per share. On March 31, 2013, the Company's stock price closed at $45.58 per share. The Convertible Notes have a conversion option at $40.60 per share. The fair value of these notes represent the trading values based upon quoted market prices and are classified as Level 2. The Convertible Notes were trading at 126% of face value on March 31, 2013, and 116% of face value on March 31, 2012.

The carrying amounts and estimated fair values of the Company's derivatives and Convertible Notes at March 31, 2013 and 2012 were as follows:

	March 31, 2013		March 31, 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Derivatives(1)	$ 241	$ 241	$ 812	$ 812
Financial liabilities:				
Convertible Notes	$155,273(2)	$217,350(3)	$148,272(2)	$200,100(3)
Derivatives(1)	3,738	3,738	4,753	4,753

(1) Represents interest rate swap agreements, lead and foreign currency hedges (see Note 12 for asset and liability positions of the interest rate swap agreements, lead and foreign currency hedges at March 31, 2013 and March 31, 2012).

(2) The carrying amounts of the Convertible Notes at March 31, 2013 and March 31, 2012 represent the $172,500 principal value, less the unamortized debt discount (see Note 8).

(3) The fair value amounts of the Convertible Notes represent the trading values of the Convertible Notes with a principal value of $172,500 at March 31, 2013 and March 31, 2012.

12. Derivative Financial Instruments

The Company utilizes derivative instruments to reduce its exposure to commodity price, foreign exchange risks and interest rates, under established procedures and controls. The Company does not enter into derivative contracts for speculative purposes. The Company's agreements are with creditworthy financial institutions and the Company anticipates performance by counterparties to these contracts and therefore no material loss is expected.

Derivatives in Cash Flow Hedging Relationships

Lead Hedge Forward Contracts

The Company enters into lead hedge forward contracts to fix the price for a portion of lead purchases. Management considers the lead hedge forward contracts to be effective against changes in the cash flows of the underlying lead purchases. The vast majority of such contracts are for a period not extending beyond one year and the notional amounts at March 31, 2013 and 2012 were 56.3 million pounds and 60.0 million pounds, respectively.

Foreign Currency Forward Contracts

The Company purchases lead and other commodities in certain countries where the foreign currency exposure is different from the functional currency of that country. The Company uses foreign currency forward contracts to hedge a portion of the Company's foreign currency exposures for lead as well as well as other foreign currency exposures so that gains and losses on these contracts offset changes in the underlying foreign currency denominated exposures. The vast majority of such contracts are for a period not extending beyond one year. As of March 31, 2013 and 2012, the Company had entered into a total of $51,366 and $42,121, respectively, of such contracts.

In the coming twelve months, the Company anticipates that $1,389 of pretax loss relating to lead and foreign currency forward contracts will be reclassified from AOCI as part of cost of goods sold. This amount represents the current unrealized impact of hedging lead and foreign exchange rates, which will change as market rates change in the future, and will ultimately be realized in the income statement as an offset to the corresponding actual changes in lead costs to be realized in connection with the variable lead cost and foreign exchange rates being hedged.

Derivatives not Designated in Hedging Relationships

Interest Rate Swap Agreements

As of March 31, 2013 and March 31, 2012, the Company maintained interest rate swap agreements that converted $65,000 and $85,000, respectively, of variable-rate debt to a fixed-rate basis, utilizing the three-month LIBOR, as a floating rate reference. These agreements, which expired in May 2013, no longer qualified for hedge accounting at the end of fiscal 2011 as a result of the refinancing of the Company's previous credit facility. The Company recorded expense relating to changes in the fair value of these agreements in the Consolidated Statements of Income, within other (income) expense, net of $101 and $977 during fiscal 2013 and 2012, respectively. In fiscal 2011, the changes in the fair value of these agreements were recorded in AOCI.

Foreign Currency Forward Contracts

The Company also enters into foreign currency forward contracts to economically hedge foreign currency fluctuations on intercompany loans and foreign currency denominated receivables and payables. These are not designated as hedging instruments and changes in fair value of these instruments are recorded directly in the Consolidated Statements of Income. As of March 31, 2013 and 2012, the notional amount of these contracts was $21,749 and $11,410, respectively. The Company recorded (income) expense in the Consolidated Statements of Income within other (income) expense, net of ($2,597) and $106 during fiscal 2013 and 2012, respectively. There were no such contracts in fiscal 2011.

Presented below in tabular form is information on the location and amounts of derivative fair values in the Consolidated Balance Sheets and derivative gains and losses in the Consolidated Statements of Income:

Fair Value of Derivative Instruments
March 31, 2013 and 2012

	Derivatives and Hedging Activities Designated as Cash Flow Hedges		Derivatives and Hedging Activities Not Designated as Hedging Instruments	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Prepaid and other current assets				
Foreign currency forward contracts	$ —	$ 670	$ 241	$ 112
Other assets				
Lead hedge forward contracts	—	30	—	—
Total assets	$ —	$ 700	$ 241	$ 112
Accrued expenses				
Interest rate swap agreements	$ —	$ —	$ 654	$ 3,628
Lead hedge forward contracts	2,832	881	—	—
Foreign currency forward contracts	252	—	—	—
Other liabilities				
Interest rate swap agreements	—	—	—	244
Total liabilities	$ 3,084	$ 881	$ 654	$ 3,872

The Effect of Derivative Instruments on the Consolidated Statements of Income
For the fiscal year ended March 31, 2013

Derivatives Designated as Cash Flow Hedges	Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Lead hedge forward contracts	$ 1,623	Cost of goods sold	$ 3,309
Foreign currency forward contracts	248	Cost of goods sold	1,703
Total	$ 1,871		$ 5,012

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Gain (Loss)
Interest rate swap contracts	Other (income) expense, net	$ (101)
Foreign currency forward contracts	Other (income) expense, net	2,597
Total		$ 2,496

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The Effect of Derivative Instruments on the Consolidated Statements of Income
For the fiscal year ended March 31, 2012

Derivatives Designated as Cash Flow Hedges	Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Lead hedge forward contracts	$ (9,731)	Cost of goods sold	$ (831)
Foreign currency forward contracts	(152)	Cost of goods sold	(3,882)
Total	$ (9,883)		$ (4,713)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Gain (Loss)
Interest rate swap contracts	Other (income) expense, net	$ (977)
Foreign currency forward contracts	Other (income) expense, net	(106)
Total		$ (1,083)

The Effect of Derivative Instruments on the Consolidated Statements of Income
For the fiscal year ended March 31, 2011

Derivatives in a Cash Flow Hedging Relationship	Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Interest rate swap contracts	$ (2,835)	Interest expense	$ (6,698)
Lead hedge forward contracts	15,930	Cost of goods sold	6,417
Foreign currency forward contracts	(4,031)	Cost of goods sold	471
Total	$ 9,064		$ 190

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Gain (Loss)
Interest rate swap contracts	Charges related to refinancing	$ (5,847)

13. Income Taxes

Income tax expense is composed of the following:

	Fiscal year ended March 31, 2013	2012	2011
Current:			
Federal	$ 38,480	$ 30,459	$24,232
State	5,684	3,778	2,736
Foreign	19,438	16,282	14,114
Total current	63,602	50,519	41,082
Deferred:			
Federal	3,915	(1,609)	(1,358)
State	214	(962)	2,010
Foreign	(2,456)	(656)	(3,716)
Total deferred	1,673	(3,227)	(3,064)
Income tax expense	$65,275	$ 47,292	$38,018

Earnings before income taxes consists of the following:

	Fiscal year ended March 31, 2013	2012	2011
United States	$107,191	$ 87,597	$ 57,710
Foreign	123,042	103,662	93,734
Earnings before income taxes	$ 230,233	$191,259	$151,444

Income taxes paid by the Company for the fiscal years ended March 31, 2013, 2012 and 2011 were $64,210, $38,482 and $41,800, respectively.

The following table sets forth the tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities:

	March 31, 2013	2012
Deferred tax assets:		
Accounts receivable	$ 660	$ 1,111
Inventories	4,345	6,707
Net operating loss carryforwards	67,834	71,773
Accrued expenses	32,773	26,997
Other assets	9,703	10,228
Gross deferred tax assets	115,315	116,816
Less valuation allowance	(54,542)	(56,359)
Total deferred tax assets	60,773	60,457
Deferred tax liabilities:		
Property, plant and equipment	28,985	30,957
Other intangible assets	48,142	46,628
Convertible Notes	22,386	21,616
Other liabilities	865	2,400
Total deferred tax liabilities	100,378	101,601
Net deferred tax liabilities	$ (39,605)	$ (41,144)

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The Company has approximately $3,213 in United States federal net operating loss carryforwards, all of which are limited by Section 382 of the Internal Revenue Code, that begin to expire in the year ending 2023. The Company has approximately $235,623 of net operating loss carryforwards at March 31, 2013 that relate to the Company's foreign subsidiaries. Some of these net operating loss carryforwards have an unlimited life, while others expire at various times over the next 20 years. In addition, the Company also had approximately $35,751 of net operating loss carryforwards for state tax purposes that expire at various times over the next 20 years.

During the current fiscal year, the Company reversed a valuation allowance against certain federal net operating losses that were limited by Section 382. The amount of the valuation allowance reversal was $793. The Company has also recorded a valuation allowance for net deferred tax assets in certain foreign and state tax jurisdictions, primarily related to net operating loss carryforwards, due to the significant losses incurred in these tax jurisdictions. As of March 31, 2013 and 2012 the valuation allowance associated with certain foreign tax jurisdictions was $52,781 and $53,206, respectively. As of March 31, 2013 and 2012 the valuation allowance associated with the state tax jurisdictions was $1,761 and $2,360, respectively. During the fiscal years ended March 31, 2013 and 2012, the Company recorded tax benefits of $1,866 and $2,940, respectively, due to the utilization of net operating loss carryforwards in certain foreign subsidiaries.

A reconciliation of income taxes at the statutory rate to the income tax provision is as follows:

	Fiscal year ended March 31,		
	2013	2012	2011
United States statutory income tax expense (at 35%)	$ 80,581	$66,962	$ 53,005
Increase (decrease) resulting from:			
State income taxes, net of federal effect	3,742	1,592	3,035
Nondeductible expenses, domestic manufacturing deduction and other	7,664	1,587	(1,848)
Effect of foreign operations	(27,883)	(20,028)	(14,841)
Valuation allowance	1,171	(2,821)	(1,333)
Income tax expense	$65,275	$ 47,292	$ 38,018

The effective income tax rate was 28.4% in fiscal 2013, compared to 24.7% in fiscal 2012 and 25.1% in fiscal 2011.

At March 31, 2013, the Company has not recorded United States income or foreign withholding taxes on approximately $598,500 of undistributed earnings of foreign subsidiaries that could be subject to taxation if remitted to the United States because the Company currently plans to keep these amounts permanently invested overseas. It is not practical to calculate the income tax expense that would result upon repatriation of these earnings.

The Company recognizes and measures uncertain tax positions taken, or expected to be taken, in a tax return in accordance with FASB guidance on accounting for uncertainty in income taxes.

A reconciliation of the beginning and ending amount of unrecognized tax benefits under FASB guidance is as follows:

March 31, 2010	$ 10,750
Increases related to current year tax positions	2,896
Increases related to prior year tax positions	324
Increases related to prior year tax positions due to foreign currency translation	122
Decreases related to prior year tax position settled	(3,145)
Lapse of statute of limitations	(302)
March 31, 2011	10,645
Increases related to current year tax positions	5,032
Increases related to prior year tax positions	182
Decreases related to prior year tax positions due to foreign currency translation	(28)
Lapse of statute of limitations	(2,886)
March 31, 2012	12,945
Increases related to current year tax positions	6,296
Increases related to prior year tax positions	969
Increases related to prior year tax positions due to foreign currency translation	245
Lapse of statute of limitations	(3,970)
March 31, 2013	$16,485

All of the balance of unrecognized tax benefits at March 31, 2013 and 2012, if recognized, would be included in the Company's Consolidated Statements of Income and have a favorable impact on both the Company's net earnings and effective tax rate.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various states and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2009.

The Company anticipates that it is reasonably possible that a portion of the March 31, 2013 balance of the unrecognized tax benefits could be recognized within the next twelve months due to the expiration of the relevant statutes of limitations. An estimate of the range of the adjustments cannot be made at this time.

The Company recognizes tax related interest and penalties in income tax expense in its Consolidated Statements of Income. As of March 31, 2013 and 2012, the Company had an accrual of $680 and $575, respectively, for interest and penalties.

14. Retirement Plans

Defined Benefit Plans

The Company provides retirement benefits to substantially all eligible salaried and hourly employees. The Company uses a measurement date of March 31 for its pension plans.

Net periodic pension cost for fiscal 2013, 2012 and 2011, includes the following components:

	United States Plans Fiscal year ended March 31,			International Plans Fiscal year ended March 31,		
	2013	2012	2011	2013	2012	2011
Service cost	$ 349	$ 285	$ 250	$ 679	$ 645	$ 603
Interest cost	649	668	646	2,377	2,504	2,503
Expected return on plan assets	(756)	(706)	(624)	(1,851)	(1,787)	(1,615)
Amortization and deferral	393	238	248	209	32	53
Net periodic benefit cost	$ 635	$ 485	$ 520	$ 1,414	$ 1,394	$ 1,544

The following table sets forth a reconciliation of the related benefit obligation, plan assets, and accrued benefit costs related to the pension benefits provided by the Company for those employees covered by defined benefit plans:

	United States Plans March 31,		International Plans March 31,	
	2013	2012	2013	2012
Change in projected benefit obligation				
Benefit obligation at the beginning of the period	$ 14,040	$ 11,903	$ 53,895	$ 48,881
Service cost	349	285	679	645
Interest cost	649	668	2,377	2,504
Benefits paid, inclusive of plan expenses	(664)	(615)	(1,667)	(1,709)
Plan settlements	—	—	—	(40)
Experience loss	1,537	1,799	7,099	5,442
Foreign currency translation adjustment	—	—	(2,507)	(1,828)
Benefit obligation at the end of the period	$15,911	$ 14,040	$59,876	$53,895

	United States Plans March 31,		International Plans March 31,	
	2013	2012	2013	2012
Change in plan assets				
Fair value of plan assets at the beginning of the period	$ 9,192	$ 8,746	$26,942	$ 25,779
Actual return on plan assets	843	420	4,024	1,555
Employer contributions	963	641	1,639	1,505
Benefits paid, inclusive of plan expenses	(664)	(615)	(1,667)	(1,709)
Plan settlements	—	—	—	(40)
Foreign currency translation adjustment	—	—	(1,470)	(148)
Fair value of plan assets at the end of the period	$ 10,334	$9,192	$29,468	$ 26,942
Funded status deficit	$(5,577)	$ (4,848)	$ (30,408)	$(26,953)

	March 31,	
	2013	2012
Amounts recognized in the consolidated balance sheets consist of:		
Other assets	$ —	$ 260
Accrued expenses	(1,431)	(1,309)
Other liabilities	(34,554)	(30,752)
	$(35,985)	$ (31,801)

The following table represents pension components (before tax) and related changes (before tax) recognized in AOCI for the Company's pension plans for the years ended March 31, 2013, 2012 and 2011:

	Fiscal year ended March 31, 2013	2012	2011
Amounts recorded in AOCI before taxes:			
Prior service cost	$ (816)	$ (922)	$ (1,054)
Net loss	(16,645)	(11,176)	(3,712)
Net amount recognized	$ (17,461)	$ (12,098)	$ (4,766)

	Fiscal year ended March 31, 2013	2012	2011
Changes in plan assets and benefit obligations:			
New prior service cost	$ —	$ —	$ 905
Net loss (gain) arising during the year	6,376	7,757	(3,505)
Effect of exchange rates on amounts included in AOCI	(392)	(176)	151
Amounts recognized as a component of net periodic benefit costs:			
Amortization of prior service cost	(79)	(83)	(62)
Amortization or settlement recognition of net loss	(523)	(187)	(250)
Total recognized in other comprehensive income	$ 5,382	$ 7,311	$ (2,761)

The amounts included in AOCI as of March 31, 2013 that are expected to be recognized as components of net periodic pension cost during the fiscal year ended March 31, 2014 are as follows:

Net loss	$ (866)
Prior service cost	(78)
Net amount expected to be recognized	$ (944)

The accumulated benefit obligation related to all defined benefit pension plans and information related to unfunded and underfunded defined benefit pension plans at the end of each year are as follows:

	United States Plans March 31, 2013	2012	International Plans March 31, 2013	2012
All defined benefit plans:				
Accumulated benefit obligation	$15,911	$14,040	$56,135	$ 50,416
Unfunded defined benefit plans:				
Projected benefit obligation	—	—	28,444	26,892
Accumulated benefit obligation	—	—	27,032	25,508
Defined benefit plans with a projected benefit obligation in excess of the fair value of plan assets:				
Projected benefit obligation	$15,911	$14,040	$59,876	$ 28,003
Accumulated benefit obligation	15,911	14,040	56,135	26,445
Fair value of plan assets	10,334	9,192	29,468	789
Defined benefit plans with an accumulated benefit obligation in excess of the fair value of plan assets:				
Projected benefit obligation	$15,911	$14,040	$29,571	$ 28,003
Accumulated benefit obligation	15,911	14,040	27,985	26,445
Fair value of plan assets	10,334	9,192	777	789

Assumptions

Significant assumptions used to determine the net periodic benefit cost for the US and International plans were as follows:

	United States Plans Fiscal year ended March 31,			International Plans Fiscal year ended March 31,		
	2013	2012	2011	2013	2012	2011
Discount rate	4.8%	5.7%	6.0%	2.5-5.5%	4.0-5.5%	4.3-6.0%
Expected return on plan assets	8.0	8.0	8.0	5.5-7.0	5.5-7.0	5.5-7.0
Rate of compensation increase	N/A	N/A	N/A	2.0-4.0	2.0-4.0	2.0-3.5

Significant assumptions used to determine the projected benefit obligations for the US and International plans were as follows:

	United States Plans March 31,		International Plans March 31,	
	2013	2012	2013	2012
Discount rate	4.0%	4.8%	2.5-4.4%	2.5-5.5%
Expected return on plan assets	8.0	8.0	4.0-7.0	5.5-7.0
Rate of compensation increase	N/A	N/A	2.0-4.0	2.0-4.0

N/A = not applicable

The United States plans do not include compensation in the formula for determining the pension benefit as it is based solely on years of service.

The expected long-term rate of return for the Company's pension plan assets is based upon the target asset allocation and is determined using forward looking assumptions in the context of historical returns and volatilities for each asset class, as well as correlations among asset classes. The Company evaluates the rate of return assumptions for each of its plans on an annual basis.

Pension Plan Investment Strategy

The Company's investment policy emphasizes a balanced approach to investing in securities of high quality and ready marketability. Investment flexibility is encouraged so as not to exclude opportunities available through a diversified investment strategy.

Equity investments are maintained within a target range of 50%-70% of the total portfolio market value. Investments in debt securities include issues of various maturities, and the average quality rating of bonds should be investment grade with a minimum quality rating of "B" at the time of purchase.

The Company periodically reviews the asset allocation of its portfolio. The proportion committed to equities, debt securities and cash and cash equivalents is a function of the values available in each category and risk considerations. The plan's overall return will be compared to and expected to meet or exceed established benchmark funds and returns over a three to five year period.

The objectives of the Company's investment strategies are: (a) the achievement of a reasonable long-term rate of total return consistent with an emphasis on preservation of capital and purchasing power, (b) stability of annual returns through a portfolio risk level, which is appropriate to conservative accounts, and (c) reflective of the Company's willingness to forgo significantly above-average rewards in order to minimize above-average risks. These objectives may not be met each year but should be attained over a reasonable period of time.

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The following table represents our pension plan investments measured at fair value as of March 31, 2013 and 2012 and the basis for that measurement:

	March 31, 2013							
	United States Plans				International Plans			
	Total Fair Value Measurement	Quoted Price In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurement	Quoted Price In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset category:								
Cash and cash equivalents	$ 1,454	$ 1,454	$ —	$ —	$ —	$ —	$ —	$ —
Equity securities								
US[(a)]	5,346	5,346	—	—	2,856	2,856	—	—
International[(b)]	905	905	—	—	15,617	15,617	—	—
Fixed income[(c)]	2,629	2,629	—	—	10,995	10,995	—	—
Total	$ 10,334	$ 10,334	$ —	$ —	$ 29,468	$ 29,468	$ —	$ —

	March 31, 2012							
	United States Plans				International Plans			
	Total Fair Value Measurement	Quoted Price In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurement	Quoted Price In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset category:								
Cash and cash equivalents	$ 868	$ 868	$ —	$ —	$ —	$ —	$ —	$ —
Equity securities								
US[(a)]	5,067	5,067	—	—	2,742	2,742	—	—
International[(b)]	837	837	—	—	14,728	14,728	—	—
Fixed income[(c)]	2,420	2,420	—	—	9,472	9,472	—	—
Total	$ 9,192	$ 9,192	$ —	$ —	$ 26,942	$ 26,942	$ —	$ —

The fair values presented above were determined based on valuation techniques categorized as follows:

Level 1 Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs which are derived principally from or corroborated by observable market data.

Level 3 Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

(a) US equities include companies that are well diversified by industry sector and equity style (i.e., growth and value strategies). Active and passive management strategies are employed. Investments are primarily in large capitalization stocks and, to a lesser extent, mid- and small-cap stocks.

(b) International equities are invested in companies that are traded on exchanges outside the U.S. and are well diversified by industry sector, country and equity style. Active and passive strategies are employed. The vast majority of the investments are made in companies in developed markets with a small percentage in emerging markets.

(c) Fixed income consists primarily of investment grade bonds from diversified industries.

The Company expects to make cash contributions of approximately $2,226 to its pension plans in fiscal year 2014.

Estimated future benefit payments under the Company's pension plans are as follows:

	Pension Benefits
2014	$ 2,486
2015	2,253
2016	2,464
2017	2,888
2018	2,872
Years 2019-2023	17,519

Defined Contribution Plan

The Company maintains defined contribution plans primarily in the U.S. and U.K. Eligible employees can contribute a portion of their pre-tax and /or after-tax income in accordance with plan guidelines and the Company will make contributions based on the employees' eligible pay and /or will match a percentage of the employee contributions up to certain limits. Matching contributions charged to expense for the fiscal years ended March 31, 2013, 2012 and 2011 were $5,191, $5,146 and $5,025, respectively.

15. Stockholders' Equity and Noncontrolling Interests

Preferred Stock and Common Stock

The Company's certificate of incorporation authorizes the issuance of up to 1,000,000 shares of preferred stock, par value $0.01 per share ("Preferred Stock"). At March 31, 2013 and 2012, no shares of Preferred Stock were issued or outstanding. The Board of Directors of the Company has the authority to specify the terms of any Preferred Stock at the time of issuance.

The following demonstrates the change in the number of shares of common stock outstanding during fiscal years ended March 31, 2011, 2012 and 2013, respectively:

Shares outstanding as of March 31, 2010	48,581,832
Shares issued as part of equity-based compensation plans, net of equity awards surrendered for option price and taxes	1,452,521
Shares outstanding as of March 31, 2011	50,034,353
Purchase of treasury stock	(2,646,885)
Shares issued as part of equity-based compensation plans, net of equity awards surrendered for option price and taxes	412,661
Shares outstanding as of March 31, 2012	47,800,129
Purchase of treasury stock	(683,192)
Shares issued as part of equity-based compensation plans, net of equity awards surrendered for option price and taxes	723,267
Shares outstanding as of March 31, 2013	47,840,204

Treasury Stock

In fiscal 2013 and 2012, the Company purchased 683,192 shares of its common stock for $22,593 and 2,646,885 shares for $58,383, respectively. At March 31, 2013 and 2012, the Company held 5,130,077 and 4,446,885 shares as treasury stock.

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Accumulated Other Comprehensive Income

The components of accumulated other comprehensive income are as follows:

	Beginning Balance	Before-Tax Amount	Tax Benefit (Expense)	Net-of-Tax Amount	Ending Balance
March 31, 2013					
Pension funded status adjustment	$ (8,982)	$ (5,382)	$ 1,195	$ (4,187)	$ (13,169)
Net unrealized gain (loss) on derivative instruments	1,175	(3,141)	1,134	(2,007)	(832)
Foreign currency translation adjustment	81,900	(27,244)	—	(27,244)	54,656
Accumulated other comprehensive income	$ 74,093	$(35,767)	$ 2,329	$ (33,438)	$ 40,655
March 31, 2012					
Pension funded status adjustment	$ (3,512)	$ (7,311)	$ 1,841	$ (5,470)	$ (8,982)
Net unrealized gain (loss) on derivative instruments	4,436	(5,170)	1,909	(3,261)	1,175
Foreign currency translation adjustment	114,256	(32,356)	—	(32,356)	81,900
Accumulated other comprehensive income	$ 115,180	$ (44,837)	$ 3,750	$ (41,087)	$ 74,093
March 31, 2011					
Pension funded status adjustment	$ (5,479)	$ 2,761	$ (794)	$ 1,967	$ (3,512)
Net unrealized gain (loss) on derivative instruments	(5,034)	14,721	(5,251)	9,470	4,436
Foreign currency translation adjustment	77,717	36,539	—	36,539	114,256
Accumulated other comprehensive income	$ 67,204	$ 54,021	$ (6,045)	$ 47,976	$ 115,180

Noncontrolling Interests

During fiscal 2013, the Company acquired the remaining 40% of noncontrolling interest of EAS Germany GmbH previously owned by GAIA Akkumulatorenwerke GmbH (“GAIA”), a wholly owned subsidiary of Lithium Technology Corporation (“LTC”) for $2,131. The noncontrolling interest related to the fiscal 2012 acquisition of EAS Germany GmbH.

Redeemable Noncontrolling Interests

During fiscal 2012, the Company acquired a controlling financial interest in Powertech Batteries and Energy Leader Batteries India Limited (Note 2). The minority partners of both Powertech Batteries and Energy Leader Batteries India Limited have options exercisable to require the redemption of the shares owned by them, which if exercised, would make the Company the sole owner of these entities. The noncontrolling interests in both of these entities are reported by the Company as redeemable noncontrolling interests and classified as mezzanine equity (temporary equity) on the Consolidated Balance Sheets. The redeemable noncontrolling interests are reported at their estimated redemption value.

The following demonstrates the change in redeemable noncontrolling interests during the fiscal years ended March 31, 2012 and 2013, respectively:

Balance as of March 31, 2011	$ —
Redeemable noncontrolling interests recognized in acquisitions of Powertech Batteries and Energy Leader Batteries India Limited	9,916
Net losses attributable to redeemable noncontrolling interests	(170)
Foreign currency translation adjustment	36
Balance as of March 31, 2012	$ 9,782
Net losses attributable to redeemable noncontrolling interests	(1,429)
Loan to equity conversion by redeemable noncontrolling interests	3,901
Foreign currency translation adjustment	(1,159)
Balance as of March 31, 2013	$11,095

16. Stock-Based Compensation

As of March 31, 2013, the Company maintains the EnerSys 2010 Equity Incentive Plan ("2010 EIP"). The 2010 EIP reserved 3,177,477 shares of common stock for the grant of various classes of nonqualified stock options, restricted stock units, market share units and other forms of equity-based compensation. Shares subject to any awards that expire without being exercised or that are forfeited or settled in cash shall again be available for future grants of awards under the 2010 EIP. Shares subject to awards that have been retained by the Company in payment or satisfaction of the exercise price and any applicable tax withholding obligation of an award shall not count against the limit described above.

As of March 31, 2013, 2,452,522 shares are available for future grants. The Company's management equity incentive plans are intended to provide an incentive to employees and non-employee directors of the Company to remain in the service of the Company and to increase their interest in the success of the Company in order to promote the long-term interests of the Company. The plans seek to promote the highest level of performance by providing an economic interest in the long-term performance of the Company. The Company settles employee share-based compensation awards with newly issued shares.

Stock Options

No non-qualified stock options were granted during the last three fiscal years. Options generally expire 10 years from the date of grant.

For fiscal 2013, 2012 and 2011, the Company recognized $97 ($69 net of taxes), $1,092 ($822 net of taxes) and $2,333 ($1,844 net of taxes), respectively, of stock-based compensation expense associated with stock option grants.

The following table summarizes the Company's stock option activity in the years indicated:

	Number of Options	Weighted-Average Remaining Contract Term (Years)	Weighted-Average Exercise Price	Aggregate Intrinsic Value
Options outstanding as of March 31, 2010	2,431,233	4.0	$17.69	$19,191
Exercised	(1,415,391)		15.34	18,482
Canceled	(155,063)		29.32	9
Options outstanding as of March 31, 2011	860,779	6.2	$19.52	$17,129
Exercised	(227,116)		15.82	3,691
Options outstanding as of March 31, 2012	633,663	6.1	$ 20.85	$ 8,879
Exercised	(555,677)		21.70	8,860
Options outstanding and exercisable as of March 31, 2013	77,986	2.5	$ 14.76	$ 2,404

The following table summarizes information regarding stock options outstanding, all of which are also exercisable, as of March 31, 2013:

	Options Outstanding and Exercisable		
Range of Exercise Prices	Number of Options	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price
$10.01-$15.00	65,954	2.1	$ 14.12
$15.01-$30.19	12,032	4.1	18.29
	77,986	2.5	$ 14.76

A summary of the status of the Company's non-vested options as of March 31, 2013, and changes during fiscal 2013, is presented below:

	Number of Options	Weighted-Average Grant-Date Fair Value
Nonvested at March 31, 2012	110,037	$ 7.87
Vested	(110,037)	7.87
Nonvested at March 31, 2013	—	$ —

Restricted Stock Units and Market Share Units

In fiscal 2013, the Company granted to non-employee directors 21,328 deferred restricted stock units at the fair value of $37.51 per restricted stock unit at the date of grant. In fiscal 2012, such grants amounted to 35,632 restricted stock units at the fair value of $22.45 per restricted stock unit at the date of grant. The fiscal 2012 and 2013 awards vested immediately upon the date of grant and the payment of shares of common stock under this grant are payable upon such director's termination of service as a director. In fiscal 2011, the Company granted to non-employee directors 21,248 restricted stock units at the market price of $22.59 per restricted stock unit at the date of grant. These restricted stock units vested in thirteen months following the date of grant.

In fiscal 2013, 2012 and 2011, the Company granted 9,412, 9,340 and 2,792 restricted stock units, respectively, at various fair values, under deferred compensation plans.

In fiscal 2013, the Company granted to management and other key employees 199,139 restricted stock units at the fair value of $31.76 per restricted stock unit and 303,942 market share units at a weighted average fair value of $41.36 per market share unit at the date of grant. The fair value of the market share units granted in fiscal 2013 was estimated at the date of grant using a binomial lattice model with the following assumptions: a risk-free interest rate of 0.37%, dividend yield of zero, time to maturity of 3 years and expected volatility of 39.08%.

In fiscal 2012, the Company granted to management and other key employees 95,026 restricted stock units at the fair value of $35.79 per restricted stock unit at the date of grant and 224,397 market share units at the fair value of $48.36 per market share unit at the date of grant. The fair value of the market share units granted in fiscal 2012 was estimated at the date of grant using a binomial lattice model with the following assumptions: a risk-free interest rate of 0.93%, dividend yield of zero, time to maturity of 3 years and expected volatility of 45.5%.

In fiscal 2011, the Company granted to management and other key employees 291,701 restricted stock units at the fair value of $25.67 per restricted stock unit at the date of grant and 124,091 market share units at the fair value of $34.45 per market share unit at the date of grant. The fair value of the market share units granted in fiscal 2011was estimated at the date of grant using a binomial lattice model with the following assumptions: a risk-free interest rate of 1.30%, dividend yield of zero, time to maturity of 3 years and expected volatility of 43.0%.

A summary of the changes in restricted stock units and market share units awarded to employees and directors that were outstanding under the Company's equity compensation plans during fiscal 2013 is presented below:

	Restricted Stock Units (RSU)		Market Share Units (MSU)	
	Number of RSU	Weighted-Average Grant Date Fair Value	Number of MSU	Weighted-Average Grant Date Fair Value
Non-vested awards as of March 31, 2012	617,240	$ 24.61	346,563	$ 43.38
Granted	229,879	31.23	303,942	41.36
Vested	(238,320)	23.99	—	—
Canceled	(6,693)	32.01	(20,466)	46.77
Non-vested awards as of March 31, 2013	602,106	$ 27.30	630,039	$ 42.29

The Company recognized stock-based compensation expense relating to restricted stock units and market share units of approximately $14,640, with a related tax benefit of $4,105 for fiscal 2013, $10,493, with a related tax benefit of $2,599 for fiscal 2012 and $6,723, with a related tax benefit of $1,659 for fiscal 2011.

All Award Plans

As of March 31, 2013, unrecognized compensation expense associated with the non-vested incentive awards outstanding was $22,941 and is expected to be recognized over a weighted-average period of nineteen months.

17. Earnings Per Share

The following table sets forth the reconciliation from basic to diluted weighted-average number of common shares outstanding and the calculations of net earnings per common share attributable to EnerSys stockholders.

	March 31, 2013	2012	2011
Net earnings attributable to EnerSys stockholders	$ 166,508	$ 144,003	$ 113,426
Weighted-average number of common shares outstanding:			
Basic	48,022,005	48,748,205	49,376,132
Dilutive effect of:			
Common shares from exercise and lapse of equity awards, net of shares assumed reacquired	593,422	467,830	668,114
Convertible Notes	20,022	—	—
Diluted weighted-average number of common shares outstanding	48,635,449	49,216,035	50,044,246
Basic earnings per common share attributable to EnerSys stockholders	$ 3.47	$ 2.95	$ 2.30
Diluted earnings per common share attributable to EnerSys stockholders	$ 3.42	$ 2.93	$ 2.27
Anti-dilutive equity awards not included in diluted weighted-average common shares	—	221,097	—

The aggregate number of shares that the Company could be obligated to issue upon conversion of its $172,500 Convertible Notes which the Company issued in May 2008, is approximately 4,248,761. It is the Company's current intent to settle the principal amount of any conversions in cash, and any additional conversion consideration in cash, shares of EnerSys common stock or a combination of cash and shares. During the fourth quarter of fiscal 2013, the average price of our common stock at $41.38 per share exceeded the conversion price of $40.60 per share on the Convertible Notes. 20,022 shares relating to the conversion premium ($41.38-$40.60) on the Convertible Notes were included in the diluted earnings per share using the treasury stock method. No contingent shares were included in diluted shares outstanding during fiscal 2012 and 2011 as the specified conversion price exceeded the average market price of the Company's common stock, and the inclusion of contingent shares would have been anti-dilutive. See Note 8 for more details on the Convertible Notes and their redemption.

18. Commitments, Contingencies and Litigation

Litigation and Other Legal Matters

The Company is involved in litigation incidental to the conduct of its business, the results of which, in the opinion of management, are not likely to be material to the Company's financial condition, results of operations, or cash flows.

In fiscal 2009, the Court of Commerce in Lyon, France ruled that the Company's French subsidiary, EnerSys Sarl, which was acquired by the Company in 2002, was partially responsible for a 1999 fire in a French hotel under construction. The Company's portion of damages was assessed at €2,700 or $4,200 which was duly recorded and paid by the Company, but the ruling was appealed. In a subsequent ruling by the Court of Appeal of Lyon, France, the portion of damages was reduced, entitling the Company to a refund of the monies paid of €671 or $900 which has been recorded and collected in the second quarter of fiscal 2012. The Company further appealed the ruling to the French Supreme Court, which on March 14, 2012, ruled in the Company's favor and ordered the case back to the Court of Appeal of Lyon to further review certain aspects of the original decision in the case, including the assessment of damages. The Court of Appeal of Lyon heard arguments on April 9, 2013 and a ruling is expected in the second quarter of fiscal 2014.

Environmental Issues

As a result of its operations, the Company is subject to various federal, state and local, as well as international environmental laws and regulations and is exposed to the costs and risks of registering, handling, processing, storing, transporting, and disposing of hazardous substances, especially lead and acid. The Company's operations are also subject to federal, state, local and international occupational safety and health regulations, including laws and regulations relating to exposure to lead in the workplace.

The Company is responsible for certain cleanup obligations at the former Yuasa battery facility in Sumter, South Carolina that predates its ownership of this facility. This manufacturing facility was closed in 2001 and is separate from the Company's current metal fabrication facility in Sumter. The Company has established a reserve for this facility. As of March 31, 2013 and 2012, the reserves related to this facility totaled $2,915 and $2,995, respectively. Based on current information, the Company's management believes these reserves are adequate to satisfy the Company's environmental liabilities at this facility.

Collective Bargaining

At March 31, 2013, the Company had approximately 9,000 employees. Of these employees, approximately 35% were covered by collective bargaining agreements. The average term of these agreements is two years, with the longest term being four years. Approximately 33% of these agreements expire over the next twelve months.

Lead Contracts

To stabilize its costs, the Company has entered into contracts with financial institutions to fix the price of lead. The vast majority of such contracts are for a period not extending beyond one year. Under these contracts, at March 31, 2013 and 2012, the Company hedged the price to purchase approximately 56.3 million pounds and 60.0 million pounds of lead, respectively, for a total purchase price of $56,601 and $56,610, respectively.

Foreign Currency Forward Contracts

The Company quantifies and monitors its global foreign currency exposures. On a selective basis the Company will enter into foreign currency forward and option contracts to reduce the volatility from currency movements that affect the Company. The vast majority of such contracts are for a period not extending beyond one year. The Company's largest exposure is from the purchase and conversion of U.S. dollar based lead costs into local currencies in Europe. Additionally, the Company has currency exposures from intercompany and third-party trade transactions. To hedge these exposures, the Company has entered into a total of $73,115 and $53,531, of foreign currency forward contracts with financial institutions as of March 31, 2013 and 2012, respectively.

Interest Rate Swap Agreements

The Company is exposed to changes in variable U.S. interest rates on borrowings under its credit agreements. On a selective basis, from time to time, the Company enters into interest rate swap agreements to reduce the negative impact that increases in interest rates could have on its outstanding variable rate debt. At March 31, 2013 and 2012, such agreements, which expired in May 2013, converted $65,000 and $85,000, respectively, of variable-rate debt to a fixed-rate basis utilizing the three-month LIBOR as a floating rate reference. Fluctuations in LIBOR and fixed rates affect both the Company's net financial investment position and the amount of cash to be paid or received under these agreements.

19. Restructuring Plans

The Company has acquisition related restructuring plans and non-acquisition related restructuring plans and bases its restructuring accounting and disclosures on the applicable accounting guidance. As a result, charges to net earnings were made in the periods in which restructuring plan liabilities were incurred.

Acquisition related restructuring plan

In fiscal 2010, the Company acquired the stock of OEB Traction Batteries and certain operating assets and liabilities of the reserve power battery business of Accu Holding AG and its Swedish sales subsidiary (all collectively referred to as "Oerlikon"). The Company completed the process of closing the two manufacturing facilities of Oerlikon during the third quarter of fiscal 2011, which resulted in the reduction of approximately 100 employees. The Company recorded restructuring charges related to this plan of $4,526 in fiscal 2010 through fiscal 2012. This plan has been completed as of March 31, 2012.

A roll-forward of the acquisition related restructuring reserve is as follows:

	Employee Severance	Plant Closure and Other	Total
Balance at March 31, 2010	$ 1,292	$ —	$ 1,292
Accrued	108	2,438	2,546
Costs incurred	(1,107)	(2,313)	(3,420)
Foreign currency impact and other	(36)	21	(15)
Balance at March 31, 2011	257	146	403
Accrued	81	630	711
Costs incurred	(338)	(776)	(1,114)
Foreign currency impact and other	—	—	—
Balance at March 31, 2012	$ —	$ —	$ —

Non-acquisition related restructuring plans

In February and May 2009, the Company announced a plan to restructure certain of its EMEA and American operations, which resulted in a reduction of approximately 470 employees upon completion across its operations. These actions were primarily in EMEA and included charges for employee-related severance payments and asset impairments, the most significant of which was the closure of its leased Italian manufacturing facility and the opening of a new Italian distribution center. The Company recorded restructuring charges of $31,753 in fiscal 2009 through fiscal 2012. This plan has been completed as of March 31, 2012.

During fiscal 2011, the Company announced a restructuring of its EMEA operations, which resulted in a reduction of approximately 60 employees upon completion across its operations. The Company recorded restructuring charges of $5,178 in fiscal 2011 through 2012, with no additional charges in fiscal 2013. These charges were primarily from cash expenses for employee severance-related payments. The Company incurred $4,579 of costs against the accrual during fiscal 2011 through 2012, with an additional $556 of costs incurred during fiscal 2013. This plan has been completed as of March 31, 2013.

During fiscal 2012, the Company announced restructuring plans related to its operations in EMEA, primarily consisting of the transfer of manufacturing of select products between certain of its manufacturing operations and restructuring of its selling, general and administrative operations, which is expected to result in the reduction of approximately 85 employees upon completion. The Company estimates that the total charges for these actions will amount to approximately $3,600, primarily from cash expenses for employee severance-related payments. The Company recorded restructuring charges of $3,070 in fiscal 2012 with an additional $475 of charges in fiscal 2013. The Company incurred $2,433 of costs against the accrual during fiscal 2012, with an additional $913 of costs incurred in fiscal 2013. As of March 31, 2013, the reserve balance associated with these actions is $185. The Company does not expect to be committed to significant additional restructuring charges in fiscal 2014 related to these actions and expects to complete the program during fiscal 2014.

During fiscal 2013, the Company announced further restructurings related to improving the efficiency of its manufacturing operations in EMEA. The Company estimates that the total charges for these actions will amount to approximately $8,100, primarily from cash expenses for employee severance-related payments and non-cash expenses associated with the write-off of certain fixed assets and inventory. The Company estimates that these actions will result in the reduction of approximately 130 employees upon completion. During fiscal 2013, the Company recorded restructuring charges of $3,998, consisting of non-cash charges of $1,399 related to the write-off of fixed assets and inventory, along with cash charges related to employee severance and other charges of $2,599. During fiscal 2013, the Company incurred $952 of costs against the accrual. As of March 31, 2013, the reserve balance associated with these actions is $1,594. The Company expects to be committed to an additional $3,000 of restructuring charges related to these actions during fiscal 2014, and expects to complete the program during fiscal 2015.

During fiscal 2013, the Company announced a restructuring related to the closure of its manufacturing facility located in Chaoan, People's Republic of China, in which the Company will transfer the manufacturing at that location to its other facilities in the People's Republic of China, to improve operational efficiencies. The Company estimates that the total charges related to this action will amount to approximately $3,400. During fiscal 2013, the Company recorded restructuring charges of $2,691, consisting of non-cash charges of $2,290 related to the write-off of fixed assets and inventory, along with cash charges related to employee severance and other charges of $401. During fiscal 2013, the Company incurred $221 in costs against the accrual. As of March 31, 2013, the reserve balance associated with this action is $180. The Company expects to be committed to an additional $700 of restructuring charges related to these actions. The Company expects to complete the restructuring during fiscal 2014.

A roll-forward of the non-acquisition related restructuring reserve is as follows:

	Employee Severance	Plant Closure and Other	Total
Balance at March 31, 2010	$ 7,482	$ —	$ 7,482
Accrued	4,267	—	4,267
Costs incurred	(6,945)	—	(6,945)
Foreign currency impact and other	116	—	116
Balance at March 31, 2011	$ 4,920	$ —	$ 4,920
Accrual adjustment	(681)	—	(681)
Accrued	4,958	—	4,958
Costs incurred	(7,966)	—	(7,966)
Foreign currency impact and other	(45)	—	(45)
Balance at March 31, 2012	$ 1,186	$ —	$ 1,186
Accrued	3,093	382	3,475
Costs incurred	(2,485)	(157)	(2,642)
Foreign currency impact and other	(56)	(4)	(60)
Balance at March 31, 2013	$ 1,738	$ 221	$ 1,959

20. Warranty

The Company provides for estimated product warranty expenses when the related products are sold and are included within accrued expenses and other liabilities. Because warranty estimates are forecasts that are based on the best available information, primarily historical claims experience, costs may differ from amounts provided. An analysis of changes in the liability for product warranties is as follows:

Balance at March 31, 2010	$ 31,739
Current year provisions	20,565
Costs incurred	(17,499)
Foreign exchange and other	1,201
Balance at March 31, 2011	36,006
Current year provisions	26,841
Costs incurred	(20,185)
Foreign exchange and other	(595)
Balance at March 31, 2012	42,067
Current year provisions	19,724
Costs incurred	(20,945)
Foreign exchange and other	1,745
Balance at March 31, 2013	$ 42,591

21. Other (Income) Expense, Net and Charges Related to Refinancing

Other (income) expense, net consists of the following:

	Fiscal Years Ended March 31,		
	2013	2012	2011
Foreign exchange transaction losses	$ 1,887	$ 1,483	$ 732
Insurance recoveries	(1,800)	—	—
Secondary offering fees	—	—	615
Other	829	1,585	830
Total	$ 916	$ 3,068	$2,177

Charges related to refinancing:

	Fiscal Years Ended March 31,		
	2013	2012	2011
Charges related to refinancing	$ —	$ —	$8,155

In fiscal 2011, the Company incurred charges of $8,155 in connection with the refinancing of the Company's previous credit facility. These charges included $2,308 in write-offs of deferred financing fees and $5,847 of losses from discontinuing hedge accounting for the interest rate swap agreements.

22. Operations by Industry Segment and Geographic Area

Summarized financial information related to the Company's reportable segments at March 31, 2013, 2012 and 2011 and for each of the fiscal years then ended is shown below.

	Fiscal Years Ended March 31,		
	2013	2012	2011
Net sales by segment to unaffiliated customers			
EMEA	$ 926,165	$ 995,431	$ 890,313
Americas	1,126,904	1,082,747	896,629
Asia	224,490	205,191	177,520
Total net sales	$2,277,559	$2,283,369	$1,964,462
Net sales by product line			
Reserve power	$1,118,965	$ 1,092,734	$ 970,480
Motive power	1,158,594	1,190,635	993,982
Total net sales	$2,277,559	$2,283,369	$1,964,462
Intersegment sales			
EMEA	$ 76,947	$ 75,652	$ 55,586
Americas	36,854	38,115	42,141
Asia	31,246	21,182	21,349
Total intersegment sales(1)	$ 145,047	$ 134,949	$ 119,076
Operating earnings			
EMEA	$ 64,032	$ 63,872	$ 55,643
Americas	171,854	138,894	124,515
Asia	21,146	12,133	10,469
Restructuring charges—EMEA	(4,473)	(4,988)	(6,813)
Restructuring charges—Asia	(2,691)	—	—
Legal proceedings settlement income—EMEA	—	900	—
Total operating earnings(2)	$ 249,868	$ 210,811	$ 183,814
Property, plant and equipment, net			
EMEA	$ 152,577	$ 161,854	$ 169,056
Americas	152,678	144,701	142,263
Asia	44,871	46,660	33,066
Total	$ 350,126	$ 353,215	$ 344,385
Capital Expenditures			
EMEA	$ 20,761	$ 21,631	$ 22,034
Americas	29,566	20,862	22,368
Asia	4,959	6,450	15,538
Total	$ 55,286	$ 48,943	$ 59,940
Depreciation and Amortization			
EMEA	$ 22,255	$ 25,451	$ 21,564
Americas	23,073	21,466	19,842
Asia	5,174	3,443	2,987
Total	$ 50,502	$ 50,360	$ 44,393

(1) Intersegment sales are presented on a cost-plus basis which takes into consideration the effect of transfer prices between legal entities.
(2) The Company does not allocate interest expense or other (income) expense to the reportable segments.

The Company markets its products and services in over 100 countries. Sales are attributed to countries based on the location of sales order approval and acceptance. Sales to customers in the United States were 43.0%, 42.6% and 41.3% for fiscal years ended March 31, 2013, 2012 and 2011, respectively. Property, plant and equipment, net, attributable to the United States as of March 31, 2013 and 2012, were $127,191 and $119,242, respectively. No single country, outside the United States, accounted for more than 10% of the consolidated net sales or net property, plant and equipment and therefore was deemed not material for separate disclosure.

23. Quarterly Financial Data (Unaudited)

The Company reports interim financial information for 13-week periods, except for the first quarter, which always begins on April 1, and the fourth quarter, which always ends on March 31. The four quarters in fiscal 2013 ended on July 1, 2012, September 30, 2012, December 30, 2012, and March 31, 2013, respectively. The four quarters in fiscal 2012 ended on July 3, 2011, October 2, 2011, January 1, 2012, and March 31, 2012, respectively.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
Fiscal year ended March 31, 2013					
Net sales	$ 593,910	$554,212	$557,320	$572,117	$2,277,559
Gross profit	148,306	138,339	143,698	139,013	569,356
Operating earnings(1)	70,255	62,885	59,737	56,991	249,868
Net earnings	45,564	43,011	38,677	37,706	164,958
Net earnings attributable to EnerSys stockholders	45,804	43,790	39,184	37,730	166,508
Net earnings per common share attributable to EnerSys stockholders —basic	$ 0.96	$ 0.91	$ 0.81	$ 0.79	$ 3.47
Net earnings per common share attributable to EnerSys stockholders —diluted	$ 0.95	$ 0.90	$ 0.80	$ 0.77	$ 3.42
Fiscal year ended March 31, 2012					
Net sales	$569,229	$ 547,140	$574,246	$592,754	$ 2,283,369
Gross profit	121,971	114,395	130,876	145,463	512,705
Operating earnings(2)	48,715	42,440	53,777	65,879	210,811
Net earnings	33,496	28,289	36,859	45,323	143,967
Net earnings attributable to EnerSys stockholders	33,496	28,289	36,859	45,359	144,003
Net earnings per common share attributable to EnerSys stockholders —basic	$ 0.67	$ 0.57	$ 0.77	$ 0.95	$ 2.95
Net earnings per common share attributable to EnerSys stockholders —diluted	$ 0.66	$ 0.57	$ 0.77	$ 0.94	$ 2.93

(1) Included in Operating earnings were restructuring charges of $370, $1,295, $3,776 and $1,723 for the first, second, third and fourth quarters of fiscal 2013, respectively.

(2) Included in Operating earnings were restructuring charges of $410, $902, $1,440 and $2,236 for the first, second, third and fourth quarters of fiscal 2012, respectively. Operating earnings also included a legal proceedings settlement income of $900, in the second quarter of fiscal 2012.

24. Subsequent Events

On May 28, 2013, the Company announced the payment of a quarterly cash dividend of $0.125 per share of common stock to be paid on June 28, 2013, to stockholders of record as of June 14, 2013.

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SCHEDULE II

EnerSys
Valuation and Qualifying Accounts
(In Thousands)

	Balance at Beginning of Period	Additions Charged to Expense	Charge-Offs	Purchase accounting adjustments	Other(1)	Balance at End of Period
Allowance for doubtful accounts:						
Fiscal year ended March 31, 2011	$ 9,879	$ 1,513	$ (1,673)	$ —	$ 828	$ 10,547
Fiscal year ended March 31, 2012	10,547	1,395	(2,012)	—	92	10,022
Fiscal year ended March 31, 2013	10,022	998	(1,568)	—	(160)	9,292
Allowance for inventory valuation:						
Fiscal year ended March 31, 2011	$ 11,678	$ 8,329	$ (5,361)	$ —	$ 406	$ 15,052
Fiscal year ended March 31, 2012	15,052	7,659	(7,657)	—	(223)	14,831
Fiscal year ended March 31, 2013	14,831	7,337	(4,584)	—	(212)	17,372
Deferred tax asset—valuation allowance:						
Fiscal year ended March 31, 2011	$ 58,382	$ 825	$ (2,444)	$ 5,340	$ 1,514	$ 63,617
Fiscal year ended March 31, 2012	63,617	2,457	(7,528)	1,124	(3,311)	56,359
Fiscal year ended March 31, 2013	56,359	3,829	(3,259)	—	(2,387)	54,542

(1) Primarily the impact of currency changes.

ITEM 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE*

None.

ITEM 9A. *CONTROLS AND PROCEDURES*

(a) Disclosure Controls and Procedures. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective.

(b) Internal Control Over Financial Reporting. There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth quarter of the fiscal year to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

The report called for by Item 308(a) of Regulation S-K is included herein as "Management's Report on Internal Control Over Financial Reporting."

Management Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. With the participation of the Chief Executive Officer and Chief Financial Officer, our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework and criteria established in *Internal Control—Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. The scope of management's assessment of the effectiveness of internal control over financial reporting includes substantially all of our businesses. Based on this evaluation, our management has concluded that our internal control over financial reporting was effective as of March 31, 2013.

The attestation report called for by Item 308(b) of Registration S-K is included herein as "Report of Independent Registered Public Accounting Firm," which appears in Item 8 in this Annual Report on Form 10-K.

/s/ JOHN D. CRAIG	/s/ MICHAEL J. SCHMIDTLEIN
John D. Craig **Chairman, President and CEO**	**Michael J. Schmidtlein** **Senior Vice President, Finance and CFO**

ITEM 9B. *OTHER INFORMATION*

Not applicable.

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE*

The information required by this item is incorporated by reference from the sections entitled "Board of Directors," "Executive Officers," "Section 16(a) Beneficial Ownership Reporting Compliance," "Corporate Governance—Independence of Directors," "Corporate Governance—Process for Selection of Director Nominee Candidates," "Audit Committee Report," and "Certain Relationships and Related Transactions—Employment of Related Parties" of the Company's definitive proxy statement for its 2013 Annual Meeting of Stockholders (the "Proxy Statement") to be filed no later than 120 days after the fiscal year end.

We have adopted a Code of Business Conduct and Ethics that applies to all of our officers, directors and employees (including our Chief Executive Officer, Chief Financial Officer, and Controller) and have posted the Code on our website at www.enersys.com, and a copy is available in print to any stockholder who requires a copy. If we waive any provision of the Code applicable to any director, our Chief Executive Officer, Chief Financial Officer, and Controller, such waiver will be promptly disclosed to the Company's stockholders through the Company's website.

ITEM 11. *EXECUTIVE COMPENSATION*

The information required by this item is incorporated by reference from the sections entitled "Corporate Governance—Compensation Committee" and "Executive Compensation" of the Proxy Statement") to be filed no later than 120 days after the fiscal year end.

ITEM 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT RELATED STOCKHOLDER MATTERS*

The information required by this item is incorporated by reference from the section entitled "Security Ownership of Certain Beneficial Owners and Management" of the Proxy Statement to be filed no later than 120 days after the fiscal year end.

	Equity Compensation Plan Information		
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	1,940,170(1)	$ 14.76(2)	2,452,522
Equity compensation plans not approved by security holders	—	—	—
Total	1,940,170	$ 14.76	2,452,522

(1) Assumes a 200% payout of market share units.

(2) Awards of restricted stock units, market share units and deferred stock units and stock units held in both the EnerSys Voluntary Deferred Compensation Plan for Non-Employee Directors and the EnerSys Voluntary Deferred Compensation Plan for Executives were not included in calculating the weighted-average exercise price as they will be settled in shares of common stock for no consideration.

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ITEM 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE*

The information required by this item is incorporated by reference from the sections entitled "Corporate Governance," and "Certain Relationships and Related Transactions" of the Proxy Statement to be filed no later than 120 days after the fiscal year end.

ITEM 14. *PRINCIPAL ACCOUNTING FEES AND SERVICES*

The information required by this item is incorporated by reference from the section entitled "Audit Committee Report" of the Proxy Statement to be filed no later than 120 days after the fiscal year end.

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PART IV

ITEM 15. *EXHIBITS, FINANCIAL STATEMENT SCHEDULES*

(a) The following documents are filed as part of this Report:

(1) Consolidated Financial Statements

See Index to Consolidated Financial Statements.

(2) Financial Statement Schedule

The following consolidated financial statement schedule should be read in conjunction with the consolidated financial statements (see Item 8. "Financial Statements and Supplementary Data:"): Schedule II—Valuation and Qualifying Accounts.

All other schedules are omitted because they are not applicable or the required information is contained in the consolidated financial statements or notes thereto.

(b) The following documents are filed herewith as exhibits:

Exhibit Number	Description of Exhibit
3.1	Fifth Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Amendment No. 3 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
3.2	Bylaws (incorporated by reference to Exhibits 3.2 to Amendment No. 3 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
4.1	Indenture, dated as of May 28, 2008, between EnerSys and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on May 28, 2008).
4.2	First Supplemental Indenture, dated as of May 28, 2008, between EnerSys and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.2 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on May 28, 2008).
10.1	Credit Agreement, dated as of June 27, 2008, among EnerSys, Bank of America, N.A., as Administrative Agent, Wachovia Capital Markets, LLC, as Syndication Agent, Goldman Sachs Credit Partners L.P., RZB Finance LLC and PNC Bank, National Association, as Co-Documentation Agent, and the various lending institutions party thereto (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on June 30, 2008).
10.2	Credit Agreement, dated as of March 29, 2011, among EnerSys, Bank of America, N.A., as Administrative Agent, Wells Fargo Bank, National Association, as Syndication Agent, RB International Finance (USA) LLC and PNC Bank, National Association, as Co-Documentation Agents and Co-Managers and the various lending institutions party thereto (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on March 29, 2011).
10.3	Euro Credit Agreement, dated June 15, 2005, among EnerSys S.p.A., Banca Intesa S.p.A., Sanpaolo IMI S.p.A., et al. (incorporated by reference to Exhibit 10.2 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on June 20, 2005).
10.4	Amendment to Euro 25,000,000 Credit Agreement (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on January 16, 2007).

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Exhibit Number	Description of Exhibit
10.5	Waiver and Amendment Agreement to Euro 25,000,000 Credit Agreement, among EnerSys Holdings (Luxembourg) S.a.r.l., EnerSys, EnerSys Capital, Inc. and Intesa Sanpaolo S.p.A., as Facility Agent and lender (incorporated by reference to Exhibit 10.2 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on May 19, 2008).
10.6	Amendment and Supplemental Facility Agreement to the Company's Euro 25 Million Credit Facility Agreement, dated October 16, 2008 (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on February 4, 2009).
10.7	Pledge Agreement, dated March 17, 2004, among EnerSys, various subsidiaries of EnerSys and Bank of America, N.A., as Collateral Agent (incorporated by reference to Exhibit 10.10 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on May 17, 2004).
10.8	Security Agreement, dated March 17, 2004, among EnerSys, various subsidiaries of EnerSys and Bank of America, N.A., as Collateral Agent (incorporated by reference to Exhibit 10.11 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on May 17, 2004).
10.9	Subsidiaries Guaranty, dated March 17, 2004, among various subsidiaries of EnerSys, in favor of Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.12 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on May 17, 2004).
10.10	Pledge over the Participation in EnerSys S.p.A., dated June 15, 2005, among EnerSys Holdings (Luxembourg) S.à r.l., Banca Intesa S.p.A., Sanpaolo IMI S.p.A., et al. (incorporated by reference to Exhibit 10.3 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on June 20, 2005).
10.11	Guaranty, dated June 15, 2005, of EnerSys Capital Inc. in favor of Sanpaolo IMI S.p.A. (incorporated by reference to Exhibit 10.4 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on June 20, 2005).
10.12	Stock Subscription Agreement, dated March 22, 2002, among EnerSys Holdings Inc., Morgan Stanley Dean Witter Capital Partners IV, L.P., Morgan Stanley Dean Witter Capital Investors IV, L.P., MSDW IV 892 Investors, L.P., Morgan Stanley Global Emerging Markets Private Investment Fund, L.P. and Morgan Stanley Global Emerging Markets Private Investors, L.P. (incorporated by reference to Exhibit 10.27 to Amendment No. 3 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
10.13	Form of Indemnification Agreement between EnerSys and each of its Directors and Officers (incorporated by reference to Exhibit 10.18 to Amendment No. 3 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
10.14	Employment Agreement, dated November 9, 2000, between Yuasa, Inc. and John D. Craig and letter of amendment thereto (incorporated by reference to Exhibit 10.2 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on May 17, 2004).
10.15	Employment Agreement, dated November 9, 2000, between Yuasa, Inc. and Richard W. Zuidema and letter of amendment thereto (incorporated by reference to Exhibit 10.6 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on May 17, 2004).
10.16	Employment Agreement, dated as of July 1, 2007 between EH Europe GmbH and Raymond R. Kubis (incorporated by reference to Exhibit 10.1 to EnerSys' Quarterly Report on Form 10-Q (File No. 001-32253) filed on August 8, 2007).
10.17	Severance Agreement, dated as of May 26, 2011 between EnerSys and Michael J. Schmidtlein (incorporated by reference to Exhibit 10.17 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on May 25, 2012).

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Exhibit Number	Description of Exhibit
10.18	Form of 2000 Management Equity Plan (incorporated by reference as Exhibit 10.1 to Amendment No. 3 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
10.19	Form of 2004 Equity Incentive Plan (incorporated by reference to Exhibit 10.24 to Amendment No. 3 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
10.20	EnerSys Amended and Restated 2006 Equity Incentive Plan (incorporated by reference to Exhibit 10.27 to EnerSys Annual Report on Form 10-K (File No. 001-32253) filed on June 11, 2008).
10.21	EnerSys Management Incentive Plan for fiscal year 2007 (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on July 6, 2006).
10.22	EnerSys Management Incentive Plan for fiscal year 2008 (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on April 2, 2007).
10.23	Form of 2010 Equity Incentive Plan (incorporated by reference to Appendix A to EnerSys' Definitive Proxy Statement on Schedule 14A (File No. 001-32253) filed on June 16, 2010).
10.24	EnerSys Voluntary Deferred Compensation Plan for Executives as amended August 5, 2010, and May 26, 2011 (incorporated by reference to Exhibit 10.23 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on May 31, 2011).
10.25	Form of Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.26 to Amendment No. 3 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
10.26	Form of Restricted Stock Agreement (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on December 9, 2005).
10.27	Form of Stock Option Agreement (four-year vesting) (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on May 23, 2007).
10.28	Form of Stock Option Agreement (three-year vesting) (incorporated by reference to Exhibit 10.2 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on May 6, 2008).
10.29	Form of Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on May 23, 2007).
10.30	Form of Restricted Stock Unit Agreement – Non-Employee Directors (incorporated by reference to Exhibit 10.29 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on June 1, 2009).
10.31	Form of Restricted Stock Unit Agreement – Employees – 2006 Equity Incentive Plan (incorporated by reference to Exhibit 10.30 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on June 1, 2010).
10.32	Form of Market Share Restricted Stock Unit Agreement – Employees (incorporated by reference to Exhibit 10.31 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on June 1, 2010).
10.33	Form of Market Share Restricted Stock Unit Agreement – Employees – 2010 Equity Incentive Plan (incorporated by reference to Exhibit 10.32 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on May 31, 2011).
10.34	Form of Restricted Stock Unit Agreement – Employees and Senior Executives – 2010 Equity Incentive Plan (incorporated by reference to Exhibit 10.33 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on May 31, 2011).

Exhibit Number	Description of Exhibit
10.35	Form of Restricted Stock Unit Agreement – Employees – 2010 Equity Incentive Plan (incorporated by reference to Exhibit 10.31 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on May 31, 2011).
10.36	Form of Deferred Stock Unit Agreement – Non-Employee Directors – 2010 Equity Incentive Plan (incorporated by reference to Exhibit 10.35 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on May 31, 2011).
10.37	Form of Severance Agreement (filed herewith).
10.38	Form of Stock Option Agreement (six-month vesting) (incorporated by reference to Exhibit 10.31 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on June 1, 2009).
10.39	Form of Restricted Stock Unit Agreement – Employees – 2010 Equity Incentive Plan (filed herewith).
10.40	Form of Market Share Restricted Stock Unit Agreement – Employees – 2010 Equity Incentive Plan (filed herewith).
10.41	Severance Agreement and Release dated April 1, 2013, between EnerSys and Raymond R. Kubis (filed herewith).
10.42	Consulting Agreement, dated April 1, 2013, between NKF Investments, LLC and EnerSys Delaware Inc. (filed herewith).
11.1	Statement regarding Computation of Per Share Earnings.*
12.1	Computation of Ratio of Earnings to Fixed Charges (filed herewith).
21.1	Subsidiaries of the Registrant (filed herewith).
23.1	Consent of Ernst & Young LLP (filed herewith).
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act of 1934 (filed herewith).
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act of 1934 (filed herewith).
32.1	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Document
101.LAB	XBRL Taxonomy Extension Label Document
101.PRE	XBRL Taxonomy Extension Presentation Document

* Information required to be presented in Exhibit 11 is provided in Note 17 of Notes to Consolidated Financial Statements under Part II, Item 8 of this Form 10-K in accordance with FASB guidance for calculating earnings per share.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENERSYS

By /s/ JOHN D. CRAIG
John D. Craig
Chairman, President and Chief Executive Officer

Date: May 28, 2013

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose name appears below hereby appoints John D. Craig and Michael J. Schmidtlein and each of them, as his true and lawful agent, with full power of substitution and resubstitution, for him and in his, place or stead, in any and all capacities, to execute any and all amendments to the within annual report, and to file the same, together with all exhibits thereto, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each said attorney-in-fact and agent may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this annual report has been signed below by the following persons in the capacities and on the dates indicated

Name	Title	Date
/s/ JOHN D. CRAIG John D. Craig	Chairman, President, and Chief Executive Officer and Director (Principal Executive Officer)	May 28, 2013
/s/ MICHAEL J. SCHMIDTLEIN Michael J. Schmidtlein	Senior Vice President Finance and Chief Financial Officer (Principal Financial Officer)	May 28, 2013
/s/ KERRY M. KANE Kerry M. Kane	Vice President and Corporate Controller (Principal Accounting Officer)	May 28, 2013
/s/ HWAN-YOON F. CHUNG Hwan-yoon F. Chung	Director	May 28, 2013
/S/ SEIFI GHASEMI Seifi Ghasemi	Director	May 28, 2013
/s/ HOWARD I. HOFFEN Howard I. Hoffen	Director	May 28, 2013
/s/ ARTHUR T. KATSAROS Arthur T. Katsaros	Director	May 28, 2013

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Name	Title	Date
/s/ John F. Lehman John F. Lehman	Director	May 28, 2013
/s/ General Robert Magnus, USMC (Retired) General Robert Magnus, USMC (Retired)	Director	May 28, 2013
/s/ Dennis S. Marlo Dennis S. Marlo	Director	May 28, 2013
/s/ Joseph C. Muscari Joseph C. Muscari	Director	May 28, 2013

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Exhibit Index

Exhibit Number	Description of Exhibit
3.1	Fifth Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Amendment No. 3 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
3.2	Bylaws (incorporated by reference to Exhibits 3.2 to Amendment No. 3 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
4.1	Indenture, dated as of May 28, 2008, between EnerSys and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on May 28, 2008).
4.2	First Supplemental Indenture, dated as of May 28, 2008, between EnerSys and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.2 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on May 28, 2008).
10.1	Credit Agreement, dated as of June 27, 2008, among EnerSys, Bank of America, N.A., as Administrative Agent, Wachovia Capital Markets, LLC, as Syndication Agent, Goldman Sachs Credit Partners L.P., RZB Finance LLC and PNC Bank, National Association, as Co-Documentation Agent, and the various lending institutions party thereto (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on June 30, 2008).
10.2	Credit Agreement, dated as of March 29, 2011, among EnerSys, Bank of America, N.A., as Administrative Agent, Wells Fargo Bank, National Association, as Syndication Agent, RB International Finance (USA) LLC and PNC Bank, National Association, as Co-Documentation Agents and Co-Managers and the various lending institutions party thereto (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on March 29, 2011).
10.3	Euro Credit Agreement, dated June 15, 2005, among EnerSys S.p.A., Banca Intesa S.p.A., Sanpaolo IMI S.p.A., et al. (incorporated by reference to Exhibit 10.2 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on June 20, 2005).
10.4	Amendment to Euro 25,000,000 Credit Agreement (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on January 16, 2007).
10.5	Waiver and Amendment Agreement to Euro 25,000,000 Credit Agreement, among EnerSys Holdings (Luxembourg) S.a.r.l., EnerSys, EnerSys Capital, Inc. and Intesa Sanpaolo S.p.A., as Facility Agent and lender (incorporated by reference to Exhibit 10.2 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on May 19, 2008).
10.6	Amendment and Supplemental Facility Agreement to the Company's Euro 25 Million Credit Facility Agreement, dated October 16, 2008 (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on February 4, 2009).
10.7	Pledge Agreement, dated March 17, 2004, among EnerSys, various subsidiaries of EnerSys and Bank of America, N.A., as Collateral Agent (incorporated by reference to Exhibit 10.10 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on May 17, 2004).
10.8	Security Agreement, dated March 17, 2004, among EnerSys, various subsidiaries of EnerSys and Bank of America, N.A., as Collateral Agent (incorporated by reference to Exhibit 10.11 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on May 17, 2004).

Exhibit Number	Description of Exhibit
10.9	Subsidiaries Guaranty, dated March 17, 2004, among various subsidiaries of EnerSys, in favor of Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.12 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on May 17, 2004).
10.10	Pledge over the Participation in EnerSys S.p.A., dated June 15, 2005, among EnerSys Holdings (Luxembourg) S.à r.l., Banca Intesa S.p.A., Sanpaolo IMI S.p.A., et al. (incorporated by reference to Exhibit 10.3 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on June 20, 2005).
10.11	Guaranty, dated June 15, 2005, of EnerSys Capital Inc. in favor of Sanpaolo IMI S.p.A. (incorporated by reference to Exhibit 10.4 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on June 20, 2005).
10.12	Stock Subscription Agreement, dated March 22, 2002, among EnerSys Holdings Inc., Morgan Stanley Dean Witter Capital Partners IV, L.P., Morgan Stanley Dean Witter Capital Investors IV, L.P., MSDW IV 892 Investors, L.P., Morgan Stanley Global Emerging Markets Private Investment Fund, L.P. and Morgan Stanley Global Emerging Markets Private Investors, L.P. (incorporated by reference to Exhibit 10.27 to Amendment No. 3 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
10.13	Form of Indemnification Agreement between EnerSys and each of its Directors and Officers (incorporated by reference to Exhibit 10.18 to Amendment No. 3 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
10.14	Employment Agreement, dated November 9, 2000, between Yuasa, Inc. and John D. Craig and letter of amendment thereto (incorporated by reference to Exhibit 10.2 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on May 17, 2004).
10.15	Employment Agreement, dated November 9, 2000, between Yuasa, Inc. and Richard W. Zuidema and letter of amendment thereto (incorporated by reference to Exhibit 10.6 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on May 17, 2004).
10.16	Employment Agreement, dated as of July 1, 2007 between EH Europe GmbH and Raymond R. Kubis (incorporated by reference to Exhibit 10.1 to EnerSys' Quarterly Report on Form 10-Q (File No. 001-32253) filed on August 8, 2007).
10.17	Severance Agreement, dated as of May 26, 2011 between EnerSys and Michael J. Schmidtlein (incorporated by reference to Exhibit 10.17 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on May 25, 2012).
10.18	Form of 2000 Management Equity Plan (incorporated by reference as Exhibit 10.1 to Amendment No. 3 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
10.19	Form of 2004 Equity Incentive Plan (incorporated by reference to Exhibit 10.24 to Amendment No. 3 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
10.20	EnerSys Amended and Restated 2006 Equity Incentive Plan (incorporated by reference to Exhibit 10.27 to EnerSys Annual Report on Form 10-K (File No. 001-32253) filed on June 11, 2008).
10.21	EnerSys Management Incentive Plan for fiscal year 2007 (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on July 6, 2006).

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Exhibit Number	Description of Exhibit
10.22	EnerSys Management Incentive Plan for fiscal year 2008 (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on April 2, 2007).
10.23	Form of 2010 Equity Incentive Plan (incorporated by reference to Appendix A to EnerSys' Definitive Proxy Statement on Schedule 14A (File No. 001-32253) filed on June 16, 2010).
10.24	EnerSys Voluntary Deferred Compensation Plan for Executives as amended August 5, 2010, and May 26, 2011 (incorporated by reference to Exhibit 10.23 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on May 31, 2011).
10.25	Form of Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.26 to Amendment No. 3 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
10.26	Form of Restricted Stock Agreement (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on December 9, 2005).
10.27	Form of Stock Option Agreement (four-year vesting) (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on May 23, 2007).
10.28	Form of Stock Option Agreement (three-year vesting) (incorporated by reference to Exhibit 10.2 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on May 6, 2008).
10.29	Form of Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on May 23, 2007).
10.30	Form of Restricted Stock Unit Agreement – Non-Employee Directors (incorporated by reference to Exhibit 10.29 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on June 1, 2009).
10.31	Form of Restricted Stock Unit Agreement – Employees – 2006 Equity Incentive Plan (incorporated by reference to Exhibit 10.30 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on June 1, 2010).
10.32	Form of Market Share Restricted Stock Unit Agreement – Employees (incorporated by reference to Exhibit 10.31 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on June 1, 2010).
10.33	Form of Market Share Restricted Stock Unit Agreement – Employees – 2010 Equity Incentive Plan (incorporated by reference to Exhibit 10.32 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on May 31, 2011).
10.34	Form of Restricted Stock Unit Agreement – Employees and Senior Executives – 2010 Equity Incentive Plan (incorporated by reference to Exhibit 10.33 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on May 31, 2011).
10.35	Form of Restricted Stock Unit Agreement – Employees – 2010 Equity Incentive Plan (incorporated by reference to Exhibit 10.31 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on May 31, 2011).
10.36	Form of Deferred Stock Unit Agreement – Non-Employee Directors – 2010 Equity Incentive Plan (incorporated by reference to Exhibit 10.35 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on May 31, 2011).
10.37	Form of Severance Agreement (filed herewith).
10.38	Form of Stock Option Agreement (six-month vesting) (incorporated by reference to Exhibit 10.31 to EnerSys' Annual Report on Form 10-K (File No. 001-32253) filed on June 1, 2009).
10.39	Form of Restricted Stock Unit Agreement – Employees – 2010 Equity Incentive Plan (filed herewith).

Exhibit Number	Description of Exhibit
10.40	Form of Market Share Restricted Stock Unit Agreement – Employees – 2010 Equity Incentive Plan (filed herewith).
10.41	Severance Agreement and Release, dated April 1, 2013, between EnerSys and Raymond R. Kubis (filed herewith).
10.42	Consulting Agreement, dated April 1, 2013, between NKF Investments, LLC and EnerSys Delaware Inc. (filed herewith).
11.1	Statement regarding Computation of Per Share Earnings.*
12.1	Computation of Ratio of Earnings to Fixed Charges (filed herewith).
21.1	Subsidiaries of the Registrant (filed herewith).
23.1	Consent of Ernst & Young LLP (filed herewith).
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act of 1934 (filed herewith).
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act of 1934 (filed herewith).
32.1	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Document
101.LAB	XBRL Taxonomy Extension Label Document
101.PRE	XBRL Taxonomy Extension Presentation Document

* Information required to be presented in Exhibit 11 is provided in Note 17 of Notes to Consolidated Financial Statements under Part II, Item 8 of this Form 10-K in accordance with FASB guidance for calculating earnings per share.

Exhibit 10.37

[Date]

[Name]
[Street Address]
[City], [State] [Zip Code]

Re: Severance Agreement

Dear [Name]:

EnerSys (the "Company") considers it essential and in the best interests of its stockholders to foster the continuous employment of key management personnel. In this regard, the Board of Directors of the Company (the "Board") recognizes that the possibility of a termination of employment related to a change in control of the Company may exist and that such possibility, and the uncertainty and questions that it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders.

The Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's senior management, including you, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a termination of employment.

In order to induce you to remain in the employ of the Company, the Company agrees that you will receive the severance benefits set forth in this letter agreement (the "Agreement") in the event your employment with the Company is terminated under the circumstances described below.

1. ***Term of Agreement.***

1.1 The term of this Agreement will commence on the date above (the "Effective Date") and will continue for a period of three (3) years thereafter. Commencing on the third anniversary of the Effective Date and on each anniversary thereafter ("Anniversary Date"), this Agreement will automatically be renewed for one (1) additional year beyond the term otherwise established, unless one party provides written notice to the other party, at least one (1) year in advance of an Anniversary Date, of its intent not to renew this Agreement for an additional one year term. Nothing in this provision will preclude termination as otherwise provided or permitted under this Agreement. Notwithstanding the foregoing, if a Change in Control occurs after the Effective Date and during the term of this Agreement, this Agreement will continue in effect for a limited period of two (2) years after the date of such Change in Control, unless terminated sooner in accordance with this Agreement.

1.2 You acknowledge that your employment with the Company constitutes "at-will" employment and that, because you are an at-will employee, either you or the Company may terminate your employment at any time, upon written notice of termination within a reasonable period of time before the effective date of the termination, subject to the procedures and consequences set forth in this Agreement.

2. ***Severance Benefits***.

2.1 Termination by the Company without Cause or by You with Good Reason in connection with a Change in Control: If your employment hereunder is terminated by the Company other than for death, disability, or Cause or by you for Good Reason, in each case (i) during the six (6) month period prior to a Change in Control and it is reasonably demonstrated by you that your termination of employment was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or otherwise arose in connection with or anticipation of a Change in Control or (ii) on or within twenty-four (24) months after a Change in Control (such time periods, the "Protection Period"), you will be entitled to receive:

a. A lump sum cash payment within sixty (60) days following your termination of employment equal to your annual base compensation then in effect (or immediately prior to any reduction resulting in a termination for Good Reason);

b. If you and your dependents, if applicable, were enrolled in the Company's medical, vision, and/or dental benefit plans on the date prior to the date of termination of employment, you may elect COBRA continuation coverage and for a period of one (1) year, you will pay the amount of premiums you would have paid for such coverage for such medical, vision, and/or dental benefits had you and your dependents, if applicable, continued to receive such coverage as an active employee, at the same level of coverage in effect as of your date of termination of employment; provided, however, that such reduced premiums will cease if you become eligible to participate in comparable programs of a subsequent employer prior to the end of such one (1) year period; and further provided that the Company will have no obligation to continue to maintain any plan or program during such period, solely as a result of the provisions of this Agreement. If required by law, regulation, or applicable guidance in order to not trigger any excise or penalty taxes, the Company shall have the right to substitute such coverage described herein with a cash subsidy in its sole discretion;

c. Immediate and full vesting of any unvested and outstanding equity awards granted to you, payable pursuant to the terms of any plan or other agreement under or pursuant to which any such equity awards were granted; provided that to the extent the benefits provided under this paragraph conflict with the terms of any such plan or agreement, the terms of such plan or agreement will control; and

d. A pro-rata payment from the Company's annual incentive plan for the fiscal year in which your termination occurred, equal to the payment you would have received had you remained in the employment of the Company through the end of such fiscal year, multiplied by a fraction, the numerator of which is the number of full months elapsed from the start of such fiscal year to the date of your termination of employment, and the denominator of which is 12. Such amount, if any, will be paid at the time such award would otherwise have been paid to other participants had your employment not terminated, but in no event later than two and one-half months following the end of such fiscal year.

2.2 Good Reason: You will be considered to have terminated employment hereunder for Good Reason if such termination of employment is on account of any of the following actions by the Company, which occur during the Protection Period, without your express written consent:

a. A reduction of ten percent (10%) or more in your annual base compensation, other than a reduction which is proportionate to a Company-wide reduction in senior management pay;

b. Any material diminution of your positions, duties, or responsibilities;

c. Any permanent reassignment of you to a location greater than fifty (50) miles from the location of your primary office, unless such new location is closer to your primary residence; or

d. A material breach by the Company of its obligations under this Agreement.

Notwithstanding the foregoing, a termination by you will not be for "Good Reason," unless you have given the Company at least ten (10) business days written notice specifying the grounds upon which you intend to terminate your employment hereunder for "Good Reason" and such notice is received by the Company within ninety (90) days of the date the event of "Good Reason" occurred. In addition, any action or inaction by the Company which is remedied within thirty (30) days following such written notice will not constitute "Good Reason" for termination hereunder and will render such notice null and void.

2.3 Change in Control. Change in Control means a "Change in Control" as defined under the EnerSys 2010 Equity Incentive Plan, as such term may be amended therein from time to time.

2.4 Cause. "Cause" means any of the following events: (a) breach of your fiduciary duty to the Company or your duty of loyalty to the Company; (b) willful act of material dishonesty with respect to any material matter involving the Company; (c) theft or material misuse of Company property; (d) failure to conform in any material respect to the Company's code of conduct (i.e., the policies and procedures related to the employment of employees by the Company as set forth in an employee handbook or any similar document or as communicated to you); (e) excessive absenteeism (which will not include authorized absences for leave pursuant to the Family and Medical Leave Act, the Americans With Disabilities Act, or the Company's vacation, paid time off, or short-term disability leave plans, policies, or arrangements, or service in the uniformed services as such term is defined by the Uniformed Services Employment and Reemployment Rights Act) having a material adverse effect on Company business operations; (f) conviction of, or plea of guilty or *nolo contendere* to, a felony, any criminal charge involving moral turpitude, or illegal substance abuse charges; (g) continuing neglect of management duties and responsibilities that has a material adverse effect on the Company; (h) willful failure to timely report to the Board or direct supervisor information having a material adverse effect on Company business operations; or (i) failure to meet reasonable and achievable documented performance expectations (other than any such failure resulting from incapacity due to physical or mental illness).

2.5 Clawback – For Cause Matters. If, within ninety (90) days after a termination of your employment that entitles you to severance benefits under Section 2, the Board becomes aware of facts that, if known during your employment, it reasonably believes would have justified termination of your employment for Cause, the Company may refrain from paying any unpaid amounts due under Section 2 or require you to promptly (but in no event less than ninety (90) days after notice to you of such determination by the Board) repay any amounts previously paid or the value of any benefits previously received under Section 2.

2.6 Accrued Benefits. Upon your termination of employment for any reason, you, or your estate, as applicable, will receive your accrued but unpaid annual base compensation and any accrued but unpaid or otherwise vested benefits under any Company benefit or incentive plan.

3. ***Best Net Benefit Limitation***. Anything contained in this Agreement to the contrary notwithstanding, if any of the payments or benefits received or to be received by you pursuant to this Agreement (which the parties agree will not include any portion of payments allocated to the non-solicitation and non-competition provisions of Section 4 that are classified as payments of reasonable compensation for purposes of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code")), when taken together with payments and benefits provided to you under any other plans, contracts, or arrangements with the Company (all such payments and benefits, the "Total Payments"), will be subject to any excise tax imposed under Code Section 4999 (together with any interest or penalties, the "Excise Tax"), then such Total Payments will be reduced to the extent necessary so that no portion thereof will be subject to the Excise Tax; provided, however, that if you would receive in the aggregate greater value (as determined under Code Section 280G and the regulations thereunder) on an after tax basis if the Total Payments were not subject to such reduction, then no such reduction will be made. To effectuate the reduction described above, if applicable, the Company will first reduce or eliminate the payments and benefits provided under this Agreement. All calculations required to be made under this Section, including the portion of the payments hereunder to be allocated to the restrictive covenants set forth in Section 4, will be made by the Company's independent public accountants, subject to the right of your representative to review the same. The parties recognize that the actual implementation of the provisions of this Section are complex and agree to deal with each other in good faith to resolve any questions or disagreements arising hereunder.

4. ***Covenant Not to Compete; Nonsolicitation; Confidential Information; Nondisparagement.***

4.1 You agree with the Company that you will not at any time, except in performance of your obligations to the Company or with the prior written consent of the Company, directly or indirectly, reveal to any "Person" (as defined in Section 3(9) of the Employee Retirement Income Security Act of 1974, as amended) (other than the Company, or its employees, officers, directors, shareholders, or agents) or use for your own benefit any information deemed to be confidential by the Company or any of its subsidiaries or affiliates (such subsidiaries and affiliates, collectively "Affiliates") ("Confidential Information") relating to the assets, liabilities, employees, goodwill, business affairs of the Company or any of its Affiliates, including, without limitation, any information concerning past, present, or prospective customers, manufacturing processes, marketing, operating, or financial data, or other confidential information used by, or useful to, the Company or any of its Affiliates and known (whether or not known with the knowledge and permission of the Company or any of its Affiliates and whether or not at any time prior to the Effective Date developed, devised, or otherwise created in whole or in part by your efforts) to you by reason of your employment by, shareholdings in or other association with the Company or any of its Affiliates. You further agree that you will retain all copies and extracts of any written or electronic Confidential Information acquired or developed by you during any such employment, shareholding, or association in trust for the sole benefit of the Company, its Affiliates, and their successors and assigns. You further agree that you will not, without the prior written consent of the Company, remove or take from the Company's or any of its Affiliate's premises (or if previously removed or taken, you will promptly return) any written or electronic Confidential Information or any copies or extracts thereof. Upon the request and at the expense of the Company, you will promptly make all disclosures, execute all instruments and papers, and perform all acts reasonably necessary to vest and confirm in the Company and its Affiliates, fully and completely, all rights created or contemplated by this Section 4.1. The term "Confidential Information" will not include information that is or becomes generally available to the public other than as a result of a disclosure by, or at the direction of, you. Your agreements set forth in this Section 4.1 regarding Confidential Information are independent of, and in addition to, your agreements set forth in the rest of Section 4 and will not be construed either to enlarge or to contract the scope of such other agreements.

4.2 You agree with the Company that, for so long as you are employed by the Company or any of its Affiliates and continuing for the Restricted Period (as defined below), you will not, without the prior written consent of the Company, directly or indirectly, and whether as principal or investor or as an employee, officer, director, manager, partner, consultant, agent, or otherwise, alone or in association with any other Person, become involved in a Competing Business (as defined below) in the Americas, Europe, or Asia, or any other geographic area in which the Company or any of its Affiliates has engaged during such period in any of the activities which comprise a Competing Business, or in which you have knowledge of the Company's plans to engage in any of the activities which comprise a Competing Business (including, without limitation, any area in which any customer of the Company or any of its Affiliates may be located). This Section 4.2 will not be violated, however, by your investment of up to $100,000 in the aggregate in one or several publicly-traded companies that engage in a Competing Business.

4.3 As a separate and independent covenant, you agree with the Company that, for so long as you are employed by the Company or any of its Affiliates and continuing for the Restricted Period (as defined below), you will not in any way, directly or indirectly (except in the course of your employment with the Company and its Affiliates), for the purpose of conducting or engaging in any Competing Business, call upon, solicit, advise, or otherwise do, or attempt to do, business with any Person who is, or was, during the then most recent 12-month period, a customer of the Company or any of its Affiliates, or take away or interfere or attempt to take away or interfere with any custom, trade, business, patronage, or affairs of the Company or any of its Affiliates, or hire or attempt to hire, or otherwise engage or attempt to engage as an independent contractor or otherwise any Person who is, or was during the then most recent 12-month period, an employee, officer, representative, or agent of the Company or any of its Affiliates, or solicit, induce, or attempt to solicit or induce any Person who is an employee, officer, representative, or agent of the Company or any of its Affiliates to leave the employ of the Company or any of its Affiliates or cease their business relationship with Company or any of its Affiliates (as the case may be), or violate the terms of their contracts, or any employment arrangements, with the Company or any of its Affiliates.

4.4 For purposes of this Section 4, a "Competing Business" means a business or enterprise (other than the Company and its Affiliates) that is engaged in any or all of the design, manufacture, importing, development, distribution, marketing, or sale of:

a. reserve power products (including, without limitation, those products used for backup power for the continuous operation of critical applications in telecommunications systems, uninterruptible power systems, or UPS, applications for computer and computer-controlled systems, and other specialty power applications, including security systems, for premium starting, lighting and ignition applications, in switchgear and electrical control systems used in electric utilities and energy pipelines, and in commercial aircraft and military aircraft, submarines, ships and tactical vehicles); and/or

b. motive power products (including, without limitation, products used to provide power for manufacturing, warehousing, and other material handling equipment, such as electrical industrial forklift trucks, mining equipment, and diesel locomotive starting, rail car lighting, and rail signaling equipment); and/or

c. lithium ion cells or batteries (for aerospace and defense applications, or otherwise); and/or

d. hydrogen fuel cells; and/or

e. any other product the Company is producing, marketing, researching, or developing at the time of your termination of employment.

"Competing Business" also includes the design, engineering, installation, or service of stationary and DC power systems, and any consulting and/or turnkey services relating thereto.

4.5 You confirm that all Confidential Information is and will remain the exclusive property of the Company and its Affiliates. All business records, papers, and documents kept or made by you relating to the business of the Company will be and remain the property of the Company and its Affiliates.

4.6 You agree to refrain from performing any act, engaging in any conduct or course of action or making or publishing any statements, claims, allegations or assertions which have or may reasonably have the effect of demeaning the name or business reputation of the Company or any of its subsidiaries, or any of its or their employees, officers, directors, agents or advisors in their capacities as such or which adversely affects (or may reasonably be expected adversely to affect) the best interests (economic or otherwise) of any of them. Subject to the provisions of this Agreement, nothing in this Section 4.6 will preclude you from fulfilling any duty or obligation that you may have at law, from responding to any subpoena or official inquiry from any court or government agency, including providing truthful testimony, documents subpoenaed or requested or otherwise cooperating in good faith with any proceeding or investigation; or from taking any reasonable actions to enforce your rights under this Agreement in accordance with the dispute provisions specified in Section 7 hereof.

4.7 Without intending to limit the remedies available to the Company and its Affiliates, you agree that a breach of any of the covenants contained in this Section 4 may result in material and irreparable injury to the Company or its Affiliates for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, the Company and its Affiliates will be entitled to seek a temporary restraining order or a preliminary or permanent injunction, or both, without bond or other security, restraining you from engaging in activities prohibited by this Section 4 or such other relief as may be required specifically to enforce any of the covenants in this Section 4. Such injunctive relief in any court will be available to the Company and its Affiliates in lieu of, or prior to or pending determination in, any arbitration proceeding.

4.8 Although you and the Company consider the restrictions contained in this Section 4 to be the minimum restriction reasonable for the purposes of preserving the Company's goodwill and other proprietary rights, if a final determination is made by a court that the time or territory, or any other restriction contained in this Section 4 is an unreasonable or otherwise unenforceable restriction against you, the provisions of this Section 4 will not be rendered void, but will be deemed amended to apply as to such maximum time and territory and to such other extent as the court may determine to be reasonable.

4.9 Notwithstanding anything to the contrary in Section 2.1, in the event that you breach any of the covenants contained in this Section 4:

a. Any remaining payments or benefits to be provided under Section 2.1 will not be paid or will cease immediately upon such breach; and

b. The Company will be entitled to the immediate repayment of all payments and benefits provided under Section 2.1.

4.10 You agree that the covenants contained in this Section 4 may be assigned by the Company, as needed, to affect its purpose and intent and that the Company's assignee will be entitled to the full benefit of the restrictions enjoyed by the Company under the terms of these covenants.

4.11 The term “Restricted Period” means one (1) year following the termination of your employment for any reason; provided, however, that the Restricted Period will be extended by a period of time equal to any period during which you are in breach of any of the covenants set forth in this Section 4.

5. ***Binding Effect and Benefit***.

5.1 The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure by the Company to obtain such assumption and agreement prior to the effectiveness of any such succession will constitute a material breach of this Agreement. As used in this Agreement, “the Company” means the Company as defined above and any successor to the respective business or assets of the Company as abovementioned which assumes and agrees to perform this Agreement by operation of law, or otherwise.

5.2 This Agreement will inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, heirs, distributees, devisees, and legatees. If you should die while any amount is payable to you under this Agreement if you had continued to live, all such amounts, unless otherwise provided herein, will be paid in accordance with the terms of this Agreement to your devisee, legatee, or other designee, or, if there is no such designee, to your estate.

6. ***Assignment***. This Agreement will not be assignable by either party hereto, except as provided in Section 4.10 and by the Company to any successor in interest to the business of the Company, provided that the Company (if it remains a separate entity) will remain fully liable under this Agreement for all obligations, payments, and otherwise.

7. ***Arbitration***. Subject to Section 4.7, any dispute or controversy arising under or in connection with this Agreement that cannot be mutually resolved by the parties hereto will be settled exclusively by arbitration in Philadelphia, Pennsylvania before one arbitrator of exemplary qualifications and stature, who will be selected jointly by you and the Company, or, if you and the Company cannot agree on the selection of the arbitrator, will be selected by the American Arbitration Association. Judgment may be entered on the arbitrator’s award in any court having jurisdiction. The parties hereby agree that the arbitrator will be empowered to enter an equitable decree mandating specific enforcement of the terms of this Agreement. Each party will bear its own costs, including legal fees and out-of-pocket expenses, incurred in connection with any arbitration, and the party that prevails will bear all expenses of the arbitrator.

8. ***No Mitigation or Offset***. In the event of termination of your employment, you will be under no obligation to seek other employment and there will be no offset against any payment or benefit provided for in this Agreement on account of any remuneration or benefits from any subsequent employment that you may obtain.

9. ***Application of Code Section 409A***.

9.1 Notwithstanding anything in this Agreement to the contrary, the receipt of any benefits under this Agreement as a result of a termination of employment will be subject to satisfaction of the condition precedent that you undergo a “separation from service” within the meaning of Treas. Reg. § 1.409A-1(h) or any successor thereto. In addition, if you are deemed to be a “specified employee” within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provisions of any benefit that is required to be delayed pursuant to Code Section 409A(a)(2)(B), such payment or benefit will not be made or provided prior to the earlier of (i) the expiration of the six (6) month period measured from the date of your “separation from service” (as such term is defined in Treas. Reg. § 1.409A-1(h)), or (ii) the date of your death (the “Delay Period”). Within ten (10) days following the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) will be paid or reimbursed to you in a lump sum, and any remaining payments and benefits due under this Agreement will be paid or provided in accordance with the normal payment dates specified for them herein. To the extent that the foregoing applies to the provision of any ongoing welfare benefits to you that would not be required to be delayed if the premiums therefore were paid by you, you will pay the full costs of premiums for such welfare benefits during the Delay Period and the Company will pay you an amount equal to the amount of such premiums paid by you during the Delay Period within ten (10) days after the conclusion of such Delay Period.

9.2 Except as otherwise expressly provided herein, to the extent any expense reimbursement or other in-kind benefit is determined to be subject to Code Section 409A, the amount of any such expenses eligible for reimbursement or in-kind benefits in one calendar year will not affect the expenses eligible for reimbursement or in-kind benefits in any other taxable year (except under any lifetime limit applicable to expenses for medical care), in no event will any expenses be reimbursed or in-kind benefits be provided after the last day of the calendar year following the calendar year in which you incurred such expenses or received such benefits, and in no event will any right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit.

9.3 Any payments made pursuant to Section 2.1, to the extent of payments made from the date of termination through March 15th of the calendar year following such date, are intended to constitute separate payments for purposes of Treas. Reg. §1.409A-2(b)(2) and thus payable pursuant to the “short-term deferral” rule set forth in Treas. Reg. §1.409A-1(b)(4); to the extent such payments are made following said March 15th, they are intended to constitute separate payments for purposes of Treas. Reg. §1.409A-2(b)(2) made upon an involuntary termination from service and payable pursuant to Treas. Reg. §1.409A-1(b)(9)(iii), to the maximum extent permitted by said provision.

9.4 To the extent it is determined that any benefits described in Section 2.1(b) are taxable to Executive, they are intended to be payable pursuant to Treas. Reg. §1.409A-1(b)(9)(v), to the maximum extent permitted by said provision.

10. ***Miscellaneous***.

10.1 The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

10.2 The validity, interpretation, construction, and performance of this Agreement will be governed by the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws principles.

10.3 No waiver by you or the Company at any time of any breach of, or compliance with, any provision of this Agreement to be performed by the Company or you, respectively, will be deemed a waiver of that or any other provision at any subsequent time.

10.4 Upon any termination of employment that entitles you to payments and benefits under Section 2, you must, within 60 days of your termination of employment, execute a legally enforceable release agreement substantially in the form of Exhibit A attached hereto prior to the receipt of such payments and benefits. If such 60 day period begins in one taxable year and ends in a second taxable year, the payments and benefits will be provided or commence being provided, if at all, in the second taxable year. Any payments made to you will be paid net of any applicable withholding required under federal, state, local, or foreign law.

10.5 This Agreement is the exclusive agreement with respect to the severance benefits payable to you in the event of a termination of your employment. All prior negotiations and agreements are hereby merged into this Agreement. You acknowledge and agree that any employment agreement, offer letter, and/or any agreement regarding change in control or termination benefits, previously entered into between you and the Company is immediately null and void.

10.6 Notwithstanding the termination of this Agreement, the provisions which specify continuing obligations, compensation and benefits, and rights will remain in effect until such time as all such obligations are discharged, all such compensation and benefits are received, and no party or beneficiary has any remaining actual or contingent rights under this Agreement.

11. ***Legal Fees***. In the event of a dispute following a Change in Control, the Company, or its successor, will reimburse you for all reasonable legal fees and expenses incurred by you in attempting to obtain or enforce rights or benefits provided by this Agreement, if, with respect to any such right or benefit, you are successful in obtaining or enforcing such right or benefit (including by negotiated settlement).

If you agree to the terms of this Agreement, please sign on the line provided below and return two signed copies to the Company. A fully executed copy will be returned to you for your files after it is signed by the Company.

Sincerely,

ENERSYS

By: ______________________________

Title: President and Chief Executive Officer

Dated: ______________________________

Agreed to and accepted:

____

[Name]

Dated: ______________________________

APPENDIX A

FORM OF GENERAL RELEASE

Reference is made to the Severance Agreement dated as of (the “Severance Agreement”), between EnerSys, a Delaware corporation (the “Company”), and (the “Executive”). Capitalized terms used herein without definition shall have the meanings assigned to them in the Severance Agreement, a copy of which is attached hereto.

SECTION 1. Mutual Release.

(a) General Waiver and Release. In consideration of their respective obligations under the Severance Agreement in connection with and following the Executive’s termination of employment with the Company and its affiliates, and subject to the limitations set forth in Section 2 hereof, the Company, on the one hand, does hereby release and forever discharge the Executive, and the Executive, on the other hand, does hereby release and forever discharge the Company, its present, former, and future shareholders, affiliates, direct and indirect parents, subsidiaries, successors, directors, officers, employees, agents, attorneys, heirs, and assigns (the “Company Parties” and, together with the Executive, the “Released Parties”), from any and all claims, actions, causes of action, suits, costs, controversies, judgments, decrees, verdicts, damages, liabilities, attorneys’ fees, covenants, contracts, and agreements that the Executive may have against the Company Parties or the Company Parties may have against the Executive, or in the future may possess based on events occurring during the term of the Executive’s employment with the Company arising out of (i) the Executive’s employment relationship with or service as an employee or officer of the Company and its affiliates or the termination of such relationship or service or (ii) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date the Executive signs this Release, with respect to each other, including, but not limited to, any claims arising under Title VII of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, the Family Medical Leave Act of 1993, or any other federal or state or local law or any foreign jurisdiction, whether such claim arises under statute, common law, or in equity, and whether or not any of the Released Parties are presently aware of the existence of such claim, damage, action or cause of action, suit, or demand (collectively, including claims, actions, and causes of action set forth in Section 1(b) below, the “Claims”). The Executive and the Company Parties also do forever release, discharge, and waive any right the Executive or the Company Parties may have to recover in any proceeding brought by any federal, state, or local agency against the Company Parties and the Executive, respectively, to enforce any laws. Each of the parties hereto agrees that the value received or to be received in the future as described in the Severance Agreement shall be in full satisfaction of any and all claims, actions, or causes of action for payment or other benefits of any kind that the Executive may have against the Company Parties and that the Company Parties may have against the Executive; provided, however, that nothing in this Agreement shall preclude the Company from recouping, or refusing to pay, (i) severance benefits under the Severance Agreement in accordance with Section 2.5 thereof or (ii) cash or equity incentive-based compensation paid or payable to the Executive in the event of a restatement of the Company’s financial statements pursuant to applicable law or regulation or Company policy adopted consistent with applicable law or regulation.

(b) ADEA Release. In further recognition of the above, the Executive hereby releases and forever discharges each of the Company Parties from any and all claims, actions and causes of action that the Executive may have as of the date the Executive signs and delivers to the Company this Release arising under the federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder ("ADEA").

SECTION 2. Limitations.

(a) No Impact on Obligations under the Severance Agreement or the Shareholder Agreement . The releases contained herein do not, are not intended to, and shall not be interpreted to serve as a release or waiver by the Executive or the Company Parties with respect to their respective rights and obligations set forth in the Severance Agreement. In particular, and without limiting the generality of the preceding sentence, the Executive does not waive or release any claim the Executive might now or in the future have to be paid or receive the payments and benefits provided for in Section 2 of the Severance Agreement, and the Company Parties do not waive or release any claim they might now or in the future have under Section 4 of the Severance Agreement.

(b) No Impact on Indemnification Rights. The releases contained herein do not, are not intended to, and shall not be interpreted to serve as a release or waiver by the Executive with respect to any indemnification rights the Executive may have and such indemnification rights shall not be effected, modified, or extinguished by the Executive's execution of this Release.

SECTION 3. No Pending Litigation.

The Executive represents and agrees that the Executive has not filed, and will not file, any action, complaint, charge, grievance, or arbitration against any Company Party, except that such agreement shall not apply to any claim based on any matter which, pursuant to Section 2, is excluded from the scope of this Release. The Company hereby represents and agrees that no Company Party has filed, and no Company Party will file, any action, complaint, charge, grievance, or arbitration against the Executive except that such agreement shall not apply to any claim based on any matter which, pursuant to Section 2, is excluded from the scope of this Release.

SECTION 4. Acknowledgment.

The Executive acknowledges and confirms that (i) the Executive has been advised in writing by the Company in connection with the Executive's termination to consult with an attorney of the Executive's choice prior to signing this Release and to have such attorney explain to the Executive the terms of the Release, including, without limitation, the terms relating to the Executive's release of Claims arising under ADEA; (ii) the Executive has read this Release carefully and completely and understands each of the terms hereof; and (iii) the Executive was given not less than twenty-one (21) days to consider the terms of the Release and to consult with an attorney of the Executive's choosing with respect thereto, and that for a period of seven (7) days following the Executive's signing of this Agreement, the Executive shall have the option to revoke this Agreement in accordance with the terms set forth in Section 6 below.

SECTION 5. Successors.

The rights and obligations under this Agreement shall inure to any and all successors of the Company.

SECTION 6. Revocation.

The Executive shall have the right to revoke this Release during the seven-day period commencing immediately following the date the Executive signs and delivers this Agreement to the Company (the "Revocation Period"). The period shall expire at 5:00 p.m., Eastern Standard Time, on the last day of the seven-day period; provided, however, that if such seventh day is not a business day, the period shall extend to 5:00 p.m. on the next succeeding business day. In the event of any such revocation by the Executive, the obligations of the Company under this Release shall terminate and be of no further force and effect as of the date of such revocation. No such revocation by the Executive shall be effective unless it is in writing and signed by the Executive and received by a representative of the Company prior to the expiration of the Revocation Period.

SECTION 7. Counterparts.

This Release may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

ENERSYS

By: ______________________________

Name:

Title:

ACCEPTED AND AGREED:

____

[Name]

Dated:

Exhibit 10.39

ENERSYS

AWARD AGREEMENT FOR EMPLOYEES – RESTRICTED STOCK UNITS

UNDER THE 2010 EQUITY INCENTIVE PLAN

THIS AWARD AGREEMENT FOR EMPLOYEES – RESTRICTED STOCK UNITS (this "Agreement"), dated as of , is between ENERSYS, a Delaware corporation (the "Company"), and the individual identified on the signature page hereof (the "Participant").

BACKGROUND

A. The Participant is currently an employee of the Company or one of its Subsidiaries.

B. The Company desires to (i) provide the Participant with an incentive to remain in the employ of the Company or one of its Subsidiaries, and (ii) increase the Participant's interest in the success of the Company by granting restricted stock units (the "Restricted Stock Units") to the Participant.

C. The grant of the Restricted Stock Units is (i) made pursuant to the EnerSys 2010 Equity Incentive Plan (the "Plan"), (ii) made subject to the terms and conditions of this Agreement, and (iii) not employment compensation nor an employment right and is made in the discretion of the Company's Compensation Committee.

NOW, THEREFORE, in consideration of the covenants and agreements contained in this Agreement, the parties hereto, intending to be legally bound, agree as follows:

1. Definitions; Incorporation of Plan Terms. Capitalized terms used in this Agreement without definition shall have the meanings assigned to them in the Plan. This Agreement and the Restricted Stock Units shall be subject to the Plan. The terms of the Plan are incorporated into this Agreement by reference. If there is a conflict or an inconsistency between the Plan and this Agreement, the Plan shall govern. The Participant hereby acknowledges receipt of a copy of the Plan.

2. Grant of Restricted Stock Units.

(a) Subject to the provisions of this Agreement and pursuant to the provisions of the Plan, the Company hereby grants to the Participant the number of Restricted Stock Units specified on the signature page of this Agreement. The Company shall credit to a bookkeeping account (the "Account") maintained by the Company, or a third party on behalf of the Company, for the Participant's benefit the Restricted Stock Units, each of which shall be deemed to be the equivalent of one share of the Company's common stock, par value $.0.01 per share (each, a "Share").

(b) If and whenever any cash dividends are declared on the Shares, on the date such dividend is paid, the Company will credit to the Account a number of additional Restricted Stock Units equal to the result of dividing (i) the product of the total number of Restricted Stock Units credited to the Account on the record date for such dividend (other than previously settled or forfeited Restricted Stock Units) times the per Share amount of such dividend, by (ii) the Fair Market Value of one Share on the record date for such dividend. The additional Restricted Stock Units shall be or become vested to the same extent as the Restricted Stock Units that resulted in the crediting of such additional Restricted Stock Units.

(c) If and whenever the Company declares and pays a dividend or distribution on the Shares in the form of additional shares, or there occurs a forward split of Shares, then a number of additional Restricted Units shall be credited to the Account as of the payment date for such dividend or distribution or forward split equal to (i) the total number of Restricted Stock Units credited to the Account on the record date for such dividend or distribution or split (other than previously settled or forfeited Restricted Stock Units), multiplied by (ii) the number of additional Shares actually paid as a dividend or distribution or issued in such split in respect of each outstanding Share. The additional Restricted Stock Units shall be or become vested to the same extent as the Restricted Stock Units that resulted in the crediting of such additional Restricted Stock Units.

3. Terms and Conditions. All of the Restricted Stock Units shall initially be unvested.

(a) Vesting. Twenty-five percent (25%) of the Restricted Stock Units (rounded up to the nearest whole number) shall vest on the first anniversary of the date of this Agreement and on each of the next three (3) successive anniversaries thereof unless previously vested or forfeited in accordance with the Plan or this Agreement (the "Normal Vesting Schedule").

(i) Any Restricted Stock Units that fail to vest because the employment condition set forth in Section 3(c) is not satisfied shall be forfeited, subject to the special provisions set forth in subsections (ii) through (iv) of this Section 3(a).

(ii) If the Participant's employment terminates due to death or Permanent Disability, or in the event of a Change in Control where the holders of the Company's Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, Restricted Stock Units not previously vested shall immediately become vested.

(iii) If on or within two years after a Change in Control (other than a Change in Control described in Section 3(a)(ii) above), the Participant terminates employment for Good Reason, or is terminated by the Company without Cause, Restricted Stock Units not previously vested shall immediately become vested.

(iv) In the event of the Participant's resignation or termination of employment (other than for Cause) on or after the earlier of (A) the Participant's 60th birthday and having attained ten (10) years of service with the Company or a Subsidiary (including years of service granted by the Company as a result of a merger, acquisition, or other transaction) or (B) the Participant's 65th birthday (a "Retirement"), the Compensation Committee may determine, in its sole discretion, whether and the manner in which Restricted Stock Units not previously vested (or any portion thereof) shall be vested and settled pursuant to Section 3(d). In the absence of Compensation Committee action, upon such Retirement, the Restricted Stock Units which have not vested as of the date of such termination shall vest pro-rata as of the date of the Participant's Retirement, and all such units which shall have not vested as a result of such Retirement shall revert to the Company without consideration of any kind. To the extent the Participant's Retirement date and vesting date under this Section 3(a)(iv) are in different tax years, any amount payable under this subsection shall constitute the payment of nonqualified deferred compensation, subject to the requirements of Code Section 409A.

The number of Restricted Stock Units vesting pro-rata upon an event described in the penultimate sentence of the foregoing paragraph in Section 3(a)(iv) shall be calculated by taking a fraction where the denominator is equal to number of months during the Normal Vesting Schedule ("Vesting Period"), and the numerator is equal to the number of completed months that the Participant was employed or provided service to the Company or one of its Subsidiaries during the Vesting Period, with the total number of Restricted Stock Units awarded multiplied by such fraction multiplied (rounding up the nearest whole number).

(b) Restrictions on Transfer. Until the earlier of the applicable vesting date under the Normal Vesting Schedule, the date of a termination of employment due to death or Permanent Disability, the date of a Change in Control described in Section 3(a)(ii), or the date of a termination of employment on or within two years after a Change in Control described in Section 3(a)(iii), or as otherwise provided in the Plan, no transfer of the Restricted Stock Units or any of the Participant's rights with respect to the Restricted Stock Units, whether voluntary or involuntary, by operation of law or otherwise, shall be permitted. Unless the Company's Compensation Committee determines otherwise, upon any attempt to transfer any Restricted Stock Units or any rights in respect of the Restricted Stock Units before the earlier of the applicable vesting date under the Normal Vesting Schedule, the date of a termination of employment due to death or Permanent Disability, the date of a Change in Control described in Section 3(a)(ii), or the date of a termination of employment on or within two years after a Change in Control described in Section 3(a)(iii), such unit, and all of the rights related to such unit, shall be immediately forfeited by the Participant and transferred to, and reacquired by, the Company without consideration of any kind.

(c) Forfeiture. Upon termination of the Participant's employment with the Company or a Subsidiary for any reason other than death, Permanent Disability or one of the reasons set forth in Sections 3(a)(iii) and (iv), the Participant shall forfeit any and all Restricted Stock Units which have not vested as of the date of such termination and such units shall revert to the Company without consideration of any kind.

(d) Settlement. Restricted Stock Units not previously forfeited shall be settled on the earlier of the applicable vesting date under the Normal Vesting Schedule, the date of a termination of employment due to death or Permanent Disability, the date of a Change in Control described in Section 3(a)(ii), or the date of a termination of employment on or within two years after a Change in Control described in Section 3(a)(iii) by delivery of one share of common stock for each Restricted Stock Unit being settled or, if determined by the Compensation Committee in its sole discretion, by a payment of cash equal to the Fair Market Value of one share of common stock. If the Participant dies following a Retirement described in Section 3(a)(iv) prior to the upcoming vesting date required under the Normal Vesting Schedule, in such case, the Company shall deliver one share of common stock for each Restricted Stock Unit not previously forfeited and being settled or, if determined by the Compensation Committee in its sole discretion, by a payment of cash equal to the Fair Market Value of one share of common stock to the Participant's estate (or beneficiary) upon his or her death, in accordance with Section 3(a)(ii).

4. Noncompetition. The Participant agrees with the Company that, for so long as the Participant is employed by the Company or any of its Subsidiaries and continuing for twelve (12) months (or such longer period as may be provided in an employment or similar agreement between the Participant and the Company or one of its Subsidiaries) following a termination of such employment due to Permanent Disability or under Sections 3(a)(iii) or (iv) of this Agreement or that occurs after any of the Restricted Stock Units have vested, the Participant will not, without the prior written consent of the Company, directly or indirectly, and whether as principal or investor or as an employee, officer, director, manager, partner, consultant, agent, or otherwise, alone or in association with any other person, firm, corporation, or other business organization, become involved in a Competing Business Americas, Europe or Asia, or in any geographic area in which the Company or any of its Subsidiaries has engaged during such period in any of the activities that comprise a Competing Business, or in which the Participant has knowledge of the Company's plans to engage in any of the activities that comprise a Competing Business (including, without limitation, any area in which any customer of the Company or any of its Subsidiaries may be located); provided, however, that the provisions of this Section 4 shall apply solely to those activities of a Competing Business, with which the Participant was personally involved or for which the Participant was responsible while employed by the Company or its Subsidiaries during the twelve (12) month period preceding termination of the Participant's employment. This Section 4 will not be violated, however, by Participant's investment of up to $100,000 in the aggregate in one or several publicly-traded companies that engage in a competing business.

5. Wrongful Solicitation. As a separate and independent covenant, the Participant agrees with the Company that, for so long as the Participant is employed by the Company or any of its Subsidiaries and continuing for twelve (12) months (or such longer period as may be provided in an employment or similar agreement between the Participant and the Company or one of its Subsidiaries) following a termination of such employment due to Permanent Disability or under Sections 3(a)(iii) or (iv) of this Agreement or that occurs after any of the Restricted Stock Units have vested, the Participant will not engage in any Wrongful Solicitation.

6. Confidentiality; Specific Performance.

(a) The Participant agrees with the Company that the Participant will not at any time, except in performance of the Participant's obligations to the Company hereunder or with the prior written consent of the Company, directly or indirectly, reveal to any person, entity, or other organization (other than the Company, or its employees, officers, directors, stockholders, or agents) or use for the Participant's own benefit any information deemed to be confidential by the Company or any of its Affiliates ("Confidential Information") relating to the assets, liabilities, employees, goodwill, business, or affairs of the Company or any of its Affiliates, including, without limitation, any information concerning past, present, or prospective customers, manufacturing processes, marketing, operating, or financial data, or other confidential information used by, or useful to, the Company or any of its Affiliates and known (whether or not known with the knowledge and permission of the Company or any of its Affiliates and whether or not at any time prior to the Date of Grant developed, devised, or otherwise created in whole or in part by the efforts of the Participant) to the Participant by reason of the Participant's employment with, equity holdings in, or other association with the Company or any of its Affiliates. The Participant further agrees that the Participant will retain all copies and extracts of any written Confidential Information acquired or developed by the Participant during any such employment, equity holding, or association in trust for the sole benefit of the Company, its Affiliates, and their successors and assigns. The Participant further agrees that the Participant will not, without the prior written consent of the Company, remove or take from the Company's or any of its Affiliate's premises (or if previously removed or taken, the Participant will promptly return) any written Confidential Information or any copies or extracts thereof. Upon the request and at the expense of the Company, the Participant shall promptly make all disclosures, execute all instruments and papers, and perform all acts reasonably necessary to vest and confirm in the Company and its Affiliates, fully and completely, all rights created or contemplated by this Section 6. The term "Confidential Information" shall not include information that is or becomes generally available to the public other than as a result of a disclosure by, or at the direction of, the Participant.

(b) The Participant agrees that upon termination of the Participant's employment with the Company or any Subsidiary for any reason, the Participant will return to the Company immediately all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way evidencing (in whole or in part) Confidential Information relating to the business of the Company and its Subsidiaries and Affiliates. The Participant further agrees that the Participant will not retain or use for the Participant's account at any time any trade names, trademark, or other proprietary business designation used or owned in connection with the business of the Company or its Subsidiaries or Affiliates.

(c) The Participant acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of this Section 6, or Section 4 or 5 above, would be inadequate and, in recognition of this fact, the Participant agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, or any other equitable remedy which may then be available.

7. Taxes.

(a) This Section 7(a) applies only to (a) all Participants who are U.S. employees, and (b) to those Participants who are employed by a Subsidiary of the Company that is obligated under applicable local law to withhold taxes with respect to the settlement of the Restricted Stock Units. Such Participant shall pay to the Company or a designated Subsidiary, promptly upon request, and in any event at the time the Participant recognizes taxable income with respect to the Restricted Stock Units, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to the Restricted Stock Units. The Participant may satisfy the foregoing requirement by making a payment to the Company in cash or, with the approval of the Plan administrator, by delivering already owned unrestricted Shares or by having the Company withhold a number of Shares in which the Participant would otherwise become vested under this Agreement, in each case, having a value equal to the minimum amount of tax required to be withheld. Such Shares shall be valued at their fair market value on the date as of which the amount of tax to be withheld is determined.

(b) The Participant acknowledges that the tax laws and regulations applicable to the Restricted Stock Units and the disposition of the shares following the settlement of Restricted Stock Units are complex and subject to change.

8. Securities Laws Requirements. The Company shall not be obligated to transfer any shares following the settlement of Restricted Stock Units to the Participant free of a restrictive legend if such transfer, in the opinion of counsel for the Company, would violate the Securities Act of 1933, as amended (the "Securities Act") (or any other federal or state statutes having similar requirements as may be in effect at that time).

9. No Obligation to Register. The Company shall be under no obligation to register any shares as a result of the settlement of the Restricted Stock Units pursuant to the Securities Act or any other federal or state securities laws.

10. Market Stand-Off. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act for such period as the Company or its underwriters may request (such period not to exceed 180 days following the date of the applicable offering), the Participant shall not, directly or indirectly, sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any of the Restricted Stock Units granted under this Agreement or any shares resulting the settlement thereof without the prior written consent of the Company or its underwriters.

11. Protections Against Violations of Agreement. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Restricted Stock Units by any holder thereof in violation of the provisions of this Units Agreement or the Certificate of Incorporation or the Bylaws of the Company, will be valid, and the Company will not transfer any shares resulting from the settlement of Restricted Stock Units on its books nor will any of such shares be entitled to vote, nor will any dividends be paid thereon, unless and until there has been full compliance with such provisions to the satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce such provisions.

12. Rights as a Stockholder. The Participant shall not possess the right to vote the shares underlying the Restricted Stock Units until the Restricted Stock Units have settled in accordance with the provisions of this Agreement and the Plan.

13. Survival of Terms. This Agreement shall apply to and bind the Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors. The terms of Sections 4, 5 and 6 shall expressly survive the forfeiture of the Restricted Stock Units and this Agreement.

14. Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or sent by certified or registered mail, return receipt requested, postage prepaid, addressed, if to the Participant, to the Participant's attention at the mailing address set forth at the foot of this Agreement (or to such other address as the Participant shall have specified to the Company in writing) and, if to the Company, to the Company's office at 2366 Bernville Road, Reading, Pennsylvania 19605, Attention: General Counsel (or to such other address as the Company shall have specified to the Participant in writing). All such notices shall be conclusively deemed to be received and shall be effective, if sent by hand delivery, upon receipt, or if sent by registered or certified mail, on the fifth day after the day on which such notice is mailed.

15. Waiver. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

16. Authority of the Administrator. The Plan Administrator, which is the Company's Compensation Committee, shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the administrator as to any such matter of interpretation or construction shall be final, binding and conclusive.

17. Representations. The Participant has reviewed with his own tax advisors the applicable tax (U.S., foreign, state, and local) consequences of the transactions contemplated by this Agreement. The Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Participant understands that he (and not the Company) shall be responsible for any tax liability that may arise as a result of the transactions contemplated by this Agreement.

18. Investment Representation. The Participant hereby represents and warrants to the Company that the Participant, by reason of the Participant's business or financial experience (or the business or financial experience of the Participant's professional advisors who are unaffiliated with and who are not compensated by the Company or any affiliate or selling agent of the Company, directly or indirectly), has the capacity to protect the Participant's own interests in connection with the transactions contemplated under this Agreement.

19. Entire Agreement; Governing Law. This Agreement and the Plan and the other related agreements expressly referred to herein set forth the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. This Agreement may be executed in one or more counterparts, each of

which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, USA.

20. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable, or enforceable only if modified, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this original Agreement. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable, in lieu of severing such unenforceable provision, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear, and such determination by such judicial body shall not affect the enforceability of such provisions or provisions in any other jurisdiction.

21. Amendments; Construction. The Plan administrator may amend the terms of this Agreement prospectively or retroactively at any time, but no such amendment shall impair the rights of the Participant hereunder without his or her consent. To the extent the terms of Section 4 above conflict with any prior agreement between the parties related to such subject matter, the terms of Section 4 shall supersede such conflicting terms and control. Headings to Sections of this Agreement are intended for convenience of reference only, are not part of this Restricted Stock Units and shall have no affect on the interpretation hereof.

22. Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. The Participant has read and understand the terms and provision thereof, and accepts the shares of Restricted Stock Units subject to all the terms and conditions of the Plan and this Agreement. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under this Agreement.

23. Miscellaneous.

(a) No Rights to Grants or Continued Employment. The Participant acknowledges that the award granted under this Agreement is not employment compensation nor is it an employment right, and is being granted at the sole discretion of the Company's Compensation Committee. The Participant shall not have any claim or right to receive grants of Awards under the Plan. Neither the Plan or this Agreement, nor any action taken or omitted to be taken hereunder or thereunder, shall be deemed to create or confer on the Participant any right to be retained as an employee of the Company or any Subsidiary or other Affiliate thereof, or to interfere with or to limit in any way the right of the Company or any Affiliate or Subsidiary thereof to terminate the employment of the Participant at any time.

(b) No Restriction on Right of Company to Effect Corporate Changes . Neither the Plan nor this Agreement shall affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred, or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the assets or business of the Company, or any other corporate act or proceeding, whether of a similar character or otherwise.

(c) Assignment. The Company shall have the right to assign any of its rights and to delegate any of its duties under this Agreement to any of its Affiliates.

24. Code Section 409A. Notwithstanding anything in this Agreement to the contrary, the receipt of any benefits under this Agreement as a result of a termination of employment shall be subject to satisfaction of the condition precedent that the Participant undergo a "separation from service" within the meaning of Treas. Reg. § 1.409A-1(h) or any successor thereto. In addition, if a Participant is deemed to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provisions of any benefit that is required to be delayed pursuant to Code Section 409A(a)(2)(B), such payment or benefit shall not be made or provided prior to the earlier of (i) the expiration of the six (6) month period measured from the date of the Participant's "separation from service" (as such term is defined in Treas. Reg. § 1.409A-1(h)), or (ii) the date of the Participant's death (the "Delay Period"). Within ten (10) days following the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Participant in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

THIS AGREEMENT SHALL BE NULL AND VOID AND UNENFORCEABLE BY THE PARTICIPANT UNLESS SIGNED AND DELIVERED TO THE COMPANY NOT LATER THAN THIRTY (30) DAYS SUBSEQUENT TO THE DATE OF GRANT SET FORTH BELOW.

BY SIGNING THIS AGREEMENT, THE PARTICIPANT IS HEREBY CONSENTING TO THE PROCESSING AND TRANSFER OF THE PARTICIPANT'S PERSONAL DATA BY THE COMPANY TO THE EXTENT NECESSARY TO ADMINISTER AND PROCESS THE AWARDS GRANTED UNDER THIS AGREEMENT.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Participant has executed this Agreement, both as of the day and year first above written.

ENERSYS

By: ____
Name: John D. Craig
Title: Chairman, President & CEO

PARTICIPANT

____
Name: ____
Address: ____
____

Date of Grant: __________

Number of Shares of Restricted Stock Units: __________

Appendix A

to
Restricted Stock Unit Agreement – Employees
2010 Equity Incentive Plan

This Appendix A contains supplemental terms and conditions for awards of Restricted Stock Units ("RSUs") granted in the Date of Grant set forth in the Agreement under the 2010 Equity Incentive Plan (the "Plan") to the Participants who reside outside the United States or who are otherwise subject to the laws of a country other than the United States.

The Participant has also received the Agreement applicable to the Award set forth therein. The Agreement, together with this Appendix A and the Plan are the terms and conditions of the grant of RSUs set forth in the Agreement. To the extent that this Appendix A amends, deletes or supplements any terms of the Agreement, this Appendix A shall control. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Agreement.

Section I of this Appendix A contains includes special terms and conditions that govern the RSUs outside of the United States. Section II of this Appendix A includes special terms and conditions in the specific countries listed therein.

Finally, if the Participant is a citizen or resident of a country other than the one in which the Participant is currently working, transferred employment after the Award was granted or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to you in the same manner. In addition, the Company shall, in its sole discretion, determine to what extent the terms and conditions contained herein will apply under these circumstances.

Section I. All Countries Outside the United States

1. **Nature of Grant**. In accepting the Award, the Participant acknowledges that:

   1.1 the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

   1.2 the grant of the RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted repeatedly in the past;

   1.3 all decisions with respect to future grants, if any, will be at the sole discretion of Company;

   1.4 the Participant is voluntarily participating in the Plan;

   1.5 the RSUs and the shares of Common Stock subject to the RSUs are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary, and which is outside the scope of your employment contract, if any;

   1.6 the RSUs and the shares of Common Stock subject to the RSUs are not intended to replace any pension rights, if any, or compensation;

   1.7 the RSUs and the shares of Common Stock subject to the RSUs, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary;

   1.8 the grant of the RSUs and your participation in the Plan will not be interpreted to form an employment contract or relationship with the Company or any Subsidiary;

   1.9 the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty;

   1.10 if you obtain shares of Common Stock, the value of those shares of Common Stock acquired may increase or decrease in value;

   1.11 in consideration of the grant of the RSUs, no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from termination of your employment with the Company or any Subsidiary (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release the Company and the Subsidiaries from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, you will be deemed irrevocably to have waived his or her entitlement to pursue such claim;

1.12 in the event of termination of your employment (whether or not in breach of local labor laws), your right to vest in the RSUs under the Plan, if any, will terminate effective as of the date that you are no longer actively employed and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to local law); the Committee shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your Award;

1.13 the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of Common Stock;

1.14 you are hereby advised to consult with your personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan;

1.15 unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of Common Stock of the Company; and

1.16 neither the Company, any Subsidiary nor any Affiliate of the Company shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the settlement of the RSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

Section II. Country-Specific Provisions

<u>Canada</u>

Securities Law Notification. The Participant is permitted to sell shares of Common Stock acquired under the Plan through the designated broker appointed under the Plan, if any, provided that the resale of such shares of Common Stock takes place outside of Canada through the facilities of a national securities exchange on which the shares of Common Stock are listed (i.e., The New York Stock Exchange).

Language Consent. The parties acknowledge that it is their express wish that the Plan, the Agreement and this Appendix A, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention (« Plan, Agreement and Appendix A »), ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Data Privacy. You hereby authorize the Company or the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company and any Affiliate of the Company and the administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize the Company and any affiliate to record such information and to keep such information in your file.

China

Payment of RSUs. Notwithstanding any discretion in Section 11 of the Plan or in Section 2 of the Agreement and Appendix A, the grant of RSUs does not provide any right for you to receive shares and the RSUs are payable in cash only.

India

Payment of RSUs. Notwithstanding any discretion in Section 11 of the Plan and Section 2 of the Agreement, the grant of RSUs does not provide any right for you to receive shares and the RSUs are payable in cash only.

Mexico

Nature of Grant. The following provisions supplement Section I (Nature of Grant) of this Appendix A:

Acknowledgment of the Grant. In accepting the Award, you acknowledge that you have received a copy of the Plan and the Agreement, including this Appendix A, and that you have reviewed the Plan and the Agreement, including this Appendix A, in its entirety and fully understand and accept all provisions of the Plan and the Agreement, including this Appendix A. You further acknowledge that you have read and specifically and expressly approve the terms and conditions of Section I (Nature of Grant) of this Appendix A, in which the following is clearly described and established:

(1) Your participation in the Plan does not constitute an acquired right.

(2) The Plan and your participation in the Plan are offered by the Company on a wholly discretionary basis.

(3) Your participation in the Plan is voluntary.

(4) Neither the Company nor any Affiliate is responsible for any decrease in the value of the RSUs granted and/or shares of Common Stock issued under the Plan.

Labor Law Acknowledgment and Policy Statement. In accepting the RSUs, you expressly recognize that the Company, with registered offices at 2366 Bernville Road, Reading, Pennsylvania 19605, United States of America, is solely responsible for the administration of the Plan and that your participation in the Plan and acquisition of shares of Common Stock does not constitute an employment relationship between you and the Company since you are participating in the Plan on a wholly commercial basis and your sole employer is EnerSys de Mexico, S.A. de CV, Powersonic, S.A. de CV or Yecoltd, S. de R.L. de CV (each, a "Mexican Subsidiary"). Based on the foregoing, you expressly recognize that the Plan and the benefits that you may derive from participation in the Plan do not establish any rights between you and your employer, a Mexican Subsidiary, and do not form part of the conditions of your employment and/or benefits provided by such Mexican Subsidiary, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of your employment.

You further understand that your participation in the Plan is a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue your participation in the Plan at any time, without any liability to you.

Finally, you hereby declare that you do not reserve to yourself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or any benefits derived from the Plan; therefore, you grant a full and broad release to the Company, its shareholders, officers, agents, legal representatives, and subsidiaries with respect to any claim that may arise.

Spanish Translation.

Reconocimiento de la Subvención. Al aceptar las Unidades de Acciones Restringidas ("RSU" por sus siglas en inglés), Ud. reconoce que ha recibido y revisado una copia del Términos y Condiciones, y reconoce, además, que acepta todas las disposiciones del Términos y Condiciones. Ud. también reconoce que Ud. ha leído y aprobado de forma expresa los términos y condiciones establecidos en la Sección I ("Nature of Grant") en este Appendix A, que claramente dispone lo siguiente:

(1) Su participación en el Plan no constituye un derecho adquirido;

(2) El Plan y su participación en el Plan es ofrecido por la Compañía de manera completamente discrecional;

(3) Su participación en el Plan es voluntaria; y

(4) Ni la Compañía ni cualquiera subsidiaria es responsable de cualquier disminución del valor de las Unidades de Acciones Restringidas y/o las acciones emitidas bajo el Plan.

Declaración y Reconocimiento de Derecho y Política Laboral. Al aceptar las Unidades de Acciones Restringidas, el Participante reconoce que la Compañía, con domicilio social en 2366 Bernville Road, Reading, Pennsylvania 19605, United States of America, EE.UU., es el único responsable de la administración del Plan y su participación en el Plan y cualquier adquisición de las acciones bajo el Plan no constituyen una relación laboral entre Ud. y la Compañía, porque Ud. está participando en el Plan en su totalidad sobre una base comercial y su único empleador es EnerSys de Mexico, S.A. de CV, Powersonic, S.A. de CV or Yecoltd, S. de R.L. de CV. Basado en lo anterior, Ud. expresamente reconoce que el Plan y los beneficios que pueden derivarse de la participación en el Plan no establecen algún derecho entre Ud. y el Empleador, EnerSys de Mexico, S.A. de CV, Powersonic, S.A. de CV or Yecoltd, S. de R.L. de CV, y que no forman parte de las condiciones de empleo y/o beneficios provenidos por EnerSys de Mexico, S.A. de CV, Powersonic, S.A. de CV or Yecoltd, S. de R.L. de CV, y cualquier modificación del Plan o la terminación de su contrato no constituirá un cambio o deterioro de los términos y condiciones de su empleo.

Además, Ud. comprende que su participación en el Plan es causado por una decisión discrecional y unilateral de la Compañía, por lo que la Compañía se reserva el derecho absoluto de modificar y/o suspender su participación en el Plan en cualquier momento, sin responsabilidad alguna a Ud.

Finalmente, Ud. manifiesta que no se reserva ninguna acción o derecho que origine una demanda en contra de la Compañía, por cualquier compensación o daño en relación con cualquier disposición del Plan o de los beneficios derivados del mismo, y en consecuencia usted otorga un amplio y total descargo de responsabilidad a la Compañía, sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales, y Subsidiarias, con respecto a cualquier demanda que pudiera surgir.

ENERSYS

AWARD AGREEMENT FOR EMPLOYEES – MARKET SHARE UNITS

UNDER THE 2010 EQUITY INCENTIVE PLAN

THIS AWARD AGREEMENT FOR EMPLOYEES – MARKET SHARE UNITS (this "Agreement"), dated as of , is between ENERSYS, a Delaware corporation (the "Company"), and the individual identified on the signature page hereof (the "Participant").

BACKGROUND

A. The Participant is currently an employee of the Company or one of its Subsidiaries.

B. The Company desires to (i) provide the Participant with an incentive to remain in the employ of the Company or one of its Subsidiaries, and (ii) increase the Participant's interest in the success of the Company by granting market share units, a form of restricted Stock Unit under the Plan (the "Market Share Units"), to the Participant.

C. This grant of Market Share Units is (i) made pursuant to the EnerSys 2010 Equity Incentive Plan (the "Plan"); (ii) made subject to the terms and conditions of this Agreement; and (iii) not employment compensation nor an employment right and is made in the discretion of the Company's Compensation Committee.

NOW, THEREFORE, in consideration of the covenants and agreements contained in this Agreement, the parties hereto, intending to be legally bound, agree as follows:

1. Definitions; Incorporation of Plan Terms. Capitalized terms used in this Agreement without definition shall have the meanings assigned to them in the Plan. This Agreement and the Market Share Units shall be subject to the Plan. The terms of the Plan are incorporated into this Agreement by reference. If there is a conflict or an inconsistency between the Plan and this Agreement, the Plan shall govern. The Participant hereby acknowledges receipt of a copy of the Plan.

2. Grant of Market Share Units.

(a) Subject to the provisions of this Agreement and pursuant to the provisions of the Plan, the Company hereby grants to the Participant the number of Market Share Units specified on the signature page of this Agreement. The Company shall credit to a bookkeeping account maintained by the Company, or a third party on behalf of the Company, for the Participant's benefit the number of Market Share Units, each of which shall be deemed to be the equivalent of one share of the Company's Common Stock.

(b) If the Company declares and pays a dividend or distribution on Common Stock in the form of cash, then a number of additional Market Share Units shall be credited to the Participant as of the payment date for such dividend or distribution equal to the result of dividing (i) the product of the total number of Market Share Units as of the record date for such dividend or distribution (other than previously settled or forfeited Market Share Units) times the per share amount of such dividend or distribution, by (ii) the Fair Market Value of one share of Common Stock as of the record date for such dividend or distribution. Any Market Share Units payable under this subsection shall: (i) be or become vested to the same extent as the underlying Market Share Unit, (ii) be settled on the settlement date under Section 3(d) for the underlying Market Share Unit, and (iii) be subject to the Payout Factor that applies to the underlying Market Share Unit.

(c) If the Company declares and pays a dividend or distribution on Common Stock in the form of additional shares, or there occurs a forward split of Common Stock, then a number of additional Market Share Units shall be credited to the Participant as of the payment date for such dividend or distribution or forward split equal to (i) the number of Market Share Units credited to the Participant as of the record date for such dividend or distribution or split (other than previously settled or forfeited Market Share Units), multiplied by (ii) the number of additional shares actually paid as a dividend or distribution or issued in such split in respect of each outstanding share of Common Stock. Any Market Share Units payable under this subsection shall: (i) be or become vested to the same extent as the underlying Market Share Unit, (ii) be settled on the settlement date under Section 3(d) for the underlying Market Share Unit, and (iii) be subject to the Payout Factor that applies to the underlying Market Share Unit.

3. Terms and Conditions. All of the Market Share Units shall initially be unvested.

(a) Vesting. Except as otherwise provided in this Section 3, the Market Share Units shall be subject to the restrictions and conditions set forth herein. Vesting of the Market Share Units is conditioned upon the Participant remaining continuously employed by the Company or a Subsidiary following the Date of Grant until the third anniversary of the Date of Grant (the “Vesting Date”), subject to the provisions of this Section 3.

(i) The Market Share Units shall vest to the extent provided in the following schedule (the “Normal Vesting Schedule”):

(A) **Vesting Date**	(B) **Payout Factor**	(C) **Number of Market Share Units Vested**
Third anniversary of Date of Grant	Share Price on Vesting Date divided by Share Price on Date of Grant	(x) Number of Market Share Units specified on the signature page of this Agreement plus any additional Market Share Units credited under Sections 2(b) and (c) *multiplied by* (y) the Payout Factor in Column B

(ii) For purposes of the table set forth above –

(1) “Share Price” shall equal the average of the closing share prices of the Company’s Common Stock during the ninety (90) calendar days immediately preceding the Vesting Date or Date of Grant, as applicable. If there were no trades on the Vesting Date or Date of Grant, the closing prices during the ninety (90) day calendar days immediately preceding the most recent date on which there were trades shall be used.

(2) “Payout Factor” shall be rounded to the nearest hundredth (two places after the decimal), except that if the “Payout Factor” equals more than 2.00, the Payout Factor used in Column C shall be 2.00.

(iii) Any Market Share Units that fail to vest because the employment condition is not satisfied shall be forfeited, subject to the special provisions set forth in subsections (iv) through (vii) of this Section 3.

(iv) In the event of a Change in Control prior to the Vesting Date where the holders of the Company’s Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the Market Share Units shall immediately become vested. Any Market Share Unit that vests as a result of a Change in Control under this subsection shall vest based on the Payout Factor determined by substituting the date of such Change in Control for the Vesting Date.

(v) If the Participant’s employment terminates due to death or Permanent Disability, or if, on or within two years after a Change in Control (other than a Change in Control described in Section 3(a)(iv) above), the Participant terminates employment for Good Reason, or is terminated by the Company without Cause, Market Share Units not previously vested shall immediately become vested based on the Payout Factor determined by substituting the date of such termination of employment for the Vesting Date.

(vi) In the event of the Participant’s resignation or termination of employment (other than for Cause) on or after the earlier of (A) the Participant’s 60th birthday and having attained ten (10) years of service with the Company or a Subsidiary (including years of service granted by the Company as a result of a merger, acquisition, or other transaction) or (B) the Participant’s 65th birthday (a “Retirement”), the Compensation Committee may determine, in its sole discretion, whether and the manner in which Market Share Units not previously vested (or any portion thereof) shall be vested and be settled pursuant to Section 3(d). In the absence of Compensation Committee action, upon such Retirement, the Market Share Units which have not vested as of the date of such termination shall vest pro-rata as of the date of the Participant’s Retirement and all such units which shall not have vested as a result of such Retirement shall revert to the Company without consideration of any kind. To the extent the Participant’s Retirement date and vesting date under this Section 3(a)(vi) are in different tax years, any amount payable under this subsection shall constitute the payment of nonqualified deferred compensation, subject to the requirements of Code Section 409A.

The number of Market Share Units vesting pro-rata upon an event described in the penultimate sentence of the foregoing paragraph in Section 3(a)(vi) shall be calculated by taking a fraction where the denominator is equal to number of months during the Normal Vesting Schedule (“Vesting Period”), and the numerator is equal to the number of completed months that the Participant was employed or provided service to the Company or one of its Subsidiaries during the Vesting Period, with the total number of Market Share Units awarded multiplied by such fraction multiplied (rounding up the nearest whole number).

(b) Restrictions on Transfer. Until the earlier of the Vesting Date, the date of a Change in Control described in Section 3(a)(iv), the date of a termination of employment due to death or Permanent Disability, or the date of a termination of employment on or within two years after a Change in Control described in Section 3(a)(v), or as otherwise provided in the Plan, no transfer of the Market Share Units or any of the Participant's rights with respect to the Market Share Units, whether voluntary or involuntary, by operation of law or otherwise, shall be permitted. Unless the Company's Compensation Committee determines otherwise, upon any attempt to transfer any Market Share Units or any rights in respect of the Market Share Units before the earlier of the Vesting Date, the date of a Change in Control described in Section 3(a)(iv), the date of a termination of employment due to death or Permanent Disability, or the date of a termination of employment on or within two years after a Change in Control described in Section 3(a)(v), such unit, and all of the rights related to such unit, shall be immediately forfeited by the Participant and transferred to, and reacquired by, the Company without consideration of any kind.

(c) Forfeiture. Upon termination of the Participant's employment with the Company or a Subsidiary for any reason other than one of the reasons set forth in subsections (v) and (vi) of Section 3(a), the Participant shall forfeit any and all Market Share Units which have not vested as of the date of such termination and such units shall revert to the Company without consideration of any kind.

(d) Settlement. Market Share Units not previously forfeited shall be settled on the earlier of the Vesting Date, the date of a Change in Control described in Section 3(a)(iv), the date of a termination of employment due to death or Permanent Disability , or the date of a termination of employment on or within two years after a Change in Control described in Section 3(a)(v) by delivery of one share of common stock for each Market Share Unit being settled or, if determined by the Compensation Committee in its sole discretion, by a payment of cash equal to the Fair Market Value of one share of common stock. If the Participant dies following a Retirement described in Section 3(a)(vi) prior to the Vesting Date, in such case, the Company shall deliver one share of common stock for each Market Share Unit not previously forfeited and being settled or, if determined by the Compensation Committee in its sole discretion, by a payment of cash equal to the Fair Market Value of one share of common stock to the Participant's estate (or beneficiary) upon his or her death, in accordance with Section 3(a)(ii)(v).

4. Noncompetition. The Participant agrees with the Company that, for so long as the Participant is employed by the Company or any of its Subsidiaries and continuing for twelve (12) months (or such longer period as may be provided in an employment or similar agreement between the Participant and the Company or one of its Subsidiaries) following a termination of such employment under Sections 3(a)(v) or (vi) of this Agreement or that occurs after any of the Market Share Units have vested, the

Participant will not, without the prior written consent of the Company, directly or indirectly, and whether as principal or investor or as an employee, officer, director, manager, partner, consultant, agent, or otherwise, alone or in association with any other person, firm, corporation, or other business organization, become involved in a Competing Business in the Americas, Europe or Asia, or any geographic area in which the Company or any of its Subsidiaries has engaged during such period in any of the activities that comprise a Competing Business, or in which the Participant has knowledge of the Company's plans to engage in any of the activities that comprise a Competing Business (including, without limitation, any area in which any customer of the Company or any of its Subsidiaries may be located); provided, however, that the provisions of this Section 4 shall apply solely to those activities of a Competing Business, with which the Participant was personally involved or for which the Participant was responsible while employed by the Company or its Subsidiaries during the twelve (12) month period preceding termination of the Participant's employment. This Section 4 will not be violated, however, by Participant's investment of up to $100,000 in the aggregate in one or several publicly-traded companies that engage in a competing business.

5. Wrongful Solicitation. As a separate and independent covenant, the Participant agrees with the Company that, for so long as the Participant is employed by the Company or any of its Subsidiaries and continuing for twelve (12) months (or such longer period as may be provided in an employment or similar agreement between the Participant and the Company or one of its Subsidiaries) following a termination of such employment under Sections 3(a)(v) or (vi) of this Agreement or that occurs after any of the Market Share Units have vested, the Participant will not engage in any Wrongful Solicitation.

6. Confidentiality; Specific Performance.

(a) The Participant agrees with the Company that the Participant will not at any time, except in performance of the Participant's obligations to the Company hereunder or with the prior written consent of the Company, directly or indirectly, reveal to any person, entity, or other organization (other than the Company, or its employees, officers, directors, stockholders, or agents) or use for the Participant's own benefit any information deemed to be confidential by the Company or any of its Affiliates ("Confidential Information") relating to the assets, liabilities, employees, goodwill, business, or affairs of the Company or any of its Affiliates, including, without limitation, any information concerning past, present, or prospective customers, manufacturing processes, marketing, operating, or financial data, or other confidential information used by, or useful to, the Company or any of its Affiliates and known (whether or not known with the knowledge and permission of the Company or any of its Affiliates and whether or not at any time prior to the Date of Grant developed, devised, or otherwise created in whole or in part by the efforts of the Participant) to the Participant by reason of the Participant's employment with, equity holdings in, or other association with the Company or any of its Affiliates. The Participant further agrees that the Participant will retain all copies and extracts of any written Confidential Information acquired or developed by the Participant during any such employment, equity holding, or association in trust for the sole benefit of the Company, its Affiliates, and their successors and assigns. The Participant further agrees that the Participant will not, without the prior written consent of the Company, remove or take from the Company's or any of its Affiliate's premises (or if previously removed or taken, the Participant will promptly return) any written Confidential Information or any copies or extracts thereof. Upon the request and at the expense of the Company, the Participant shall promptly make all disclosures, execute all instruments and papers, and perform all acts reasonably necessary to vest and confirm in the Company and its Affiliates, fully and completely, all rights created or contemplated by this Section 6. The term "Confidential Information" shall not include information that is or becomes generally available to the public other than as a result of a disclosure by, or at the direction of, the Participant.

(b) The Participant agrees that upon termination of the Participant's employment with the Company or any Subsidiary for any reason, the Participant will return to the Company immediately all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way evidencing (in whole or in part) Confidential Information relating to the business of the Company and its Subsidiaries and Affiliates. The Participant further agrees that the Participant will not retain or use for the Participant's account at any time any trade names, trademark, or other proprietary business designation used or owned in connection with the business of the Company or its Subsidiaries or Affiliates.

(c) The Participant acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of this Section 6, or Section 4 or 5 above, would be inadequate and, in recognition of this fact, the Participant agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, or any other equitable remedy which may then be available.

7. Taxes.

(a) This Section 7(a) applies only to (a) all Participants who are U.S. employees, and (b) to those Participants who are employed by a Subsidiary of the Company that is obligated under applicable local law to withhold taxes with respect to the settlement of the Market Share Units. Such Participant shall pay to the Company or a designated Subsidiary, promptly upon request, and in any event at the time the Participant recognizes taxable income with respect to the Market Share Units, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to the Market Share Units. The Participant may satisfy the foregoing requirement by making a payment to the Company in cash or, with the approval of the Plan administrator, by delivering already owned unrestricted shares of Common Stock or by having the Company withhold a number of shares of Common Stock in which the Participant would otherwise become vested under this Agreement, in each case, having a value equal to the minimum amount of tax required to be withheld. Such shares shall be valued at their fair market value on the date as of which the amount of tax to be withheld is determined.

(b) The Participant acknowledges that the tax laws and regulations applicable to the Market Share Units and the disposition of the shares following the settlement of Market Share Units are complex and subject to change.

8. Securities Laws Requirements. The Company shall not be obligated to transfer any shares following the settlement of Market Share Units to the Participant free of a restrictive legend if such transfer, in the opinion of counsel for the Company, would violate the Securities Act of 1933, as amended (the "Securities Act") (or any other federal or state statutes having similar requirements as may be in effect at that time).

9. No Obligation to Register. The Company shall be under no obligation to register any shares as a result of the settlement of the Market Share Units pursuant to the Securities Act or any other federal or state securities laws.

10. Market Stand-Off. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act for such period as the Company or its underwriters may request (such period not to exceed 180 days following the date of the applicable offering), the Participant shall not, directly or indirectly, sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any of the Market Share Units granted under this Agreement or any shares resulting the settlement thereof without the prior written consent of the Company or its underwriters.

11. Protections Against Violations of Agreement. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Market Share Units by any holder thereof in violation of the provisions of this Units Agreement or the Certificate of Incorporation or the Bylaws of the Company, will be valid, and the Company will not transfer any shares resulting from the settlement of Market Share Units on its books nor will any of such shares be entitled to vote, nor will any dividends be paid thereon, unless and until there has been full compliance with such provisions to the satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce such provisions.

12. Rights as a Stockholder. The Participant shall not possess the right to vote the shares underlying the Market Share Units until the Market Share Units have settled in accordance with the provisions of this Agreement and the Plan.

13. Survival of Terms. This Agreement shall apply to and bind the Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors. The terms of Sections 4, 5 and 6 shall expressly survive the forfeiture of the Market Share Units and this Agreement.

14. Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or sent by certified or registered mail, return receipt requested, postage prepaid, addressed, if to the Participant, to the Participant's attention at the mailing address set forth at the foot of this Agreement (or to such other address as the Participant shall have specified to the Company in writing) and, if to the Company, to the Company's office at 2366 Bernville Road, Reading, Pennsylvania 19605, Attention: General Counsel (or to such other address as the Company shall have specified to the Participant in writing). All such notices shall be conclusively deemed to be received and shall be effective, if sent by hand delivery, upon receipt, or if sent by registered or certified mail, on the fifth day after the day on which such notice is mailed.

15. Waiver. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

16. Authority of the Administrator. The Plan Administrator, which is the Company's Compensation Committee, shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the administrator as to any such matter of interpretation or construction shall be final, binding and conclusive.

17. Representations. The Participant has reviewed with his own tax advisors the applicable tax (U.S., foreign, state, and local) consequences of the transactions contemplated by this Agreement. The Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Participant understands that he (and not the Company) shall be responsible for any tax liability that may arise as a result of the transactions contemplated by this Agreement.

18. Investment Representation. The Participant hereby represents and warrants to the Company that the Participant, by reason of the Participant's business or financial experience (or the business or financial experience of the Participant's professional advisors who are unaffiliated with and who are not compensated by the Company or any affiliate or selling agent of the Company, directly or indirectly), has the capacity to protect the Participant's own interests in connection with the transactions contemplated under this Agreement.

19. Entire Agreement; Governing Law. This Agreement and the Plan and the other related agreements expressly referred to herein set forth the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, USA.

20. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable, or enforceable only if modified, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this original Agreement. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable, in lieu of severing such unenforceable provision, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear, and such determination by such judicial body shall not affect the enforceability of such provisions or provisions in any other jurisdiction.

21. Amendments; Construction. The Plan administrator may amend the terms of this Agreement prospectively or retroactively at any time, but no such amendment shall impair the rights of the Participant hereunder without his or her consent. To the extent the terms of Section 4 above conflict with any prior agreement between the parties related to such subject matter, the terms of Section 4 shall supersede such conflicting terms and control. Headings to Sections of this Agreement are intended for convenience of reference only, are not part of this Market Share Units and shall have no affect on the interpretation hereof.

22. Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. The Participant has read and understand the terms and provision thereof, and accepts the shares of Market Share Units subject to all the terms and conditions of the Plan and this Agreement. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under this Agreement.

23. Miscellaneous.

(a) No Rights to Grants or Continued Employment. The Participant acknowledges that the award granted under this Agreement is not employment compensation nor is it an employment right, and is being granted at the sole discretion of the Company's Compensation Committee. The Participant shall not have any claim or right to receive grants of Awards under the Plan. Neither the Plan or this Agreement, nor any action taken or omitted to be taken hereunder or thereunder, shall be deemed to create or confer on the Participant any right to be retained as an employee of the Company or any Subsidiary or other Affiliate thereof, or to interfere with or to limit in any way the right of the Company or any Affiliate or Subsidiary thereof to terminate the employment of the Participant at any time.

(b) No Restriction on Right of Company to Effect Corporate Changes. Neither the Plan nor this Agreement shall affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred, or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the assets or business of the Company, or any other corporate act or proceeding, whether of a similar character or otherwise.

(c) Assignment. The Company shall have the right to assign any of its rights and to delegate any of its duties under this Agreement to any of its Affiliates.

24. Code Section 409A. Notwithstanding anything in this Agreement to the contrary, the receipt of any benefits under this Agreement as a result of a termination of employment shall be subject to satisfaction of the condition precedent that the Participant undergo a "separation from service" within the meaning of Treas. Reg. § 1.409A-1(h) or any successor thereto. In addition, if a Participant is deemed to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provisions of any benefit that is required to be delayed pursuant to Code Section 409A(a)(2)(B), such payment or benefit shall not be made or provided prior to the earlier of (i) the expiration of the six (6) month period measured from the date of the Participant's "separation from service" (as such term is defined in Treas. Reg. § 1.409A-1(h)), or (ii) the date of the Participant's death (the "Delay Period"). Within ten (10) days following the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Participant in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

THIS AGREEMENT SHALL BE NULL AND VOID AND UNENFORCEABLE BY THE PARTICIPANT UNLESS SIGNED AND DELIVERED TO THE COMPANY NOT LATER THAN THIRTY (30) DAYS SUBSEQUENT TO THE DATE OF GRANT SET FORTH BELOW.

BY SIGNING THIS AGREEMENT, THE PARTICIPANT IS HEREBY CONSENTING TO THE PROCESSING AND TRANSFER OF THE PARTICIPANT'S PERSONAL DATA BY THE COMPANY TO THE EXTENT NECESSARY TO ADMINISTER AND PROCESS THE AWARDS GRANTED UNDER THIS AGREEMENT.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Participant has executed this Agreement, both as of the day and year first above written.

ENERSYS

By: ______________________________
Name: John D. Craig
Title: Chairman, President & CEO

PARTICIPANT

By: ______________________________
Name: ______________________________
Address: ______________________________
____
____

Date of Grant: ___________

Number of Shares of Market Share Units: ___________

Appendix A

to

Award Agreement for Employees – Market Share Units
2010 Equity Incentive Plan

This Appendix A contains supplemental terms and conditions for awards of Market Share Units ("MSUs") granted in the Date of Grant set forth in the Agreement under the 2010 Equity Incentive Plan (the "Plan") to the Participants who reside outside the United States or who are otherwise subject to the laws of a country other than the United States.

The Participant has also received the Agreement applicable to the Award set forth therein. The Agreement, together with this Appendix A and the Plan are the terms and conditions of the grant of MSUs set forth in the Agreement. To the extent that this Appendix A amends, deletes or supplements any terms of the Agreement, this Appendix A shall control. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Agreement.

Section I of this Appendix A contains includes special terms and conditions that govern the MSUs outside of the United States. Section II of this Appendix A includes special terms and conditions in the specific countries listed therein.

Finally, if the Participant is a citizen or resident of a country other than the one in which the Participant is currently working, transferred employment after the Award was granted or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to you in the same manner. In addition, the Company shall, in its sole discretion, determine to what extent the terms and conditions contained herein will apply under these circumstances.

Section I. All Countries Outside the United States

1. **Nature of Grant**. In accepting the Award, the Participant acknowledges that:

1.1 the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

1.2 the grant of the MSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of MSUs, or benefits in lieu of MSUs, even if MSUs have been granted repeatedly in the past;

1.3 all decisions with respect to future grants, if any, will be at the sole discretion of Company;

1.4 the Participant is voluntarily participating in the Plan;

1.5 the MSUs and the shares of Common Stock subject to the MSUs are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary, and which is outside the scope of your employment contract, if any;

1.6 the MSUs and the shares of Common Stock subject to the MSUs are not intended to replace any pension rights, if any, or compensation;

1.7 the MSUs and the shares of Common Stock subject to the MSUs, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary;

1.8 the grant of the MSUs and your participation in the Plan will not be interpreted to form an employment contract or relationship with the Company or any Subsidiary;

1.9 the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty;

1.10 if you obtain shares of Common Stock, the value of those shares of Common Stock acquired may increase or decrease in value;

1.11 in consideration of the grant of the MSUs, no claim or entitlement to compensation or damages shall arise from forfeiture of the MSUs resulting from termination of your employment with the Company or any Subsidiary (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release the Company and the Subsidiaries from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, you will be deemed irrevocably to have waived his or her entitlement to pursue such claim;

1.12 in the event of termination of your employment (whether or not in breach of local labor laws), your right to vest in the MSUs under the Plan, if any, will terminate effective as of the date that you are no longer actively employed and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of “garden leave” or similar period pursuant to local law); the Committee shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your Award;

1.13 the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of Common Stock;

1.14 you are hereby advised to consult with your personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan;

1.15 unless otherwise provided in the Plan or by the Company in its discretion, the MSUs and the benefits evidenced by this Agreement do not create any entitlement to have the MSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of Common Stock of the Company; and

1.16 neither the Company, any Subsidiary nor any Affiliate of the Company shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the MSUs or of any amounts due to the Participant pursuant to the settlement of the MSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

Section II. Country-Specific Provisions

Canada

Securities Law Notification. The Participant is permitted to sell shares of Common Stock acquired under the Plan through the designated broker appointed under the Plan, if any, provided that the resale of such shares of Common Stock takes place outside of Canada through the facilities of a national securities exchange on which the shares of Common Stock are listed (i.e., The New York Stock Exchange).

Language Consent. The parties acknowledge that it is their express wish that the Plan, the Agreement and this Appendix A, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. *Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention (« Plan, Agreement and Appendix A »), ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.*

Data Privacy. You hereby authorize the Company or the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company and any Affiliate of the Company and the administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize the Company and any affiliate to record such information and to keep such information in your file.

China

Payment of MSUs. Notwithstanding any discretion in Section 11 of the Plan or in Section 2 of the Agreement and Appendix A, the grant of MSUs does not provide any right for you to receive shares and the MSUs are payable in cash only.

India

Payment of MSUs. Notwithstanding any discretion in Section 11 of the Plan and Section 2 of the Agreement, the grant of MSUs does not provide any right for you to receive shares and the MSUs are payable in cash only.

Mexico

Nature of Grant. The following provisions supplement Section I (Nature of Grant) of this Appendix A:

Acknowledgment of the Grant. In accepting the Award, you acknowledge that you have received a copy of the Plan and the Agreement, including this Appendix A, and that you have reviewed the Plan and the Agreement, including this Appendix A, in its entirety and fully understand and accept all provisions of the Plan and the Agreement, including this Appendix A. You further acknowledge that you have read and specifically and expressly approve the terms and conditions of Section I (Nature of Grant) of this Appendix A, in which the following is clearly described and established:

(1) Your participation in the Plan does not constitute an acquired right.

(2) The Plan and your participation in the Plan are offered by the Company on a wholly discretionary basis.

(3) Your participation in the Plan is voluntary.

(4) Neither the Company nor any Affiliate is responsible for any decrease in the value of the MSUs granted and/or shares of Common Stock issued under the Plan.

Labor Law Acknowledgment and Policy Statement. In accepting the MSUs, you expressly recognize that the Company, with registered offices at 2366 Bernville Road, Reading, Pennsylvania 19605, United States of America, is solely responsible for the administration of the Plan and that your participation in the Plan and acquisition of shares of Common Stock does not constitute an employment relationship between you and the Company since you are participating in the Plan on a wholly commercial basis and your sole employer is EnerSys de Mexico, S.A. de CV, Powersonic, S.A. de CV or Yecoltd, S. de R.L. de CV (each, a “Mexican Subsidiary”). Based on the foregoing, you expressly recognize that the Plan and the benefits that you may derive from participation in the Plan do not establish any rights between you and your employer, a Mexican Subsidiary, and do not form part of the conditions of your employment and/or benefits provided by such Mexican Subsidiary, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of your employment.

You further understand that your participation in the Plan is a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue your participation in the Plan at any time, without any liability to you.

Finally, you hereby declare that you do not reserve to yourself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or any benefits derived from the Plan; therefore, you grant a full and broad release to the Company, its shareholders, officers, agents, legal representatives, and subsidiaries with respect to any claim that may arise.

Spanish Translation.

Reconocimiento de la Subvención. Al aceptar la cuota de mercado de unidades ("MSU" por sus siglas en inglés), Ud. reconoce que ha recibido y revisado una copia del Términos y Condiciones, y reconoce, además, que acepta todas las disposiciones del Términos y Condiciones. Ud. también reconoce que Ud. ha leído y aprobado de forma expresa los términos y condiciones establecidos en la Sección I ("Nature of Grant") en este Appendix A, que claramente dispone lo siguiente:

(1) Su participación en el Plan no constituye un derecho adquirido;

(2) El Plan y su participación en el Plan es ofrecido por la Compañía de manera completamente discrecional;

(3) Su participación en el Plan es voluntaria; y

(4) Ni la Compañía ni cualquiera subsidiaria es responsable de cualquier disminución del valor de las Unidades de Acciones Restringidas y/o las acciones emitidas bajo el Plan.

Declaración y Reconocimiento de Derecho y Política Laboral. Al aceptar las Unidades de Acciones Restringidas, el Participante reconoce que la Compañía, con domicilio social en 2366 Bernville Road, Reading, Pennsylvania 19605, United States of America, EE.UU., es el único responsable de la administración del Plan y su participación en el Plan y cualquier adquisición de las acciones bajo el Plan no constituyen una relación laboral entre Ud. y la Compañía, porque Ud. está participando en el Plan en su totalidad sobre una base comercial y su único empleador es EnerSys de Mexico, S.A. de CV, Powersonic, S.A. de CV or Yecoltd, S. de R.L. de CV. Basado en lo anterior, Ud. expresamente reconoce que el Plan y los beneficios que pueden derivarse de la participación en el Plan no establecen algún derecho entre Ud. y el Empleador, EnerSys de Mexico, S.A. de CV, Powersonic, S.A. de CV or Yecoltd, S. de R.L. de CV, y que no forman parte de las condiciones de empleo y/o beneficios provenidos por EnerSys de Mexico, S.A. de CV, Powersonic, S.A. de CV or Yecoltd, S. de R.L. de CV, y cualquier modificación del Plan o la terminación de su contrato no constituirá un cambio o deterioro de los términos y condiciones de su empleo.

Además, Ud. comprende que su participación en el Plan es causado por una decisión discrecional y unilateral de la Compañía, por lo que la Compañía se reserva el derecho absoluto de modificar y/o suspender su participación en el Plan en cualquier momento, sin responsabilidad alguna a Ud.

Finalmente, Ud. manifiesta que no se reserva ninguna acción o derecho que origine una demanda en contra de la Compañía, por cualquier compensación o daño en relación con cualquier disposición del Plan o de los beneficios derivados del mismo, y en consecuencia usted otorga un amplio y total descargo de responsabilidad a la Compañía, sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales, y Subsidiarias, con respecto a cualquier demanda que pudiera surgir.

Exhibit 10.41

SEVERANCE AGREEMENT AND RELEASE

This Severance Agreement and Release ("Agreement") is entered into this 1st day of April, 2013 between EnerSys and Raymond R. Kubis ("Kubis"). Intending to be legally bound, Kubis and EnerSys agree to the following:

1. Termination Date. The effective date of Kubis's termination as an employee of EnerSys and all of EnerSys' affiliated and subsidiary companies is March 31, 2013 (the "Termination Date"). Kubis also has been terminated as an officer and director of EnerSys and all of EnerSys' affiliated and subsidiary companies effective January 7, 2013.

2. Severance Payments. If Kubis signs and returns this Agreement within 21 days after it is first tendered to Kubis, Kubis will receive the following payments:

(a) The amount due to Kubis under the terms of the EnerSys Management Incentive Plan for the fiscal year ending March 31, 2013, less $ 65,281.70 to reimburse EnerSys for Swiss tax payments made on behalf of Kubis in connection with stock options previously exercised by Kubis ("the Swiss Tax Amount"). This payment will be made in a single lump sum in U.S. dollars and will be paid at the time payments under the Management Incentive Plan for the fiscal year ending March 31, 2013 are paid to other EnerSys executives. The payment under this section, though earned in Swiss Francs, will be paid in US dollars at an exchange rate or 1.06 US dollars per Swiss Franc and will be paid into such account as Kubis directs in writing.

(b) A lump sum in the amount of $196,191.00. This payment will be made in a single lump sum in U.S. dollars and will be paid on or before May 15, 2013.

(c) The payments under this Section 2 will be made as part of EnerSys' normal U.S. payroll and will be subject only to deductions for Swiss income taxes and US Medicare taxes.

3. Expense Reimbursement. Kubis acknowledges and agrees that EnerSys has reimbursed him for all documented reasonable costs of relocating him and his family and their

reasonable personal effects from Zurich, Switzerland to a single location in the United States. EnerSys also will reimburse Kubis for reasonable business expenses he has incurred prior to the Termination Date in the course of performing business for EnerSys, in accordance with EnerSys' normal expense reimbursement policies and practices. EnerSys will pay KPMG to prepare all required tax returns for Kubis and his wife for 2012.

4. Equity Awards. The termination of Kubis's employment will be considered to be without "Cause" for the purpose of determining Kubis's rights to exercise and vest in equity awards under the EnerSys 2006 Equity Incentive Plan, the EnerSys 2010 Equity Incentive Plan, and the agreements entered into between Kubis and EnerSys pursuant to those plans.

5. Release. In consideration of (i) the benefits outlined above and (ii) the compensation to be received by Kubis and NKF Investments LLC ("NKF") pursuant to a Consulting Agreement between NKF and EnerSys entered into contemporaneously with this Agreement ("the Consulting Agreement"), which Kubis acknowledges he would not otherwise be entitled to receive, Kubis hereby fully, forever, irrevocably and unconditionally releases, remises and discharges EnerSys, its affiliated corporations and subsidiaries and its and their officers, directors, stockholders, agents, insurers, and benefit plans (the "Released Parties") from any and all claims, complaints, demands, actions, causes of action, lawsuits, debts, costs, covenants, agreements, promises, damages, obligations, liabilities and expenses (including attorneys' fees and costs) (collectively, "Claims") of every kind which Kubis ever had or now has against any of the Released Parties which are based on any act, event or omission occurring on or before the date Kubis executes this Agreement, including, but not limited to, all Claims under the Employment Agreement between Kubis and EH Europe GmbH, effective as of July 1, 2007 ("the Employment Agreement"); any EnerSys Management Incentive Plan or Equity Incentive Plan; Title VII of the Civil Rights Act of 1964, as amended; the Age Discrimination in Employment Act of 1967, as amended ("ADEA"); the Americans With Disabilities Act of 1990, as amended; the Genetic Information Non-Discrimination Act of 2008; the Retirement Income Security Act of 1974, as amended; the Pennsylvania Human Relations Act, as amended; the Pennsylvania Wage Payment and Collection Law, as amended; all claims arising under any federal, state or local statute or ordinance of the United States or any other country, including, but not limited to, Switzerland; and all common law claims, including, but not limited to, actions

in tort and breach of contract. Kubis understands and acknowledges that this release releases and waives all Claims against all the Released Parties to the extent permitted by law except (i) any claim for breach of the provisions of this Agreement or the Consulting Agreement, and (ii) rights to vested benefits under the terms of any EnerSys stock incentive and other employee benefit plans.

6. Complaints. Kubis acknowledges that he has not filed any charge or complaint based on any Claims released by this Agreement against any Released Party with any local, federal or state administrative agency or court and agrees not to do so in the future, except as specifically permitted by law. Furthermore, if any charge or complaint is filed by Kubis or on Kubis's behalf against any one or all of the Released Parties, Kubis will disclaim entitlement to any relief and will not accept any relief obtained with respect to such claims. If Kubis files any charge or complaint found to be released by this Agreement, Kubis shall pay EnerSys or any of the other applicable Released Parties' attorneys' fees and costs in defending against such Claims.

7. Return of EnerSys Property. Kubis certifies that he has not and agrees he will not take, remove, or retain any property belonging to EnerSys, including electronic files and hard copies of documents. Kubis further certifies that he has returned all EnerSysowned property in his possession or control to EnerSys, including, but not limited to, keys, files, records, computer hardware, computer software, wireless handheld devices, cellular phones, pagers, EnerSys identification cards, and vehicles, and materials of any kind which contain any proprietary or confidential information about EnerSys or its customers. Kubis further agrees to leave intact all electronic documents maintained on any of EnerSys' electronic systems.

8. Confidentiality. Kubis agrees that he will not at any time, except with the prior written consent of EnerSys, directly or indirectly, reveal to any person, entity or other organization or use for his own benefit any information deemed to be confidential by EnerSys or any of its affiliated companies relating to the assets, liabilities, employees, goodwill, business or affairs of EnerSys or any of its affiliated companies, including, without limitation, any information concerning past, present or prospective customers, manufacturing processes, marketing, operating, or financial data, or other confidential information used by, or useful to, EnerSys or any of its affiliated companies and known to Kubis by reason of Kubis's employment with EH Europe GmbH or other association with EnerSys or any of its affiliated companies.

Upon the request and at the expense of EnerSys, Kubis will promptly make all disclosures, execute all instruments and papers, and perform all acts reasonably necessary to vest and confirm in EnerSys and its affiliated companies, fully and completely, all rights created or contemplated by this section. Kubis is not prohibited from using or disclosing information that is or becomes generally available to the public other than as a result of a disclosure by, or at the direction of, Kubis. Kubis further agrees that he will not retain or use for his benefit at any time any tradenames, trademark, or other proprietary business designation used or owned in connection with the business of EnerSys or its subsidiaries or affiliated companies.

9. Wrongful Solicitation. Kubis agrees that for 24 months after the Termination Date, he will not, for the purpose of conducting or engaging in a Competing Business (as defined below), (i) call upon, solicit, advise or otherwise do or attempt to do, business with any person or company who is, or was, during the most recent 12 month period, a customer of EnerSys or any of its affiliated companies , (ii) take away or interfere or attempt to take away or interfere with any custom, trade, business, patronage, or affairs of EnerSys or any of its affiliated companies, (iii) hire or attempt to hire any person who is, or was during the most recent 12month period an employee, officer, representative or agent of EnerSys or any of its affiliated companies, or (iv) solicit, induce, or attempt to solicit or induce any person who is an employee, officer, representative or agent of EnerSys or any of its affiliated companies to leave the employ of EnerSys or any of its affiliated companies, or violate the terms of their contract, or any other employment agreement, with it.

10. NonCompetition. In consideration for the salary continuation, bonus payments, and welfare benefits provided in this Agreement, which Kubis acknowledges he might not otherwise be eligible to receive, Kubis agrees that, for 24 months following the Termination Date, he will not, without the prior written consent of EnerSys, directly or indirectly, and whether as principal or investor or as an employee, officer, director, manager, partner, consultant, agent, or otherwise, alone or in association with any other person, firm, corporation, or other business organization, become involved in a Competing Business in the Americas, Europe or Asia, or in any geographic area in which EnerSys or any of its subsidiaries has engaged during the 12 months immediately preceding the Termination Date in any of the activities that comprise a Competing Business, or in which Kubis has knowledge of EnerSys'

plans to engage in any of the activities that comprise a Competing Business (including, without limitation, any area in which any customer of EnerSys or any of its subsidiaries may be located); provided, however, that the provisions of this Section 13 shall apply solely to those activities of a Competing Business, with which Kubis was personally involved or for which Kubis was responsible while employed by EnerSys or its subsidiaries during the twelve-month period preceding the Termination Date. This Section 10 will not be violated, however, by Kubis's investment of up to $100,000 in the aggregate in one or several publicly-traded companies that engage in a competing business.

"Competing Business" means a business or enterprise (other than EnerSys and its direct or indirect subsidiaries) that is engaged in any or all of the manufacture, importing, development, distribution, marketing, or sale of:

(a) motive power batteries and chargers (including, without limitation, batteries and chargers for industrial forklift trucks and other materials handling equipment);

(b) stationary batteries and chargers (including, without limitation, standby batteries and power supply equipment for wireless and wireline telecommunications applications, such as central telephone exchanges, microwave relay stations, and switchgear and other instrumentation control systems); or

(c) any aerospace or defense product or other product EnerSys or any of its subsidiaries or affiliated companies now makes or is currently (or at a relevant time in the future) researching or developing, such as lithium batteries.

"Competing Business" also includes the design, engineering, installation or service of stationary and DC power systems, and any consulting and/or turnkey services relating thereto. The Company acknowledges that a company which only supplies battery components or raw materials, and does not manufacture, distribute or sell finished batteries is not a Competing Business, however Kubis understands the confidentiality and solicitation clauses still apply as defined herein.

11. Non Disparagement. Kubis agrees that he will not make any false, disparaging or derogatory statements, orally or in writing, concerning any Released Party to any

third party, including, without limitation, any media outlet, industry group, financial institution, current or former employee, or customer of EnerSys. EnerSys will instruct all of its executives at the Vice President level and above not to make any false, disparaging or derogatory statements, orally or in writing, concerning Kubis to any person not employed by EnerSys, including, without limitation, any media outlet, industry group, financial institution, or customer of EnerSys.

12. Cooperation. Kubis agrees to (i) cooperate fully with reasonable requests from EnerSys in connection with matters with which Kubis was involved prior to the Termination Date and (ii) sign all letters EnerSys requests in which Kubis resigns as an officer and/or director of EnerSys or any of its affiliated or subsidiary companies.

13. Tax Liability. Kubis acknowledges that he is obligated to pay all taxes due with respect to the payments made to him pursuant to Section 2 of this Agreement, and agrees that he will timely report the payments made to him under Section 2 to all applicable tax authorities and that he will timely pay all taxes due with respect to the payments made to him pursuant to Section 2 of this Agreement.

14. Enforcement of Covenants.

(a) Kubis acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 8, 9, 10, 11 and 12. Kubis agrees that these restraints are necessary for the reasonable and proper protection of EnerSys and its successors and assigns and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. Kubis further acknowledges that, were he to breach any of the covenants contained in Sections 8, 9, 10, 11 and 12, the damage to EnerSys would be irreparable. Kubis therefore agrees that EnerSys, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach by Kubis of any of the covenants herein. EnerSys and Kubis further agree that, in the event that any provision of Sections 8, 9, 10, 11 and 12, shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision may be deemed to be modified in accordance with any Court order.

(b) In the event the Company claims a breach of this Agreement and before seeking relief as provided above, the Company shall notify Kubis, in writing, of any claimed breach. Such notice shall include a description of the alleged breach and a summary of the information upon which breach is based. To the extent such breach is curable, Kubis shall have five (5) days thereafter to cure such breach.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

16. Notice of Rights Under the ADEA . Kubis acknowledges that:

(a) Consideration. Kubis will have 21 days to consider the terms contained in this Agreement. Kubis may sign this Agreement before the expiration of the 21-day consideration period.

(b) Consultation With an Attorney. Kubis has been advised by EnerSys that he may consult with an attorney of his choosing at his own expense prior to signing this Agreement and he has consulted with an attorney prior to signing this Agreement.

(c) Revocation Period. For a period of seven days after signing this Agreement, Kubis may revoke the release of Claims under the ADEA contained in this Agreement by delivering written notice of such revocation to EnerSys General Counsel Joseph G. Lewis within such seven day period. If Kubis revokes his release of ADEA Claims, this entire Agreement will be void and he will not be entitled to receive any of the payments or benefits provided by this Agreement.

(d) Knowing and Voluntary Waiver and Release of Claims. Kubis has waived and released Claims knowingly and voluntarily in exchange for the payments and other benefits contained in this Agreement and the Consulting Agreement, and Kubis acknowledges that he would not otherwise be entitled to those benefits.

17. Entire Agreement and Amendment . This Agreement contains the entire understanding and agreement between Kubis and EnerSys with respect to the termination of his employment, severance benefits, and waiver and release of claims, and supersedes any previous oral and written negotiations, agreements, commitments and writings, except that the

“Noncompetition”, “Wrongful Solicitation” and “Confidentiality/Specific Performance” sections in the EnerSys 2004 Equity Incentive Plan, the EnerSys 2006 Equity Incentive Plan, and the EnerSys 2010 Equity Incentive Plan shall survive the execution of this Agreement. Without limiting the foregoing, Kubis and EnerSys specifically agree that: (i) this Agreement and the Consulting Agreement supersede the Employment Agreement and that neither Kubis or EnerSys have any further obligations under the Employment Agreement, and (ii) Kubis’s entitlement to vested benefits under any employee benefit plan, and specifically Kubis’s right to elect COBRA coverage under the Company’s health insurance plan under the same terms and conditions applicable to other senior employees of the Company, survive the execution of this Agreement. Between June 1, 2013 and June 10, 2013, Kubis will sign and deliver to EnerSys a document acceptable to EnerSys which confirms that EnerSys does not have any further obligations under the Employment Agreement. This Agreement may not be modified in any manner, except by an instrument in writing and signed by both parties. This Agreement is for the benefit of and is binding upon Kubis and his heirs, administrators, representatives, executors, successors, beneficiaries and assigns, and is also for the benefit of the Released Parties and their successors and assigns.

INTENDING TO BE LEGALLY BOUND, Kubis and EnerSys agree to and sign this Agreement on this 1st day of April, 2013.

ENERSYS

/s/ Raymond R. Kubis
Raymond R. Kubis

By: /s/ Richard W. Zuidema
Richard W. Zuidema

Exhibit 10.42

CONSULTING AGREEMENT

CONSULTING AGREEMENT ("Agreement") dated as of April 1, 2013 by and between ENERSYS DELAWARE INC., a Delaware corporation having its principal offices at 2366 Bernville Road, Reading, Pennsylvania 19605 (the " Company"), and NKF INVESTMENTS, LLC, a Florida limited liability company having its principal offices at 2001 Meridian Avenue, Miami Beach, Florida 33139 (the " Consultant").

BACKGROUND

A. The Company desires to engage to the Consultant as a consultant to the Company and to obtain the services of the Consultant for the benefit of the Company and its subsidiaries and affiliates (collectively, "Affiliates").

B. The Consultant is willing and agrees to accept such engagement, all on the terms and conditions set forth in this Agreement.

AGREEMENT:

NOW THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Engagement. The Company hereby engages the Consultant to provide the consulting services described in Section 2 hereof to the Company, and the Consultant hereby accepts such engagement, on the terms and conditions set forth in this Agreement.

2. Duties During Consulting Period.

(a) During the Consulting Period (as defined in Section 3 hereof), the Consultant shall provide the following consulting services (collectively, the "Services") to the Company:

(i) the Consultant will monitor developments in the world-wide battery industry and provide quarterly written reports by June 30, September 30, December 31, and March 31 to the Company identifying key market and industry trends and developments that are reasonably likely to affect the business of the Company and its Affiliates. The report due by March 31 of each year will be referred to as "the Annual Report".

(ii) the Consultant and the Company may mutually agree in writing to additional services to be provided by Consultant on terms to which the Consultant and the Company mutually agree.

(b) All of the Services will be performed by Raymond R. Kubis (" Mr. Kubis") in the United States. Mr. Kubis shall perform all of such Services well and faithfully and shall devote such of his time, attention and energy to the performance of the Services hereunder as shall be necessary to fully discharge the Consultant's obligations hereunder. Mr. Kubis shall send the reports to Mr. Richard W. Zuidema, the President of the Company, and be available for phone reviews. In the event the Company requests Mr. Kubis to travel to attend a meeting, the Company will reimburse Consultant for all travel expenses incurred in accordance with the Company's expense reimbursement policies.

(c) If Mr. Kubis dies, or is incapacitated by accident, sickness, or otherwise so as to render him mentally or physically incapable of performing the Services required under Section 2(a) of this Agreement for a continuous period of six (6) months during the Consulting Period, NKF shall promptly designate another individual reasonably acceptable to the Company ("Mr. Kubis' Replacement") to perform the Services hereunder on behalf of the Consultant for the remainder of the Consulting Period, and all of the provisions of Section 2(b) applicable to Mr. Kubis shall apply to Mr. Kubis' Replacement.

(d) If the Company requests that the Consultant provide any advisory services in addition to the Services to the Company or any of its Affiliates at any time during the Consulting Period, the terms and conditions upon which such additional advisory services will be provided by the Consultant shall be separately negotiated and agreed upon, in advance and in writing, by the Company and the Consultant, and shall be subject to the availability of Mr. Kubis or Mr. Kubis' Replacement, as appropriate.

3. Term of Engagement; Termination. The Consultant's engagement under Section 1 hereof shall be for a period of two (2) years (the "Consulting Period") commencing on April 1, 2012 and ending on March 31, 2015.

4. Compensation.

(a) For Services performed by the Consultant hereunder, the Company shall pay the Consultant a fixed consulting fee during the Consulting Period in the amount of Fifty-Four Thousand Six Hundred Dollars ($54,600.00) per month (the "Consulting Fee"). The Consulting Fee payable by the Company to the Consultant for each calendar month during the Consulting Period shall be paid by the Company to the Consultant on the last day of such month.

(b) In addition to the Consulting Fee payable pursuant to Section 4(a) hereof, for each Annual Report delivered by the Consultant to the Company in accordance with the provisions of Section 2(a)(ii) hereof, the Company shall pay the Consultant an additional fee in the amount of Six Hundred Seventy-Eight Thousand One Hundred Three Dollars and Twenty Cents ($678,103.20) (the "Annual Report Fee"). The Annual Report Fee for each Annual Report delivered by the Consultant to the Company pursuant to Section 2(a)(i) hereof shall be paid by the Company to the Consultant on or before June 1 of the year in which such Annual Report is delivered by the Consultant to the Company. However, in the event Consultant fails to deliver the Annual Report when due in accordance with the provisions of Section 2(a)(i), above, the Consultant shall not be entitled to receive, and the Company shall not be obligated to pay, the Annual Report Fee until thirty (30) days after the Annual Report is delivered to the Company or June 1, whichever is later.

(c) The Company will not provide the Consultant, Mr. Kubis, or Mr. Kubis' Replacement with any benefits or compensation other than as specifically set forth in Section 4(a) and Section 4(b) hereof. The Consultant shall be responsible for the payment of all costs and expenses incurred in connection with the performance of the Services hereunder, and in no event will the Company be obligated or otherwise required to reimburse the Consultant, Mr. Kubis, or Mr. Kubis' Replacement for any such costs or expenses.

5. Noncompetition; Nonsolicitation; Confidential Information; Etc.

(a) As a material inducement for the Company to enter into this Agreement, the Consultant agrees with the Company that, during the Consulting Period, the Consultant will not, without the prior written consent of the Company, directly or indirectly, and whether as principal or investor or as an employee, officer, director, manager, partner, consultant, agent, or otherwise, alone or in association with any other person, firm, corporation, or other business organization, (i) provide any consulting services similar to the Services to any Competing Business (as hereinafter defined) or (ii) become involved in a Competing Business in the Americas, Europe, or Asia, or in any geographic area in which the Company or its Affiliates has engaged during the Consulting Period or the twelve (12) months immediately preceding the date of this Agreement in any of the activities that comprise a Competing Business or in which the Consultant or Mr. Kubis has knowledge of the Company's plans to engage in any of the activities that comprise a Competing Business (including, without limitation, any area in which any customer of the Company or any of its Affiliates may be located); *provided*, *however*, that the provisions of this Section 5(a)(ii) shall apply solely to those activities of a Competing Business with which Mr. Kubis was personally involved or for which Mr. Kubis was responsible while employed by the Company or its Affiliates during the twelve (12)-month period immediately preceding the date of this Agreement. This Section 5(a) will not be violated, however, by the Consultant's investment of up to One Hundred Thousand Dollars ($100,000.00) in the aggregate in one or several publicly-traded companies that engage in a Competing Business.

(b) As used herein, the term "Competing Business" means a business or enterprise (other than the Company and its Affiliates) that is engaged in any or all of the manufacture, importing, development, distribution, marketing or sale of (A) motive power batteries and chargers (including, without limitation, batteries and chargers for industrial forklift trucks and other materials handling equipment); (B) stationary batteries and chargers (including, without limitation, standby batteries and power supply equipment for wireless and wireline telecommunications applications, such as central telephone exchanges, microwave relay stations, and switchgear and other instrumentation control systems); or (C) any aerospace or defense product or other product the Company or any of its Affiliates makes or researches or develops during the Consulting Period, such as lithium batteries. " Competing Business" also includes the design, engineering, installation or service of stationary and DC power systems, and any consulting and/or turnkey services relating thereto. The Company acknowledges that a company which only supplies battery components or raw materials, and does not manufacture, distribute or sell finished batteries is not a Competing Business.

(c) As a separate and independent covenant, the Consultant agrees with the Company that the Consultant will not, without the prior written consent of the Company, for the purpose of conducting or engaging in a Competing Business: (i) solicit, or attempt to do, business with any person or entity who is, or was, a customer of the Company or any of its Affiliates during the Consulting Period, (ii) take away or interfere or attempt to take away or interfere with any custom, trade, business, patronage, or affairs of the Company or any of its

Affiliates, (iii) hire or attempt to hire any person who is, or was during the Consulting Period, an employee, officer, representative or agent of the Company or any of its Affiliates, or (iv) solicit, induce, or attempt to solicit or induce any person who is an employee, officer, representative or agent of the Company or any of its Affiliates to leave the employ of the Company or any of its Affiliates, or violate the terms of their contract, or any other employment agreement, with the Company or any of its Affiliates.

(d) The Consultant agrees with the Company that the Consultant will not at any time during the term of this Agreement, except with the prior written consent of the Company, directly or indirectly, reveal to any person, entity, or other organization (other than the Company, its Affiliates, or their respective employees, officers, directors, stockholders, or agents in connection with the performance of the Services hereunder) or use for the Consultant's own benefit or for the benefit of any third-party any information deemed to be confidential by the Company or any of its Affiliates ("Confidential Information") relating to the assets, liabilities, employees, goodwill, business, or affairs of the Company or any of its Affiliates, including, without limitation, the Annual Reports, any information concerning past, present, or prospective customers, manufacturing processes, marketing, operating, or financial data, or other confidential information used by, or useful to, the Company or any of its Affiliates and known (whether or not known with the knowledge and permission of the Company or any of its Affiliates and whether or not at any time prior to the date of this Agreement developed, devised, or otherwise created in whole or in part by the efforts of the Consultant) to the Consultant by reason of the Consultant's engagement hereunder. Upon the request and at the expense of the Company, the Consultant shall promptly make all disclosures, execute all instruments and papers, and perform all acts reasonably necessary to vest and confirm in the Company and its Affiliates, fully and completely, all rights created or contemplated by this Section 5(c). The Consultant is not prohibited from using or disclosing information that is or becomes generally available to the public other than as a result of a disclosure by, or at the direction of, the Consultant. The Consultant further agrees that the Consultant will not retain or use for its benefit or for the benefit of any third-party at any time any tradenames, trademark, or other proprietary business designation used or owned in connection with the business of the Company or its Affiliates.

(e) It is expressly understood and agreed that, although the Consultant and the Company consider the restrictions contained in Sections 5(a) and 5(b) reasonable for the purpose of preserving for the Company and its Affiliates, their good will and other proprietary rights, if a final judicial determination is made by a court having jurisdiction that the time or territory or any other restriction contained in Section 5(a) or Section 5(b) is an unreasonable or otherwise unenforceable restriction against the Consultant, the provisions of Section 5(a) or Section 5(b), as appropriate, but may be deemed amended to apply as to such maximum time and territory and to such other extent as such court may judicially determine or indicate to be reasonable.

(f) The Consultant acknowledges that the Company's remedy at law for breach of any of the provisions of this Section 5 would be inadequate. Accordingly, in the event of a breach by the Consultant of any provision of this Section 5, in addition to its remedies at law, the Company shall be entitled to equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy then available, without requiring the Company to post any bond or other security (other than a nominal bond or other nominal security) or having to prove any damages. Nothing herein contained shall be construed as prohibiting the Company from pursuing any other remedies available to it for any such threatened or actual breach.

(g) In the event the Company claims a breach of this Agreement and before seeking relief as provided above, the Company shall notify the Consultant, in writing, of any claimed breach. Such notice shall include a description of the alleged breach and the information upon which breach is based. The Consultant shall have five (5) days thereafter to cure such breach.

6. Taxes; Indemnification; Set-Off.

(a) The Company and the Consultant each acknowledges and agrees that the Consultant is an independent contractor and therefore no provision has been, or will be, made by the Company for FICA, FUTA, income tax withholding, or any other employment-related taxes with respect to any amounts payable by the Company to the Consultant hereunder. The Consultant accepts full and complete responsibility for timely filing all tax returns and timely paying all taxes which may be required or due to any taxing or other governmental authority, in any applicable jurisdiction throughout the world, with respect to any amounts paid to the Consultant by the Company pursuant to this Agreement or otherwise.

(b) The Consultant shall indemnify and hold harmless the Company, its Affiliates, and the respective officers, directors, shareholders, members, managers, successors and permitted assigns of the Company and its Affiliates (collectively, the "Company Indemnitees") from and against, and will reimburse the Company Indemnitees for, any amounts required to be paid by any Company Indemnitees in connection with or as a result of any claim for taxes, interest or penalties asserted against any Company Indemnitees by any taxing or other governmental authority, in any applicable jurisdiction throughout the world, with respect to or on account of any amounts paid to the Consultant by the Company pursuant to this Agreement (including, but not limited to, reasonable attorneys' fees and costs and expenses incurred by any Company Indemnitees in investigating, preparing, or defending against any such claim); *provided*, *however*, that (i) the maximum amount that the Consultant shall, in the aggregate, be required to pay to the Company Indemnitees pursuant to this Section 6(b) shall the lessor of the amount the Company has paid to the Consultant under this Agreement or Two Million Six Hundred Sixty-Six Thousand Six Hundred Six Dollars and Forty Cents ($2,666,606.40) and (ii) the Consultant shall not be required to indemnify, defend, hold harmless, or reimburse any Company Indemnitees for any such taxes, interest, or penalties if and to the extent that the Consultant can demonstrate that such taxes, interest, or penalties were assessed or imposed solely and directly as a result of a material error or material omission which constitutes a violation of any applicable legal requirement on the part of the Company or any of its Affiliates. Upon the Company's request, the Consultant shall provide to the Company evidence, in a form and substance reasonably acceptable to the Company, that the Consultant is financially capable of performing its obligations under this Section 6(b). The Consultant's obligations under this Section 6(b) shall survive the termination of this Agreement until the expiration of all applicable tax statutes of limitations in all applicable jurisdictions.

(c) The Consultant expressly acknowledges and agrees that the Company shall have the right, upon notice to the Consultant and reasonable opportunity to object, to set-off against, reduce, recoup, or otherwise appropriate any Consulting Fees or Annual Report Fees payable to the Consultant under this Agreement (regardless of whether any such amounts are then due and payable) to satisfy the Consultant's obligations with respect to any claims made by any Company Indemnitees against the Consultant (i) pursuant to Section 6(b) of this Agreement or (ii) by reason of the Consultant's breach of any of its obligations under Section 5(a), Section 5(b), or Section 5(c) hereof. The Company's rights under this Section 6(c) are independent of and in addition to the Company's rights under Section 6(b), above.

(d) In the event that any taxing authority makes a claim for taxes as set forth above, the Company shall promptly notify the Consultant of such claim. The Consultant shall be permitted, to the extent provided by law, to participate in such claim process. However, the Consultant will: (i) not have the right to control the defense of such claim, (ii) be responsible for all expenses (including attorneys' fees) incurred by the Consultant as the result of its participation in the claim process, and (iii) provide reasonable cooperation to the Company in connection with all aspects of the claims process.

7. Independent Contractor Status. This Agreement shall not create an employer-employee relationship, at common law or otherwise, between the Consultant or Mr. Kubis and the Company or any of its Affiliates. The Consultant shall in all respects have the status of an independent contractor. Neither the Consultant nor Mr. Kubis shall be entitled to participate in or receive the benefit of any fringe benefit, welfare, pension, profit-sharing or other plan or arrangement similar to any of the above which is now or hereafter maintained by the Company or any of its Affiliates for the benefit of any or all of their respective employees, including, without limitation, any vesting or service credit under any equity incentive plan maintained by the Company or any of its Affiliates. Neither the Consultant nor Mr. Kubis shall have any authority to make any representations or warranties for or on behalf of the Company or its Affiliates or to enter into any contract or obligation binding the Company or any of its Affiliates, except as specifically authorized in writing by the Company. Neither the Consultant nor Mr. Kubis shall hold themselves out as having authority to bind the Company or any of its Affiliates.

8. Representations. The Consultant hereby represents and warrants to the Company that the Consultant has full power and authority to enter into this Agreement and that the execution of this Agreement by the Consultant and the performance of the Consultant's duties hereunder will not cause the Consultant or Mr. Kubis to be in violation of any other agreement, judgment, order, decree, former employment relationship or other obligation to which the Consultant or Mr. Kubis may be subject. The Consultant shall indemnify and defend the Company and its Affiliates against all liability, cost, damage, and expense that they may incur as a result of a breach of the representations and warranties in this Section 8.

9. Notices. Any notice required or permitted to be given under this Agreement shall be deemed properly given if in writing and if mailed by registered or certified mail, postage prepaid with return receipt requested, to the respective principal offices of the parties set forth in the introductory paragraph of this Agreement. Notices of any change in address may be given in the same manner.

10. Amendment; Waiver. Except as contemplated in Section 5(d) hereof, no provision of this Agreement may be amended, modified, waived, or discharged unless such waiver,

modification, or discharge is agreed to in writing and signed by the Consultant and the Company. No waiver by any party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

11. Assignment. This Agreement shall not be assignable by either party, except by the Company to any successor in interest to the Company's business or to an Affiliate of the Company.

12. Entire Agreement. This Agreement contains the entire agreement of the parties relating to the subject matter of this Agreement, and supersedes any prior written or oral arrangements or agreements of the parties relating to the matters governed by this Agreement.

13. Successors, Binding Agreement. Subject to the restrictions on assignment contained herein, this Agreement shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

14. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

15. Applicable Law; Consent to Jurisdiction. This Agreement is made pursuant to, and shall, except to the extent preempted by federal law, be construed and enforced in accordance with, the laws of the State of Florida (and United States federal law, to the extent applicable), irrespective of the principal place of business or domicile of the parties hereto, and without giving effect to otherwise applicable principles of conflict of laws. Any legal action, suit or proceeding arising out of or relating to this Agreement will be instituted in the United States District Court for the Southern District of Florida or in the courts of the State of Florida located in Miami-Dade County, Florida, and each party waives any objection which such party may now or hereafter have to the laying of the venue of any such action, suit or proceeding, and irrevocably submits to the jurisdiction of any such court. Any and all service of process and any other notice in any such action, suit or proceeding shall be effective against any party if given as provided herein.

Remainder of Page Intentionally Left Blank

Signature Page Follows

16. Headings. The headings of the Sections of this Agreement are for convenience of reference only and shall not control or affect the meaning or construction or limit the scope or intent of any of the provisions of this Agreement.

17. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which will be deemed to be an original of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. Any party to this Agreement may deliver an executed counterpart hereof by facsimile transmission or electronic mail (as a Portable Document Format (PDF) file) to the other party hereto and any such delivery shall have the same force and effect as the manual delivery of an executed counterpart hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ENERSYS DELAWARE INC.

By: /s/ Richard W. Zuidema
Richard W. Zuidema, President

(the "Company")

NKF INVESTMENTS, LLC

By: /s/ Raymond R. Kubis

(the "Consultant")

JOINDER

The undersigned, RAYMOND R. KUBIS, an adult individual, intending to be legally bound, and as a material inducement for EnerSys Delaware Inc., a Delaware corporation (the "Company"), to enter into the foregoing Consulting Agreement dated as of April 1, 2013 the (" Consulting Agreement") between the Company and NKF Investments, LLC, a Florida limited liability company (the " Consultant"), hereby joins in the Consulting Agreement for the purposes of acknowledging, and agreeing, jointly and severally with the Consultant, to be bound by, all of the provisions of the Consulting Agreement as if the undersigned was a party thereto, including, but not limited to, the provisions of: (1) Section 2 of the Consulting Agreement regarding the Services (as such term is defined in the Consulting Agreement) to be performed by the undersigned, on behalf of the Consultant, (2) Section 5 of the Consulting Agreement regarding the noncompetition, nonsolicitation, confidentiality and other obligations set forth therein, and (3) Section 6 of the Consulting Agreement regarding the obligations with respect to taxes relating to the payments to be made to the Consultant pursuant to the Consulting Agreement (including, without limitation, the indemnification obligations under Section 6(b) of the Consulting Agreement).

The undersigned acknowledges and agrees that (1) the undersigned will receive substantial personal benefits as a result of the transactions contemplated by the Consulting Agreement and the such benefits are adequate and sufficient consideration for the undersigned's agreement to join in, and to be jointly and severally bound with the Consultant by, the Consulting Agreement, (2) the undersigned has consulted with, or has had the opportunity to consult with, independent legal counsel regarding the undersigned's rights and obligations hereunder and that the undersigned fully understands the terms and conditions contained herein and in the Consulting Agreement, and (3) the undersigned's ability to earn a livelihood will not be materially and adversely affected or impacted by the undersigned's compliance with the provisions hereof or any of the provisions of the Consulting Agreement.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has executed this Joinder as of April 1, 2013.

/s/ Raymond R. Kubis (SEAL)
Raymond R. Kubis

Exhibit 12.1

RATIO OF EARNINGS TO FIXED CHARGES

EnerSys
Computation of Ratio of Earnings to Fixed Charges

The following table sets forth the ratio of earnings to fixed charges of the Company for the five fiscal years ended March 31, 2013:

	Fiscal year ended March 31,				
	2013	2012	2011	2010	2009
	(dollars in thousands)				
Earnings:					
Income before provision for income taxes	$ 230,233	$191,259	$151,444	$ 87,255	$ 119,100
Plus: fixed charges	29,977	27,821	32,679	32,573	37,544
Total	$260,210	$ 219,080	$184,123	$119,828	$156,644
Fixed charges:					
Interest expense including capitalized interest	$ 18,947	$ 17,281	$ 23,330	$ 23,587	$ 27,795
Interest within rental expense	11,030	10,540	9,349	8,986	9,749
Total	$ 29,977	$ 27,821	$ 32,679	$ 32,573	$ 37,544
Ratio of earnings to fixed charges	8.68	7.87	5.63	3.68	4.17

NOTE: These ratios include EnerSys and its consolidated subsidiaries. The ratio of earnings to fixed charges was computed by dividing earnings by fixed charges for the periods indicated, where “earnings” consist of (1) earnings from operations before income taxes plus (2) fixed charges, and “fixed charges” consist of (a) interest, whether expensed or capitalized, on all indebtedness, including non-cash interest accreted on Convertible Notes of $7,001, $6,436, $5,917, $5,439 and $4,261, respectively, for fiscal 2013 through fiscal 2009, (b) amortization of premiums, discounts and capitalized expenses related to indebtedness, and (c) an interest component representing one-third of total operating lease rental expense, which is that portion deemed to be interest. Interest related to uncertain tax positions is included in the tax provision in the Company’s Consolidated Statements of Income and is excluded from the computation of fixed charges.

Exhibit 21.1

ENERSYS
Subsidiaries

Subsidiary	Jurisdiction of Incorporation or Organization
EnerSystem de Argentina S.A.	Argentina
EnerSys Australia Pty Ltd.	Australia
EnerSys GmbH	Austria
EnerSys SPRL	Belgium
EnerSystem do Brazil Ltda.	Brazil
EnerSys Participacoes Ltda.	Brazil
Industrial Battery Holding Ltda.	Brazil
EnerSys AD *	Bulgaria
EnerSys Canada Inc.	Canada
EnerSys Cayman Euro L.P.	Cayman Islands
EnerSys Cayman Holdings L.P.	Cayman Islands
EnerSys Cayman Inc.	Cayman Islands
EnerSys Cayman L.P.	Cayman Islands
YCI, Inc.	Cayman Islands
EnerSystem Chile Ltda.	Chile
EnerSys (Chaozhou) Huada Batteries Company Limited	People’s Republic of China
EnerSys (People’s Republic of China) Huada Batteries Company Limited	People’s Republic of China
EnerSys (Chongqing) Huada Batteries Company Limited	People’s Republic of China
EnerSys (Jiangsu) Huada Batteries Company Limited *	People’s Republic of China
Shenzhen Huada Power Supply Mechanical & Electrical Co. Ltd. *	People’s Republic of China
EnerSys, s.r.o.	Czech Republic
EnerSys A/S	Denmark
EnerSys Europe Oy	Finland
EnerSys SARL *	France
EAS Germany GmbH	Germany
GAZ GmbH	Germany
Hawker GmbH	Germany
EnerSys AE	Greece
EnerSys Asia Limited	Hong Kong
EnerSys Hungária Kft.	Hungary
EnerSys Battery Private Limited	India
Energy Leader Batteries India Private Ltd. *	India
EnerSys S.r.l.	Italy
EnerSys Holdings (Luxembourg) Sarl	Luxembourg
EnerSys Luxembourg Finance Sarl	Luxembourg
EnerSys de Mexico, S.A. de CV	Mexico
Powersonic, S.A. de CV	Mexico
Yecoltd, S. de R.L. de CV	Mexico
ENAS Industrial Batteries Morocco Sarl	Morocco
EnerSys AS	Norway
EnerSys sp. z o.o.	Poland
Powersafe Acumuladores Industrialis Unipessoal, Lda.	Portugal
EnerSys CJSC	Russia
EnerSys Reserve Power Pte. Ltd.	Singapore
EnerSys, s.r.o.	Slovak Republic
Battech (Pty) Ltd. *	South Africa
Battery Technologies (Pty) Ltd. *	South Africa
Acumuladores Industriales EnerSys SA	Spain
EnerSys AB	Sweden
EH Batterien AG	Switzerland
EH Europe GmbH	Switzerland
EnerSys BV	The Netherlands

Subsidiary	Jurisdiction of Incorporation or Organization
EnerSys Assad Industrial Sarl	Tunisia
EnerSys Assad North Africa Sarl	Tunisia
EnerSys Assad Sarl *	Tunisia
Enersys Akü Sanaya Dis Ticaret Limited Sirketi	Turkey
EnerSys LLC	Ukraine
ABSL Power Solutions Ltd.	United Kingdom
AGM Batteries Limited	United Kingdom
EnerSys Holdings UK Ltd.	United Kingdom
EnerSys Ltd.	United Kingdom
ABSL Power Solutions Inc.	Delaware
EnerSys Advanced Systems Inc.	Delaware
EnerSys Capital Inc.	Delaware
EnerSys Delaware Inc.	Delaware
EnerSys Delaware LLC I	Delaware
EnerSys Delaware LLC II	Delaware
EnerSys Delaware LLC III	Delaware
EnerSys Delaware LLC IV	Delaware
EnerSys Energy Products Inc.	Delaware
EnerSys European Holding Co.	Delaware
EnerSys Mexico Holdings LLC	Delaware
EnerSys Mexico Management LLC	Delaware
Esfinco, Inc.	Delaware
Esrmco, Inc.	Delaware
Hawker Powersource, Inc.	Delaware
New Pacifico Realty, Inc.	Nevada

* *These entities are majority-owned by EnerSys with the remaining interests held by third parties.*

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-168717) pertaining to the EnerSys 2010 Equity Incentive Plan,
(2) Registration Statement (Form S-3 No. 333-151000) of EnerSys,
(3) Registration Statement (Form S-8 No. 333-143209) pertaining to the EnerSys 2006 Equity Incentive Plan, and
(4) Registration Statement (Form S-8 No. 333-120660) pertaining to the EnerSys Employee Stock Purchase Plan and EnerSys 2004 Equity Incentive Plan,

of our reports dated May 28, 2013, with respect to the consolidated financial statements and schedule of EnerSys and the effectiveness of internal control over financial reporting of EnerSys, included in this Annual Report (Form 10-K) of EnerSys for the year ended March 31, 2013.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania
May 28, 2013

EXHIBIT 31.1

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A)/15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934**

I, John D. Craig, certify that:

1. I have reviewed this Annual Report on Form 10-K of EnerSys;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

ENERSYS

/s/ John D. Craig
John D. Craig
Chairman, President and Chief Executive Officer

Date: May 28, 2013

EXHIBIT 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A)/15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934

I, Michael J. Schmidtlein, certify that:

1. I have reviewed this Annual Report on Form 10-K of EnerSys;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

ENERSYS

/s/ Michael J. Schmidtlein

Michael J. Schmidtlein
Senior Vice President Finance and Chief Financial Officer

Date: May 28, 2013

EXHIBIT 32.1

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18. U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of EnerSys on Form 10-K for the fiscal year ended March 31, 2013 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of EnerSys.

ENERSYS

/s/ John D. Craig
John D. Craig
Chairman, President and Chief Executive Officer

/s/ Michael J. Schmidtlein
Michael J. Schmidtlein
Senior Vice President, Finance and Chief Financial Officer

Date: May 28, 2013