
Press Release

Leclanché SA reports half-year financial results 2011

- **Total consolidated revenues of CHF 6.74 million**
- **Orders in hand increased threefold to CHF 30.1 million**
- **Prepared entry in the home energy storage market**
- **Ordered machinery for new 50MWh production unit**
- **New partnership to develop next generation of Lithium Ion batteries**
- **Expansion strategy on track and on schedule**
- **Unchanged guidance for 2011**

Yverdon-les-Bains, 22 August 2011 - Leclanché S.A. (SIX Swiss Exchange : LECN), specialized in the production of large-format lithium ion cells and energy storage solutions, announced today its financial results for the first half-year 2011 and reported progress in line with anticipated milestones. Total consolidated revenues reached CHF 6.74 million, a 8.6% decline compared to CHF 7.37 million in 2010. While sales generated by the distribution business declined, those of the business with large format Lithium Ion technology more than doubled in the first half 2011. As the company continued to invest substantially to build a large-scale industrial production line for lithium ion cells and increase its marketing presence, the net loss amounted to CHF 4.88 million versus CHF 4.74 in 2010, demonstrating increased cost management. As a result of new signed contracts, orders in hand increased to CHF 30.1 million at the end of June 2011, compared to CHF 7.2 million at the end of June 2010.

Ulrich Ehmes, Chief Executive Officer, commented: *"The first six months of 2011 were marked by many concrete achievements, including the signature of two important contracts. Beyond the utilisation of our upcoming production capacity, the agreement with Schüco, one of the market leaders in the solar energy, represents an important milestone to position Leclanché in the emerging stationary home storage market. We believe there is a fundamental macroeconomic trend in favour of renewable energies requiring new solutions to store energy. Leclanché has the technology and products to respond to this need and intends to take up this significant market opportunity."*

"For the remainder of 2011, our priorities remain unchanged: strengthen our sales and marketing efforts to register additional orders for our new production unit and expand our production capacity. In addition, we will also be preparing our entry in the stationary home market as we expect to deliver the first units of our storage solution towards the end of the year. Finally, as this is a natural extension of our home storage solution, we will also be investigating the opportunity to expand our product offering to an industrial "container" storage solution for smart grid applications", Dr. Ehmes added.

Highlights during the first half year 2011

- Signed a contract with Schüco, a worldwide recognized leader for energy-efficient buildings to provide entire energy storage systems, integrating large format Lithium Ion cells as well as the necessary electronics. This contract is expected to use at minimum a quarter of the in 2012 available capacity of the company's new production line and represents an important milestone to position Leclanché in the emerging stationary storage mass market.
- Signed a long term contract of CHF 12,55 million with a large European customer to deliver portable battery packs for use in ruggedized applications. The battery packs, for which Leclanché developed the entire concept and battery management system integrate standard small format Lithium Ion cells and are assembled in Yverdon. They are expected to be delivered between 2011 and 2015.
- Implemented all the necessary steps in order to increase our production capacity for our large format Lithium Ion cells from 4 to 50 MWh (titanate anodes) as of mid-2012: finalized the detailed specifications of the machines, ordered them and reinforced our staff significantly. This new production unit represents an investment of CHF 20 million for machinery and will allow Leclanché to be one of the few European mass producers of large format lithium Ion cells.
- Pursued the development of funded development projects to stay at forefront in research and be prepared for upcoming market opportunities. Maintained product development activities and delivered customized batches for specific applications across all our end markets.
- Produced over 4.000 cells which are ready for shipment according to the requested specification for Younicos, specifically for the Web2Energy project. However, for reasons beyond control of Leclanché, this order was cancelled by Younicos just before shipment. Leclanché is trying to solve this open issue directly with its counterpart.
- Concluded a partnership to develop a new generation of large format lithium-ion batteries based on lithium titanate and lithium iron phosphate. The € 5 million project, which involves cooperation with large groups such as Siemens and is half funded by the German Federal Ministry of Economic Affairs (BMWi) is linked to the growing demand for high-performance batteries to store renewable energies. Leclanché is funded with € 0,83 million in this project by the BMWi.
- Started evaluating business opportunities and needs to provide energy storage for utilities and other power stations. Larger scale industrial storage would be a natural extension of Leclanché's home storage solution, hence leading to the creation of a standardized and modular range of lithium-ion storage solutions.
- Strengthened its management team and Board, notably with the appointment of Antoine Spillmann as independent Board member. Reinforced its production, R&D as well as Sales and Marketing teams by hiring 11 people.
- Set-up a new organizational structure focused on five distinct market segments: stationary, industrial solutions, off-road, automotive and distribution.
- The appointment of two committees on the Board of Directors: the Audit Committee, to monitor of the Group's financial reporting process and system of internal control, and the Chairman's Executive Committee to assist notably the Board for nomination and compensation matters.

Orders in hand

As of the end of June 2011, Leclanché had orders in hand of CHF 30.1 million, compared to CHF 10.5 million as of February 2011 and CHF 7.2 million in June 2010. The orders are for delivery as of the end of 2011 until 2015.

Outlook

Leclanché is convinced that storage of renewable energy is a growing market in which it can play a significant role. The company is ready, has the right concept and the right technology and a very important long term contract with one of the big players in the home energy storage market.

To further penetrate the home energy storage market and seize upcoming opportunities as well, Leclanché will continue investments to refine its technological leadership, to further develop its product offering, to register additional sales orders and to expand production of high capacity lithium cells.

In view of the planned investments and headcount increase in the coming months, Leclanché maintains its guidance for the year 2011, which anticipates a loss in the same magnitude as last year.

Taking into account installment payments for the new 50 MWh production unit, cash and short term deposits represented at the end of June 2011 CHF 10.8 million. Accordingly, and provided market conditions are supportive, the company plans to return to the capital market in the second half of this year to respond to its future financing needs and to seize upcoming market opportunities.

Leclanché S.A. Consolidated Figures for the 1st half-year 2011

in million CHF [IFRS]	2011 1st half-year	2010 1st half-year
Revenue	6.74	7.37
EBITDA	-3.86	-4.03
EBIT	-4.73	-4.78
Profit / Loss	-4.88	-4.74
	At June 30 2011	At June 30 2010
Equity Capital	32.87	22.04
<i>As percentage of total assets</i>	87.5 %	87.1 %
Cash in hand	10.79	3.84
Employees (FTE)	94	94

Analyst and Investor call

Leclanché S.A. will discuss its half-year 2011 financial results and achievements during a live audio webcast taking place Monday August 22nd at 11:00 AM CET.

The audio webcast, including the slides, will be accessible on the Leclanché web site and by using the following link: <http://leclanche220811-live.cyber-presentation.de>.

A replay of this teleconference will be made available one hour after the conference.

Analyst and investors wishing to ask questions during the webcast should use the following conference-ID: 4467447 and one of the dial-in numbers indicated below:

- Switzerland: +41 (0) 22-592-73-12
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About Leclanché

Leclanché specializes in the production of tailor-made energy storage solutions and is a leading manufacturer of large-format lithium ion cells in Europe. Through a unique, licensed separator technology, the core element of lithium ion cells, Leclanché is capable of manufacturing cells with above-average safety features and a significantly increased life in an automated production process. The company's core markets are industries which have highest demands on energy storage systems. They include energy storage solutions, which allow better utilization of the power supply system, large hybrid diesel engines and electric vehicles.

Leclanché has an installed annual production capacity of up to 4 MWh or 100,000 large format lithium-ion cells. To prepare for the increasing demand for this technology, the company has decided to install an additional production unit with a capacity of up to 50 MWh or 1 million cells per year as of 2012.

Leclanché was founded in 1909 in Yverdon-les-Bains. Through the integration of a spin-off from the Fraunhofer-Gesellschaft in 2006, the company developed from being a traditional battery manufacturer to becoming a leading developer and manufacturer of lithium ion cells in Europe. Leclanché currently employs 94 staff and recorded revenues of CHF 15.05 million in 2010. The company has its headquarters in Yverdon-les-Bains (Switzerland) and has production and development facilities in Willstätt (Germany). Leclanché is listed on the SIX Swiss Exchange (LECN).

Disclaimer

This press release contains certain forward-looking statements relating to Leclanché's business, which can be identified by terminology such as "strategic", "proposes", "to introduce", "will", "planned", "expected", "commitment", "expects", "set", "preparing", "plans", "estimates", "aims", "would", "potential", "awaiting", "estimated", "proposal", or similar expressions, or by expressed or implied discussions regarding the ramp up of Leclanché's production capacity, potential applications for

existing products, or regarding potential future revenues from any such products, or potential future sales or earnings of Leclanché or any of its business units. You should not place undue reliance on these statements. Such forward-looking statements reflect the current views of Leclanché regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no guarantee that Leclanché's products will achieve any particular revenue levels. Nor can there be any guarantee that Leclanché, or any of the business units, will achieve any particular financial results.