

## **Leclanché SA reports financial results 2010 and provides update on strategic expansion plans**

- **Total consolidated revenues of CHF 15.05 million**
- **Continued investments to refine technological potential and expand production of high capacity lithium ion cells**
- **Formed several partnerships demonstrating technological lead**
- **Raised CHF 31.1 million to finance tenfold production capacity increase**
- **Strengthen the Management Team**
- **Expansion strategy on track and on schedule**
- **Outlook 2011**

**Yverdon-les-Bains, 3 March 2011** - Leclanché S.A. (SIX Swiss Exchange : LECN), specialized in the production of large-format lithium ion cells, announced today its financial results for the year 2010 and reported major progress in the implementation of its strategy for future growth. Total consolidated revenues declined slightly to CHF 15.05 million compared to CHF 16.33 million in 2009, mainly due to non core business effects such as negative currency fluctuations. The majority of sales derived from projects for large industry players providing integrated battery solutions. As the company continued to invest substantially to build a large-scale industrial manufacturing line for lithium ion cells, the net loss amounted to CHF 12.61 million, versus CHF 6.59 million in 2009.

Ulrich Ehmes, Chief Executive Officer, commented: *"2010 was a strategic year for Leclanché as we took the required steps to ensure our future growth. A number of important milestones were reached, including the successful conclusion of a capital increase to finance our expansion strategy. Refining the technological potential of our cells allowed us to form decisive partnerships. Furthermore, a fully automated production line for lithium ion cells, which uses roll-to-roll processes for electrode and separator, is now in operation in Willstätt. All elements are now in place to implement our strategy to allow the increase of our production capacity up to one million lithium ion cells per year as of 2012."*

*"For 2011, our focus will be threefold: consolidate Leclanché's sales approach in order to broaden our customer base and increase revenues; manage our cost efficiency and cost effectiveness; implement our strategy to facilitate the industrial roll-out in 2012",* Dr. Ehmes added.

As part of its strategic focus, Leclanché changed its organization from a business unit set-up to a functional management structure build around its market segments in order to provide specific solutions adapted to the needs of our clients in four specific areas: automotive, trains & trucks, renewable energies and industrial solutions.

## **Key achievements in 2010**

- Election of former Daimler Manager Rolf Eckrodt as Chairman of the Board of Directors in March 2010 and of Ulrich Ehmes as CEO in October 2010
- Finalized process technology for large scale production: optimized our fully automated pilot production plant in Willstätt, Germany
- Refined cell technology in terms of continued quality improvements, increased reliability and durability up to 15,000 full charging and discharging cycles and developed small customized batches for specific applications
- Successful delivery of the first batches of over 20.000 portable battery systems for ruggedized application
- Concluded several partnerships demonstrating Leclanché's lead in its areas of expertise:
  - Leclanché is the exclusive supplier of lithium ion cells for "LiANA+", a German project for developing and proving the applicability of large lithium-ion battery modules in diesel-electric hybrids
  - Leclanché was chosen as supplier of large format lithium ion cells to the first major European grid project "Web2Energy" in Darmstadt, Germany.
  - Leclanché was granted from the German Government Euro 3.82 million for further development of large-format lithium ion cells
- Closed Leclanché's plant in Itzehoe, Germany to rationalize costs
- Prepared a major capacity expansion plan and raised for that purpose CHF 31.3 million through a capital increase

## **Subsequent events in 2011**

- Significantly strengthened its management team by hiring early 2011 Christian Perrudet as CFO and Jörg Illing as head of production at its Willstätt production unit
- Nomination of Antoine Spillmann in February 2011 for election to its Board of Directors
- Set-up a new organizational structure focused on four distinct market segments: automotive, trains & trucks, renewable energies, industrial solutions. Leaving the Executive Committee, Suzanne Mühlemann, Daniel Evard and Fabrizio Marzolini will however continue to assume important management responsibilities within the company.

## **Orders in hand**

As of the end of February 2010, Leclanché had orders in hand of CHF 10.5 million, of which CHF 8.3 million were derived from the Business Unit Integration and CHF 2.1 million from the Business Unit Cell Production.

## **Outlook**

The macro trend towards more efficient use of renewable energy will increase demand for power storage options. Leclanché expects to fully take advantage of this trend as its proprietary technology for large-format lithium ion cells is designed for use in a broad range of promising markets and applications, including smart grids for solar energy storage, large hybrid diesel engines and electric vehicles.

Leclanché expects 2011 to be another year of investments to expand and industrialize its production capacity, but also to take into account the strengthening of its sales and marketing efforts and to increase its presence in the markets. Headcount is expected to increase substantially from 94 employees at the end of 2010 to about 120 employees end 2011. Accordingly, the company anticipates a loss in the same magnitude as last year, despite an anticipated sales increase.

Dr. Ehmes concludes: “2011 is the year which will allow us to register increasing order inflow for our high capacity lithium cells. More important however, we aim to use the existing pilot line to win large contracts for 2012 for the planned capacity increase of our new production line.”

### Leclanché S.A. Consolidated Figures for the Year 2010

in million CHF [IFRS]	2010	2009
Revenue	15.05	16.33
EBIT	-12.54	- 7.58
EBITDA	-10.76	- 6.12
Profit / Loss	-12.61	- 6.59
Equity Capital	40.58	28.87
<i>As percentage of total assets</i>	<i>88.0</i>	<i>86.4</i>
Cash in hand	28.6	11.6
Employees (FTE)	87	73

### Analyst and Investor meeting

Leclanché S.A. will discuss its full-year 2010 financial results and achievements during an analyst and investor meeting taking place today Thursday March 3<sup>rd</sup> 2011 at the Steigenberger Bellerive au Lac, Utoquai 47, 8008 Zürich.

In addition, a live audio webcast of the meeting will be accessible on the Leclanché web site: [www.leclanche.ch](http://www.leclanche.ch). A replay of this teleconference will be made available one hour after the conference.

Analyst and Media wishing to ask questions during the conference are invited to call at 14:15 CET (13:15 GMT/ 8:15 EST) using the following conference-ID: 4418837 and one of the following dial-in numbers:

- Europe: +41 (0) 22 592 73 12
- UK: +44-207 153 20 27
- USA: +1 480 629 97 26

### Contact for Swiss media:

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## **About Leclanché**

Leclanché is a leading manufacturer in Europe of large-format lithium ion cells. 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 significantly increased longevity 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 enable better utilisation of the power supply system, large hybrid diesel engines and electric vehicles. 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 is headquartered in Yverdon-les-Bains (Switzerland) and has production and development facilities located 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.