



Press Release

Leclanché announces details of capital increase to raise up to CHF 30 million

- **A discounted rights offering of up to 2,311,322 new registered shares and up to 2,311,322 warrants to purchase up to 1,155,661 additional new registered shares**
- **The new shares and the warrants are offered together as units consisting of one new share and one warrant at a price of CHF 13 per unit**
- **Starlet Investment AG has agreed to acquire and exercise 1,232,175 subscription rights from The Energy Holding AG and GermanIncubator Erste Beteiligungs GmbH, resulting in gross proceeds of CHF 11.4 million**
- **Received additional commitments corresponding to gross proceeds of up to CHF 6.4 million, resulting in total commitments of more than half of the maximum transaction size**

Yverdon-les-Bains, January 24, 2012 – The Board of Directors of Leclanché S.A. (SIX Swiss Exchange: LECN), a Swiss company specialized in the production of large-format lithium-ion cells and energy storage solutions, resolved on January 23, 2012 to conduct a capital increase to raise up to CHF 30 million by offering subscription rights to existing shareholders in a discounted rights offering. Starlet Investment AG has agreed to acquire and exercise 1,232,175 subscription rights from the two largest shareholders of Leclanché, The Energy Holding AG and GermanIncubator Erste Beteiligungs GmbH, resulting in gross proceeds of CHF 11.4 million. In addition, Leclanché has received commitments corresponding to gross proceeds of up to CHF 6.4 million, resulting in total commitments of more than half of the transaction size.

Leclanché proposes the issuance of up to 2,311,322 new registered shares with a nominal value of CHF 5 each and up to 2,311,322 warrants to purchase up to 1,155,661 additional new registered shares with a nominal value of CHF 5 each between February 6, 2012 and August 6, 2012 at a strike price of CHF 16 per new registered share. The new shares and the warrants are offered together as units consisting of one new share and one warrant at a price of CHF 13 per unit.

Of the up to 2,311,322 new registered shares offered, 750,000 will be issued by way of an ordinary capital increase based on the resolution of the Extraordinary Shareholders Meeting of Leclanché held on November 8, 2011 and up to 1,561,322 shares will be issued from Leclanché's existing authorized capital. The up to 1,155,661 new shares to be issued upon exercise of the offered warrants will be created from Leclanché's existing conditional capital.

Existing shareholders of Leclanché will receive one right for each existing share held on the record date, which is expected to be after close of trading on January 25, 2012. The subscription ratio will be 7 to 5, i.e. seven rights entitle the holder thereof to purchase five units consisting of one new share and one warrant each, subject to restrictions under applicable law.

Two warrants will grant the holder thereof the right to purchase one new share at the strike price of CHF 16 per new share at any time during the warrant exercise period which is expected to run from

February 6, 2012 until 12:00 noon (CEST) on August 6, 2012. The warrants are expected to be traded on the SIX from February 6, 2012 until and including August 3, 2012. Subscription rights are expected to be traded on the SIX Swiss Exchange from January 26, 2012 until and including January 31, 2012.

To purchase units of new shares and warrants, holders of subscription rights must exercise subscription rights between January 26, 2012 and 12:00 noon (CET) on February 1, 2012. Any units of new shares and warrants for which the subscription rights have not been validly exercised may be offered by Leclanché through Bank am Bellevue, the Lead Manager to new investors by way of a public offering in Switzerland and private placements outside the United States of America at the offer price. The listing and first trading day of the new registered shares and the warrants is expected to be February 6, 2012. Delivery of the new registered shares and the warrants against payment of the offer price is expected to occur on February 6, 2012.

Commitments of up to CHF 17.8 million already received

As in Leclanché's previous rights offerings in 2009 and 2010, The Energy Holding AG and GermanIncubator Erste Beteiligungs GmbH, Leclanché's two largest shareholders, have each communicated to Leclanché that they will not exercise their subscription rights (corresponding to 38.1% of all subscription rights). The Energy Holding AG and GermanIncubator Erste Beteiligungs GmbH have agreed to transfer subscription rights corresponding to 880,125 units to Starlet Investment AG, which has agreed to exercise such subscription rights and purchase the corresponding units, which correspond to aggregate gross proceeds of CHF 11.4 million.

In addition, Leclanché has received commitments to exercise subscription rights and purchase units corresponding to additional aggregate gross proceeds of CHF 4.3 million and Starlet Investment AG has agreed to purchase additional units corresponding to additional aggregate gross proceeds of up to CHF 2.1 million to the extent necessary to achieve the minimum gross proceeds from the offering of CHF 21 million. In connection with the transactions described above, Leclanché has agreed to propose to its ordinary shareholders meeting in 2012 a representative of Starlet Investment AG for election as a member of the Board of directors of Leclanché.

The Energy Holding AG and GermanIncubator Erste Beteiligungs GmbH have also agreed to a customary lock-up for 180 days regarding existing Leclanché shares held.

Leclanché intends to use the proceeds from the sale of the offered shares and the warrants in the offering to fund its liquidity needs including the increase of its working capital in connection with the expansion of its production capacity. It will also serve to fund the last installments of its first mass production line for large-format lithium-ion cells and to fund its upgrade in relation to the production of the larger 17300-format lithium ion-cells, resulting in an installed annual capacity of approximately 1 million cells or 76 MWh in lithium-ion titanate cells, as well as other costs related to its ramp-up and for general corporate purposes.

Construction of the first mass production line for large-format lithium-ion cells is ongoing and on track. It is expected to commence commercial production by the end of the second quarter of 2012. This production line will be able to produce the larger 17300-format lithium-ion cells. This is important for Leclanché's strategy to expand its stationary storage product portfolio beyond home storage and to enter the grid and industrial electric energy storage markets, where much larger capacities and therefore larger cell formats are required. To support this strategy and address this market, Leclanché will use its larger 17300-format lithium-ion cells in "container"-size storage modules.

On December 23, 2011, Leclanché also announced its intention to collaborate with Talesun Solar, a leading Chinese manufacturer of high quality solar cells and modules to provide a joint solution for the

efficient generation and storage of solar energy. Leclanché intends to realize with Talesun Solar a first project in southern Europe in 2012 using container-size storage modules.

On December 23, 2011, Leclanché announced its intention to collaborate with Beijing-based Unipower, one of the leading manufacturers of large-format lithium-ion cells in Asia. The parties intend to conclude a cooperation agreement until 30 June 2012. With the planned cooperation Leclanché intends to gain access to cost-efficient, locally sourced raw materials for the production of large-format lithium-ion cells, thus allowing an improvement of the cost of stored energy per kWh

Third quarter 2011 results in line with expectations – update on liquidity

As of September 30, 2011, total consolidated revenues reached CHF 9.8 million, a 9.3% decline compared to CHF 10.8 million in the first nine months of 2010. The loss for the period decreased by 1% to CHF 7.7 million in the nine months ended September 30, 2011 from CHF 7.8 million in the corresponding period in 2010. Cash and short-term deposits decreased by 75% to CHF 7.3 million as at September 30, 2011 from CHF 28.6 million as at December 31, 2010. Total equity decreased by 28% to CHF 29.2 million as at September 30, 2011 from CHF 40.6 million as at December 31, 2010.

Net cash used in operating activities (negative operating cash flow) increased by 32% to CHF 10.8 million in the nine months ended September 30, 2011 from CHF 8.2 million in the corresponding period in 2010. Net decrease in cash and cash equivalents was CHF 21.4 million in the nine months ended September 30, 2011. Cash and short term deposits decreased to CHF 2.6 million as at December 31, 2011 from CHF 7.3 million as at September 30, 2011. As at January 23, 2012, cash and short term deposits were CHF 2.4 million.

Orders in hand increased to CHF 29.8 million as at September 30, 2011, from CHF 7.2 million as at September 30, 2010. These orders in hand will be delivered between 2012 and 2015.

About Leclanché

Leclanché specializes in the production of tailor-made energy storage solutions. Leclanché's strategy is to expand its position as one of the leading lithium-ion cell producers and solution providers for lithium-ion electric energy storage systems for the storage of renewable energy in Europe. Its initial strategic priority is on stationary home electric energy storage applications and on expanding into the stationary industrial and grid electricity storage markets. Through participation in research consortia focusing on off-road and auto-motive applications, Leclanché intends to remain in a position to take advantage of new market opportunities.

Through a licensed ceramic separator technology and focus on lithium-titanate technology, Leclanché manufactures large-format lithium-ion cells optimized for safety and cycle-life in a fully automated production process. Leclanché currently operates a fully automated pilot production line with an installed annual production capacity of up to 4 MWh in large-format lithium-ion cells. By the end of the second quarter of 2012, Leclanché expects to commence commercial production on its first mass production line with an installed annual capacity of up to 76 MWh in lithium-titanate cells.

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 120 staff and recorded revenues of CHF 15.1 million in 2010. The company has its headquarters in Yverdon-les-Bains (Switzerland) and has production facilities in Willstätt (Germany). Leclanché is listed on the SIX Swiss Exchange (LECN).

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