
Press Release

Leclanché SA reports first half-year 2012 financial results

- **Consolidated revenues increased by 25% to CHF 8.4 million**
- **Start of ramp-up of new lithium-ion cell production line**
- **First industrial storage systems sold**
- **Orders in hand of CHF 27.9 million**
- **Milestones met for first half-year 2012**
- **Unchanged guidance for 2012 and publication of Interim Report**

Yverdon-les-Bains, 20 August 2012 - 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 2012 and reported progress in line with anticipated milestones. Total consolidated revenues reached CHF 8.4 million, a 25% increase from CHF 6.7 million in 2011. While revenues from the distribution business declined, revenues from large-format lithium-ion technology more than doubled to CHF 1.8 million in the first half of 2012. Revenues from portable battery systems increased by 26%. Taking into account planned ramp-up costs for the new production unit and the hiring of 20 employees, the net loss amounted to CHF 5.4 million versus CHF 4.9 million in 2011. These numbers are in line with management expectations. Orders in hand represented CHF 27.9 million at the end of June 2012, compared to CHF 29.8 million at the end of December 2011.

Dr. Ulrich Ehmes, Chief Executive Officer, commented: *“Our teams worked intensively during the first six months on parallel projects to meet our milestones. We completed our product range for storage systems and recorded increased interest and initial orders for our energy-storing solutions. The delivery of our first storage racks to a global player also marked our entry into the industrial energy storage market. Finally, the start of the ramp-up of our new mass production line marked the completion of a complex 24-month project. With this state-of-the-art facility Leclanché is now fully prepared to satisfy the demand for storage systems in the market.”*

“Our half-year results are on track. Doubling revenues from our lithium-ion business, a strategic business unit that benefits from our patented large-format lithium-ion technology, confirms that our product offering is well received by the market,” Dr. Ulrich Ehmes added. *“In the second half of the year, we expect a further increase in revenues by delivering current orders from our pilot line as well as first storage modules equipped with cells from our new production line. During our presence at important fairs like Intersolar, Wind Husum and Hannover Fair we recorded a tenfold increase in customer contacts compared to last year. These prospects are now being evaluated.”*

Leclanché believes that renewable energies could, today, already ensure a large portion of the supply of electrical energy worldwide if coupled with efficient storage solutions. Storage provides two major advantages: shifting timely energy from the moment of generation to the moment of consumption and,

equally important, producing energy close to the place of consumption. This solution implies fewer grids and therefore less cost and less infrastructure.

Highlights of the first half-year 2012

1. Started the ramp-up of our new mass production line, one of the largest and most advanced industrial facilities for the production of large-format lithium-ion cells in Europe

- The new unit, which started ramp-up at the beginning of July and was presented to the financial community, will allow the production of about 1 million large-format 35 Ah cells, with an installed annual storage capacity of up to 76 MWh in lithium-ion-titanate cells when fully operational. This compares with a capacity of 4 MWh for the current production plant. The start of the ramp-up represents the successful completion of a 24-month complex project and intensive work by Leclanché's engineering team. Its completion required an investment of CHF 20 million for the purchase of state-of-the art machines from Japan, Italy and the United States. The start of operations will lead to a further increase in the number of employees to about 130 by the end of Q3.

2. Presented a complete product range

- At the Intersolar 2012, the world's largest exhibition for the solar industry, Leclanché presented a complete product range including professional storage modules, which can be integrated into large industrial storage solutions of several hundreds of kWh, as well as compact stand-alone residential storage modules.
- Leclanché successfully passed the safety test for lithium-ion cells according to the 01:2011"BATSO" (Battery Safety Organization) specifications. Performed by TÜV Rheinland, a global leader in inspection services, these independent and demanding tests of BATSO highlight the high safety standard of the Leclanché cells.

3. Increased traction and orders for our products and energy-saving solutions

- Leclanché received a first order from a large European electronics group for six double racks used for the industrial storage of energy. This order marks the company's entry into the industrial energy storage market.
- The company also received an order for cells to be installed in a storage solution for a German wind energy project. The system will be used for the efficient storage and shifting of intermittent wind energy from the moment of generation to the time when it is actually needed. The four racks have a total storage capacity of 100 kWh and will be delivered in Q3.
- Leclanché received an order by the Industrielle Werke Basel (IWB) to supply an industrial power storage solution with a total capacity of 25 kWh. The installation is part of a project to examine the benefits of decentralized energy storage for grid operation. The company is discussing similar projects with other clients.
- The collaboration with Schüco is moving forward as the Leclanché storage modules are ready and available to be delivered as planned. The final delivery, however, is slightly behind schedule as Leclanché is still awaiting reception of sub-supplied components to complete the system. Leclanché is working closely with its partners to resolve this situation.

4. Successfully raised CHF 28 million

- In a challenging economic environment Leclanché successfully completed a capital increase by raising about CHF 28 million and subsequently, in early August, a further CHF 3.9 million as the result of the exercise of warrants.

Orders in hand

As of the end of June 2012, Leclanché had orders in hand of CHF 27.9 million, compared to CHF 29.8 million as of December 2011. The orders are for delivery as of the end of 2012 until 2015.

Outlook

In the second half of the year, Leclanché's priorities will be threefold: pursue its sales and marketing efforts to register additional orders for its new production unit, further develop its product offering and refine its technological leadership.

In this respect, a number of specific milestones have already been defined, including finalization of the ramp-up of the mass production line in Q3 2012, launch of the residential storage solutions with its larger 35 Ah cells in Q4 2012, and also implementation of additional projects for large utilities and institutions.

Leclanché is fully aware that the best plan is not immune to unforeseen external events, especially in a highly regulated market like the energy market and in a weak economic cycle. The company therefore remains vigilant about any changes in key markets, as these offer new opportunities as well. Leclanché's goal in this environment is to be prepared for any external influences.

Taking into account that the current year constitutes a "ramp-up" year, both in terms of production capacity and sales, Leclanché's guidance for 2012 remains unchanged. In line with the increased output from its new production line, the company expects an increase in sales in the second half 2012 as well as a further reduction of its net loss, despite continuing investments and a slightly higher loss in the first half of 2012.

Leclanché will continue efforts to reduce its loss and pave the way for profitability in the coming years.

Cash and cash equivalents at the end of June 2012 represented CHF 6.9 million. In early August, the company received a further CHF 3.9 million in gross proceeds as the result of the exercise of warrants.

Leclanché S.A. Consolidated Figures for the 1st half-year 2012

in million CHF [IFRS]	2012 1st half-year	2011 1st half-year
Revenue	8.43	6.74
EBITDA	-4.45	-3.86
EBIT	-5.39	-4.73
Profit / Loss	-5.41	-4.88
	At June 30 2012	At June 30 2011
Equity Capital	40.49	32.87
<i>As percentage of total assets</i>	79.9 %	87.5 %

Earnings per share	-1.08	- 1.51
Employees (FTE)	113	94

Publication of interim results

Leclanché SA published today its Interim Report 2012, which is available in pdf format on the company's web site: <http://www.leclanche.eu/page/financial-reports>

Analyst and investor call

Leclanché S.A. will discuss its first half-year 2012 financial results and achievements during a live audio webcast taking place Monday, August 20, 2012 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://leclanche200812-live.audio-webcast.com>

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

Analysts and investors wishing to ask questions during the webcast should use the following conference-ID: 456 10 22 and one of the dial-in numbers indicated below:

- Switzerland: +41 (0) 22-592-73-12
- UK: +44-207-153-2027

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 renewable energy storage systems in Europe. Its initial strategic priorities are stationary home electrical energy storage applications and expansion into the stationary industrial and grid electricity storage markets. Through participation in research consortia focusing on off-road and automotive applications, Leclanché is positioned to take advantage of new market opportunities.

Through a unique, patented 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. At the end of the second quarter 2012, Leclanché started operations of its first 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 evolved from a traditional battery manufacturer to become a leading developer and manufacturer of lithium-ion cells in Europe. Leclanché currently employs 120 staff and is listed on the SIX Swiss Exchange (LECN). The company has its headquarters in Yverdon-les-Bains (Switzerland) and production facilities in Willstätt (Germany).

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Disclaimer

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