
Press Release

Leclanché SA reports first half-year 2013 financial results

- **Consolidated revenues decreased by 6.2% to CHF 7.9 million**
- **EBITDA for H1 2013: CHF -4.9million in line with guidance**
- **New Chief Executive and senior management team in place**
- **Funding secured (subject to shareholder approval at EGM)**
- **Production line speed issue, identified, corrected and successfully tested; solution in validation phase**
- **Product launches for 2014 on schedule**
- **Unchanged guidance: reduced EBITDA loss in 2013; target break-even in 2015**
- **Publication of Interim Report**

Yverdon-les-Bains, Switzerland, 21 August 2013 - Leclanché S.A. (SIX Swiss Exchange: LECN), specializing in the production of large-format lithium-ion cells and energy storage solutions, announced today its unaudited financial results for the first half-year 2013. Total consolidated revenues reached CHF 7.9 million for the six months ended 30 June 2013, a 6.2% decrease from CHF 8.4 million in the same period last year. While revenues from the distribution and stationary business units declined, revenues from portable business unit increased from CHF 4.6 million to CHF 5.0 million. Taking into account the lower revenues and the finance costs arising on the maturity of the bridge loan that was granted to the Company in November 2012 by Bruellan Corporate Action Fund (Bruellan Loan), the net loss amounted to CHF 6.5 million versus CHF 5.4 million in same period in 2012.

Financial Overview

Operating loss before interest, tax, depreciation and amortization (EBITDA) was CHF -4.95 million for the period, compared to CHF -4.45 million for the same period in 2012. This figure is in line with the previous guidance which stated that EBITDA loss would not exceed CHF -5.5 million. EBITDA for the period under review from portable and distribution is CHF 0.96 million, an increase of 98.3%, while the loss from the stationary business is CHF -3.24 million up by 24.2% due to lower revenues and higher direct costs. The net loss of CHF 6.5 million also reflects a charge of CHF 0.7 million, mostly due to the fees arising on the maturity of the Bruellan Loan. At the end of the period, Leclanché employed 87 full time equivalent (FTE) employees versus 113 in 2012. The reduced FTE figure reflects, in part, the reduced working time program implemented in Willstätt between December 11, 2012 and July 31, 2013.

In the first six months of 2013, the company operated under very tight liquidity conditions and was able to stretch its resources with the support of Bruellan Corporate Governance Action Fund ("Bruellan"), who provided a facility extension of CHF 1.5 million to their original loan of EUR 5 million on 21 May 2013. This has since been repaid. As of the end of June 2013, Leclanché had orders in hand of CHF

6.8 million, compared to CHF 9.8 million as of December 2012. The orders are for delivery as of the June 30, 2013 until 2016.

Unchanged Guidance

Overall for 2013, and subject to the continued execution of its turnaround plan and subject to the receipt of the relevant shareholder approvals (discussed below), the Company expects that operating losses at EBITDA level (i.e. before interest, tax, depreciation and amortization deductions) will be below CHF10 million compared to CHF12.9 million in 2012.

With the funding secured from Precept, and subject to the receipt of the relevant shareholder approvals, the Company will be able to proceed with the execution of its turnaround plan and expects to break-even during 2015 at the EDITDA level. However, these projections remain heavily dependent on a successful launch of the Company's stationary product range and the continued execution of the turnaround plan.

Leclanché's goal to be among the first movers in Europe in the stationary storage market – home and industrial – remains intact, provided the company is able to successfully launch its stationary products and is able to pursue its product road map.

Key events in 2013

- On July 9th 2013, Leclanché announced it had signed a Senior Secured Convertible Loan Agreement for CHF17 million ("Loan Agreement") maturing in June 2016 from Precept Fund Management SPC on behalf of Precept Fund Segregated Portfolio ("Precept" or "Lender"). This financing has been secured after a long and difficult fund raising effort.
- On 12 August 2013, Leclanché S.A. also announced the appointment of Mr. Joseph Mangion as Chief Executive Officer, Mr. Eric Wilkinson as Deputy Chief Executive Officer and Mr. Andrew Firmston-Williams as Chief Financial Officer.
- First batches of Leclanché's large-format lithium-ion cells, the 17300 format cells which are manufactured on its new production line in Willstätt, have been validated and certified.
- The company assembled the first home storage modules (HS3200 modules with 17300 format cells), which are now in the test phase. These are expected to be available for commercial launch in Quarter 1, 2014. The industrial storage systems using the large-format lithium-ion cells (i.e, 17300 format) will be developed in conjunction with a third party partner and are expected to be available for commercial launch in the first half of 2014.
- The company has addressed the speed issue on its new production line, which related to certain crucial machine components being out of specification. This has been identified, corrected and successfully tested. The solution is now in the validation phase and is expected to be resolved by the end of 2013.
- In addition, the Company made progress in the development of electrodes using high voltage cathode materials. The development of this next generation product range follows the Company's product development road map objectives. However, the ongoing development of this product and its commercial availability remain uncertain, and the Company makes no commitment as to if and when this product will be incorporated into commercial production.

Upcoming events

At its upcoming Extraordinary General Meeting to be held on 26 August 2013 in Yverdon-les-Bains, shareholders will be asked to approve a number of resolutions in connection with the above mentioned medium term financing of the company and its restructuring. These resolutions, which the Board of directors strongly recommends to approve, are outlined in the company's press release of August 2, 2013. The agenda of the Extraordinary General Meeting of shareholders can be downloaded at the Company's web site:

http://www.leclanche.eu/img/EGM_Agenda_Leclanche_ENG.pdf

Leclanché S.A. Consolidated Figures for the 1st half-year 2013

in million CHF [IFRS]	2013 1 st half-year	2012 1 st half-year
Revenue	7.91	8.43
EBITDA	-4.95	-4.45
EBIT	-5.88	-5.39
Profit / Loss	-6.52	-5.41
	At June 30 2013	At June 30 2012
Equity Capital	29.84	40.49
<i>As percentage of total assets</i>	61.4%	79.9 %
Earnings per share	-1.16	-1.08
Employees (FTE)	87	113

Publication of interim results

Leclanché SA published today its Interim Report 2013, 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 2013 financial results during a live audio webcast taking place Wednesday, August 21, 2013 at 2:30 PM CET.

The audio webcast, including the slides, will be accessible on the Leclanché web site and by using the following link: <http://leclanche210813-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: 463 66 82 and one of the dial-in numbers indicated below:

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

About Leclanché

Leclanché's strategy is to become one of the leading lithium-ion cell producers and solution providers for renewable energy storage systems in Europe. Its 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 hybrid and E-mobility 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. The newly installed production line will have an annual capacity of one million cells or 76 MWh.

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).

www.leclanche.eu

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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.