Leoni makes a good start to the year

Further increase in sales and earnings in the first quarter of 2012

Nuremberg, 15 May 2012 – Leoni, the leading provider of cables and cable systems to the automotive sector and other industries, has made a successful start into 2012: the Company increased its consolidated sales by about 6 percent year on year in the first three months, to the new quarterly high of EUR 969.1 million (previous year: EUR 910.7 million). The automotive and capital goods industries as well as, from a regional perspective, the BRIC countries were again key growth drivers. Consolidation for the first time of the South Korean wiring systems manufacturer Daekyeung, taken over in full at the beginning of January 2012, added EUR 27.4 million to the total amount of business. Group-wide, Leoni raised its earnings before interest and taxes (EBIT) by nearly 53 percent to EUR 93.7 million (previous year: EUR 61.4 million). This figure includes a non-recurring addition of EUR 29.5 million from the sale of subsidiary Leoni Studer Hard AG. Adjusted for this item, EBIT improved by about 5 percent. Consolidated net income rose from EUR 36.6 million to EUR 64.6 million.

This good performance in the first quarter underpins the forecast for the year as a whole: Leoni still expects to increase its consolidated sales to between EUR 3.8 and 4 billion in 2012 (2011: EUR 3.7 billion) and to generate EBIT of EUR 230 to 280 million (2011: EUR 237.1 million). In addition there is the exceptional factor involving the sale of Leoni Studer Hard AG.

WSD: Sustained heavy demand in the wiring systems business

The strong demand in the Wiring Systems Division (WSD) for its systems continued in the first quarter of 2012. Business with the international carmakers in China and with the commercial vehicle industry performed especially well. The division’s external sales increased by nearly 14 percent during the period under report, to a new record figure of EUR 570.0 million (previous year: EUR 500.2 million). Various new and follow-on contracts, especially for facilities in the BRIC countries, will contribute to a high degree of capacity utilisation for the future as well. Leoni also bolstered its position in the future market of electromobility with important new projects for the VW Group. Among other things, these involve the supply of a multi-platform, high-voltage wiring system for various sports car models.

WCS: Sales squeezed by lower copper price

The Wire & Cable Solutions Division (WCS) generated external sales of EUR 399.1 million in the first three months of 2012, about 3 percent less than in the same period of the previous year (Q1/2011: EUR 410.5 million). This decrease was due exclusively to the significantly lower price of copper than in the first quarter of 2011. Adjusted for this effect, external sales were about 1 percent up on the previous year. Demand for wires, cables and cable systems from the automotive, capital goods as well as medical technology industries remained at an unabatedly high level. Business involving cables for photovoltaic plant was weaker, on the other hand, because of the current downtrend in the German market. By contrast, Leoni is expanding its solar business in China.

Investment in the emerging countries increased

Based on the major demand from the BRIC countries and to further internationalise its business, the Leoni Group more than doubled its capital expenditure in the first quarter of 2012 to EUR 55.1 million (previous year: EUR 21.9 million). Acquisitions and investments accounted for EUR 25.3 million (previous year: EUR 2.3 millions), most of which was spent on purchasing the other half of the South Korean joint venture Daekyeung. Spending on property, plant and equipment as well as intangible assets rose by more than 51 percent to EUR 29.7 million (previous year: EUR 19.6 million). Among other projects, the Company set up or expanded wiring systems facilities in Brazil, Russia, Eastern Europe and North Africa. Furthermore, Leoni boosted its capacity for production of automotive cables in China, Mexico and Slovakia as well as for production of infrastructure cables in Mexico.

More than 63,000 employees worldwide

The number of Leoni’s employees also increased in the first three months: at the end of March 2012, the Group employed 63,368 people worldwide, which is 2,623 more than at the turn of the year. The growth was due mostly to integration of the former Daekyeung employees. Outside Germany the workforce increased by 2,596 people to 59,324, and in Germany it was up by 27 to 4,044 employees.

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Leoni performance overview

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| **Group key figures** | **Q1 2012** | **Q1 2011** | **Change** |
| Sales [€ million] | 969.1 | 910.7 | 6.4 % |
| EBITDA [€ million] | 122.1 | 88.1 | 38.6 % |
| EBIT [€ million] | 93.7 | 61.4 | 52.6 % |
| Adjusted EBIT \* [€ million] | 64.1 | 65.9 | (2.7) % |
| EBT [€ million] | 83.1 | 50.4 | 64.9 % |
| Consolidated net income [€ million] | 64.6 | 36.6 | 76.5 % |
| Capex incl. acquisitions [€ million] | 55.1 | 21.9 | >100 % |
| Equity ratio [%] | 31.9 | 22.8 | -- |
| Earnings per share [€] | 1.98 | 1.23 | 61.0 % |
| Employees [as at 31 March] | 63,368 | 56,136 | 12.9 % |

 *\* Earnings adjusted for the impact of revaluation as part of allocating the prices of major acquisitions, restructuring, impairment of non-current assets, gains on business disposals and income from business combinations including related derivatives*

☞ *Related illustration material can be downloaded from* [*www.media.leoni.com*](http://www.media.leoni.com) *next to this release*☞ *The complete quarterly report can be found at* [[*www.leoni.com/?q1-2012&L=*](http://www.leoni.com/?q1-2012&L=0)*1*](http://www.leoni.com/?gb11&L=1)

About the Leoni Group

Leoni is a global supplier of wires, optical fibers, cables and cable systems as well as related services for the automotive sector and further industries. Leoni develops and produces technically sophisticated products from single-core automotive cables through to complete wiring systems. Leoni’s product range also comprises wires and strands, standardised cables, special cables and cable system assemblies for various industrial markets. The group of companies, which is listed on the German MDAX, employs more than 63,000 people in 31 countries and generated consolidated sales of EUR 3.7 billion in 2011.

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