Leoni’s income to the end of September 2012 up 5 percent

Full-year sales and earnings expected to be at pre-year level

Nuremberg, 13 November 2012 – Leoni, the leading provider of cables and cable systems to the automotive sector and other industries, increased its consolidated sales by nearly 5 percent year on year in the third quarter of 2012, to EUR 954.7 million (previous year: EUR 913.1 million). From January to September 2012 the amount of business was likewise up by about 5 percent, or EUR 124.0 million, to EUR 2,891.4 million (previous year: EUR 2,767.4 million). From its own resources Leoni grew by EUR 87.3 million, due above all to the heavy demand through to the reporting date from the automotive industry in the United States and Asia. The South Korean wiring systems manufacturer Daekyeung (now Leoni Wiring Systems Korea), taken over in full at the beginning of 2012, provided EUR 86.1 million. By contrast, the lower price of copper compared with the previous year exerted a negative effect of EUR 49.4 million.

Consolidated EBIT (earnings before interest and taxes) amounted to EUR 52.7 million in the third quarter of 2012 (previous year: EUR 54.6 million). Overall in the first nine months EBIT increased to EUR 197.2 million (previous year: EUR 183.6 million); this includes a positive non-recurring item of EUR 28.3 million from the sale of Leoni Studer Hard AG carried out in March.

WSD: 12 percent sales rise in the wiring systems business after 9 months

In the Wiring Systems Division (WSD), external sales in the third quarter of 2012 were up by 13 percent or more on the figure for the same period of the previous year to EUR 537.5 million (previous year: EUR 474.5 million) and in total for the first nine months of 2012 by about 12 percent to EUR 1,663.2 million (previous year: EUR 1,448.0 million). This involved increases in shipments to both carmakers and the commercial vehicle industry. The division’s EBIT of EUR 25.5 million for the third quarter of 2012 was well below the previous year’s figure EUR 35.1 million and after nine months it came to EUR 102.8 million (previous year: EUR 110.4 million). Above all, this reflected an adverse effect on earnings from Leoni Wiring Systems Korea, which was the result of higher integration and start-up costs, as well as restructuring expenses pertaining primarily to the closure of a facility in Tunisia.

The division obtained additional new orders for wiring systems and cable harnesses from various carmakers during the third quarter. It therefore has a medium-term order book (to 2017) of about EUR 11 billion (previous year: about EUR 10 billion).

WCS: Solid wire and cable products business

The Wire & Cable Solutions Division generated external sales of EUR 417.3 million in the third quarter of 2012, down from EUR 438.6 million in the very strong same period of the previous year. For the period from January to September of the current year sales were, with a total of EUR 1,228.2 million, 4 percent below the figure for the same period of the previous year of EUR 1,279.3 million. Particularly business involving automotive cables and cable harnesses for medical technology and household appliances continued to perform well during the summer months, whereas demand in the automation engineering, solar industry and infrastructure as well as data cables sectors declined. The division’s EBIT improved significantly to EUR 27.3 million in the third quarter of 2012 (previous year: EUR 19.3 million). After nine months and including the exceptional income from the sale of Leoni Studer Hard AG, the division reported EBIT of EUR 94.3 million (previous year: EUR 73.1 million).

Increased capital expenditure

Group-wide in the period from January to September 2012 Leoni invested EUR 137.8 million (previous year: EUR 92.4 million), of which EUR 111.5 million (previous year: EUR 84.3 million) in property, plant and equipment as well as intangible assets. In the Wiring Systems Division the focus was on expanding capacity for new and follow-on contracts from the international car industry at facilities in Eastern Europe, North Africa, Brazil and Russia. The Wire & Cable Solutions Division invested above all in production of automotive special cables in China, Mexico and Slovakia as well as in a new facility in India.

About 62,000 employees worldwide

Leoni employed 61,850 people worldwide at the end of September 2012, which is 1,105 more people than at the turn of the year. However, compared with the quarterly high to date, set at the end of March 2012, the workforce contracted by 1,518 people because of efficiency enhancements at various wiring systems facilities outside Germany and the closure of a Daekyeung plant in China. On 30 September 2012, Leoni had 57,680 employees outside Germany (31 December 2011: 56,728) and 4,170 in Germany (31 December 2011: 4,017).

Full-year sales and earnings expected to be at pre-year level

Leoni anticipates a perceptible downturn in business during the remainder of the year. Particularly the amount of product called forward by the automotive industry, but also the demand in many other customer industries, has been declining since the beginning of October. For 2012 as a whole, Leoni nevertheless expects sales and earnings to be at the previous year’s level, when the Company posted record results. Leoni currently projects consolidated sales of about EUR 3.75 billion (previous year: EUR 3.70 billion), with the Wiring Systems Division providing EUR 2.18 billion (previous year: EUR 2.02 billion) and the Wire & Cable Solutions Division contributing EUR 1.57 billion (previous year: EUR 1.68 billion). From today’s perspective, EBIT including the non-recurring effect of the sale of Leoni Studer Hard AG will amount to about EUR 235 million (previous year: EUR 237.1 million).

*(5,827 characters incl. blanks)*

☞ *Related illustration material can be downloaded from* [*http://www.leoni.com/12\_Q3.15899.0.html?L=1*](http://www.leoni.com/12_Q3.15899.0.html?L=1)☞ *The complete quarterly report can be downloaded from* [*www.leoni.com/?q3-2012&L=1*](http://www.leoni.com/?q3-2012&L=1)

Leoni performance overview

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| --- | --- | --- | --- | --- | --- |
| **Group key figures** | **Q32012** | **Q32011** | **Q1-Q3 2012** | **Q1-Q3 2011** | **Change Q1-Q3 2012/ Q1-Q3 2012** |
| Consolidated sales [€ mil.] | 954.7 | 913.1 | 2.891.4 | 2,767.4 | 4.5 % |
| Earnings before interest, taxes and depreciation/amortisation (EBITDA) [€ mil.] | 82.7 | 81.5 | 284.1 | 263.9 | 7.7 % |
| EBIT [€ mil.] | 52.7 | 54.6 | 197.2 | 183.6 | 7.4 % |
| Adjusted EBIT \* [€ mil.] | 59.1 | 58.1 | 181.5 | 202.1 | (10.2) % |
| Earnings before taxes (EBT) [€ mil.] | 44.3 | 44.8 | 171.3 | 152.6 | 12.3 % |
| Consolidated net income [€ mil.] | 31.4 | 32.9 | 130.5 | 115.1 | 13.4 % |
| Capital expenditure (incl. acquisitions) [€ mil.] | 33.2 | 37.6 | 137.8 | 92.4 | 49.1 % |
| Equity ratio [%] | 32.8 | 29.7 | 32.8 | 29.7 | -- |
| Earnings per share [€] | 0.96 | 1.00 | 3.98 | 3.74 | 6.4 % |
| Employees (as at 30 September) [number] | 61,850 | 59,039 | 61,850 | 59,039 | 4.8 % |

 *\* 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.*

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 about 62,000 people in 32 countries and generated consolidated sales of EUR 3.7 billion in 2011.

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