Leoni’s sales held steady in the 1st quarter of 2013

EBIT down on previous year as expected – new orders underpinning medium-term forecast

Nuremberg, 14 May 2013 – Leoni, the leading provider of cables and cable systems to the automotive sector and other industries, kept the volume of its business virtually unchanged in the first quarter of 2013 despite partially tough underlying economic conditions. Consolidated sales from January to March came to EUR 959.0 million, down from EUR 969.1 million in the same period of the previous year. This involved consistently good sales to the automotive industry for the Asian and North American markets, whereas demand from carmakers in Europe as well as from other customer industries was down. Consolidated earnings before interest and taxes (EBIT) amounted to EUR 38.5 million in the first three months of 2013 (previous year: EUR 94.2 million). Non-recurring positive items amounting to EUR 34.5 million boosted the comparable figure for the same period of the previous year. By contrast and as planned, the Company had to absorb substantial start-up costs and pre-production expenses for new wiring system orders, spending on IT projects as well as the effect of lower utilisation of capacity to produce cable for industrial applications at the beginning of 2013.

On 31 March 2013, Leoni employed 59,884 people Group-wide; 491 more than at the turn of the year (31 December 2012: 59,393). In Germany, Leoni had 4,180 employees at the end of the period under report; up from 4,172 at the end of 2012.

WSD: continued strong growth in Asia

The Wiring Systems Division (WSD) generated external sales of EUR 567.8 million with wiring systems and cable harnesses during the period under report (previous year: EUR 570.0 million). Business in Asia made significant gains; by contrast, sales in Europe were down due to the weak economy, especially in the continent’s southern countries. Preparation for and starting production of numerous new projects involving the international motor vehicle industry affected business performance as this temporarily caused heavy pre-production spending and start-up costs during the period under report. The division’s EBIT for the first three months of 2013 therefore dipped to EUR 24.4 million, although a once-off boost of EUR 5.0 million from first-time consolidation in full of Leoni Wiring Systems Korea influenced the comparable pre-year figure of EUR 44.1 million.

The receipt of numerous new orders from the global car, commercial vehicle and component supply industry in the first quarter of 2013 underpinned the Wiring Systems Division’s target for medium-term growth.

WCS: facility in India starts production

In the Wire & Cable Solutions (WCS) Division, sustained strong demand for automotive cables in Asia and the Americas was offset by subdued business involving wire products, cables and cable systems in most other industrial sectors. The division’s external sales in the period from January to March of this year amounted to EUR 391.3 million (previous year: EUR 399.1 million). Less utilisation of production capacity in the industrial sectors adversely affected the division’s EBIT, which decreased to EUR 14.1 million (previous year: EUR 50.0 million). The previous year’s very high figure included non-recurring income of EUR 29.5 million from the sale of a subsidiary.

The WCS Division’s order receipts in the first three months of 2013 were up by 2 percent on the same period of 2012 to EUR 413.6 million and thus clearly exceeded sales for the period. The Company's new facility in India commenced production of automotive cables at the beginning of 2013 and it also began installing plant for manufacturing cables for the solar, railway and petrochemical industries.

Forecasts for the year and the medium term reaffirmed

Leoni is confident that its business will, after the expectedly somewhat weaker first quarter, improve in the course of the year and that it will succeed in generating an increase in earnings especially in the second half. The Company therefore still forecasts sales of about EUR 3.7 billion for the year as a whole (previous year: EUR 3.81 billion) and EBIT of approx. EUR 170 million (previous year\*: EUR 237.9 million). Based on the good order situation, Leoni expects a significant surge in growth amounting to at least EUR 400 million as early as 2014.

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Leoni performance overview

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| --- | --- | --- | --- |
| **Group key figures** | **Q1 2013** | **Q1 2012** | **Change** |
| Sales [€ million] | 959.0 | 969.1 | (1.0) % |
| EBITDA [€ million] | 68.2 | 122.1 | (44.4) % |
| EBIT [€ million] | 38.5 | 93.7 | (59.1) % |
| Adjusted EBIT \*\* [€ million] | 43.0 | 64.1 | (33.4) % |
| EBT [€ million] | 30.0 | 83.1 | (64.0) % |
| Consolidated net income [€ million] | 22.6 | 64.6 | (65.2) % |
| Capex incl. acquisitions [€ million] | 25.5 | 55.1 | (53.7) % |
| Equity ratio [%] | 33.9 | 31.9 | -- |
| Earnings per share [€] | 0.69 | 1.98 | (65.2) % |
| Employees [as at 31 March] | 59,884 | 63,368 | (5.5) % |

*\* Adjustment of various pre-year amounts due to amendment of IAS 19  
\*\* 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 on 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/?q1-2013&L=1*](http://www.leoni.com/?q1-2013&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 about 60,000 people in 32 countries and generated consolidated sales of EUR 3.81 billion in 2012.



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