Leoni’s earnings up strongly in the first quarter of 2014

Dynamic performance in the automotive and industrial businesses

Nuremberg, 13 May 2014 – Leoni AG made a dynamic start to the current year. In the first three months of 2014, the leading provider of cables and cable systems to the automotive sector and other industries increased its consolidated sales by over 6 percent year on year to the highest ever quarterly total of EUR 1,020.2 million (previous year: EUR 959.0 million). EBIT was up by more than 31 percent to EUR 50.6 million (previous year: EUR 38.5 million), underpinned by the larger amount of sales, better capacity utilisation and growth in profitable areas of business. Consolidated net income rose by one third or so to EUR 31.6 million (previous year: EUR 22.6 million).

To be able to continue to grow and to prepare for impending project start-ups, Leoni invested EUR 35.1 million in property, plant and equipment as well as intangible assets during the period under report, which was almost 8 percent more than in the first quarter of 2013 (previous year: EUR 25.5 million). Among other things, the Company set up and expanded wiring systems plants in China, Mexico and Serbia as well as capacity to make automotive and special cables in Eastern Europe. Particularly in these locations Leoni also recruited additional employees in the first three months, taking the total number worldwide to 64,071 at the end of March 2014 – 2,480 more people than at the turn of the year (31 December 2013: 61,591). Leoni employed 4,224 people (31 December 2013: 4,222) in Germany and the number outside Germany came to 59,847 (31 December 2013: 57,369).

Wiring Systems: heavy demand from the car and commercial vehicle sector

The Wiring Systems Division’s sales of wiring systems and cable harnesses were up, in the wake of the continuingly favourable global automotive business, by more than 5 percent year on year to EUR 597.7 million in the period from January to March 2014 (previous year: EUR 567.8 million). Leoni again benefited from the good market position of its export heavyweight German customers in Asia and North America, as well as from the recovery of the French carmakers. In addition there was growing demand for complex engine cable harnesses for the commercial vehicle industry in Europe and the United States because of the stricter emission standards. Sales to the international component supply industry also rose. The division’s EBIT climbed by about 30 percent to EUR 31.8 million (previous year: EUR 24.3 million).

Wire & Cable Solutions: noticeably revived industrial business

The Wire & Cable Solutions Division’s sales were up by 8 percent to EUR 422.6 million in the first quarter of 2014 (previous year: EUR 391.2 million). Demand for automotive cables remained unabatedly high in Asia and the Americas, while also gaining momentum in Europe thanks to the economic recovery. The more favourable economic setting also led to Leoni generating considerably more sales in the strategically important industrial sectors involving cables and cable systems for the capital goods and medical technology industries as well as for communication and infrastructure projects. The improved degree of capacity utilisation contributed to the Wire & Cable Solutions Division’s EBIT increasing by nearly 34 percent to EUR 18.8 million (previous year: EUR 14.1 million) even though the division had to absorb charges of EUR 3.5 million during the period under report (previous year: EUR 0.3 million) due to the sharp drop in the market price for copper towards the end of the quarter.

Growth plans underpinned by new orders

Alongside the dynamic performance in the first quarter, various new contracts also underpin the Company's forecasts for 2014 and the subsequent years. The Wiring Systems Division, for instance, received new orders from French carmakers as well as from the international commercial vehicle and component supply industries. The Wire & Cable Solutions Division was commissioned to supply automotive cables for a car platform of a US manufacturer. Leoni will also be supplying high quality cable systems for the robots of a German motor vehicle manufacturer and equipping the world’s largest oil and gas refinery in India with special cables. Leoni still forecasts increases to approx. EUR 4.1 billion (2013: EUR 3.9 billion) in consolidated sales and to EBIT of more than EUR 200 million for 2014 (2013: EUR 163.1 million).

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Leoni performance overview

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| **Group key figures** | **Q1 2014** | **Q1 2013** | **Change** |
| Sales [€ million] | 1,020.2 | 959.0 | 6.4 % |
| EBITDA [€ million] | 80.7 | 68.2 | 18.3 % |
| EBIT [€ million] | 50.6 | 38.5 | 31.5 % |
| Adjusted EBIT \* [€ million] | 52.8 | 43.0 | 22.8 % |
| EBT [€ million] | 43.7 | 30.0 | 45.5 % |
| Consolidated net income [€ million] | 31.6 | 22.6 | 39.7 % |
| Capex [€ million] | 35.1 | 25.5 | 37.6 % |
| Equity ratio [%] | 34.2 % | 33.9 % | - |
| Earnings per share [€] | 0.96 | 0.69 | 39.1 % |
| Employees [as at 31 March] | 64,071 | 59,884 | 7.0 % |

 *\* 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.*

☞ *Illustration material can be downloaded from* [*www.media.leoni.com*](http://www.media.leoni.com)☞ *The complete quarterly report can be found at* [*www.leoni.com/?q1-2014&L=1*](http://www.leoni.com/?q1-2014&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 64,000 people in 33 countries and generated consolidated sales of EUR 3.92 billion in 2013.

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