Leoni strengthening its market position in Mexico and China

Capacity expansion in Celaya and Panjin

Nuremberg, 3 February 2015 – Leoni, the leading European provider of cables and cable systems to the automotive sector and other industries, is strengthening its position in the markets of the Americas and Asia by expanding its capacity in Mexico and China. The new plant in Celaya, in the Mexican state of Guanajuato, and the new facility in Panjin, in the north-eastern Chinese province of Liaoning, provide ideal starting points for being able to respond quickly to mounting customer demand and for achieving shorter delivery times. This capital investment in these production facilities will bolster the close collaboration with our customers.

The new plant in Celaya, the third-largest city in the state of Guanajuato, has production space of about 6,300 square metres and will commence production of single-core automotive cables in June of this year. The facility is situated in the vicinity of the customers, most of which have located in southern Mexico and Central America. With this additional expansion and the existing facility in Cuauhtémoc, the Mexican workforce within the Company's Business Group Automotive Cables will increase to 800 people. Leoni is planning to spend about 7 million US dollars on plant and equipment in Mexico by yearend.

Ongoing expansion of Mexican base

Four million kilometres of cables were produced at our Cuauhtémoc plant in 2014. Numerous customers and carmakers are increasingly paying attention particularly to such locally made special cables as high temperature cables, coaxial cables and data cables for driver assist systems. The Celaya facility is already Leoni’s fifth expansion investment in five successive years in Mexico.

Strengthening our market position in China

Since its first activity in the Chinese market in 1993, our Wire & Cable Solutions Division is now, with 2,500 employees, among the leading providers in China. The Company is setting up a second plant for making standard automotive cables, with production space of about 8,000 square metres, in Panjin, north-east China. The plant will have several extruder lines, multi-wire drawing lines, stranding as well as twisting machines and will manufacture single-core cables for automotive applications with cross sections ranging from 0.13 to 6 mm².

“These locations in China and Mexico boast developed industry, a solid infrastructure, skilled labour as well as excellent transport links – this constitutes a stable foundation for establishing and broadening Leoni's market position," Dr Frank Hiller, Management Board member in charge of the Wire & Cable Solutions Division, emphasised. The new facility in Panjin will enable Leoni to respond more quickly to customer requirements and to supply at shorter notice. Production is scheduled to commence at the end of 2015.

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**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 around 68,000 people in 31 countries and generated consolidated sales of EUR 3.92 billion in 2013.

 

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