

The LEONI Group

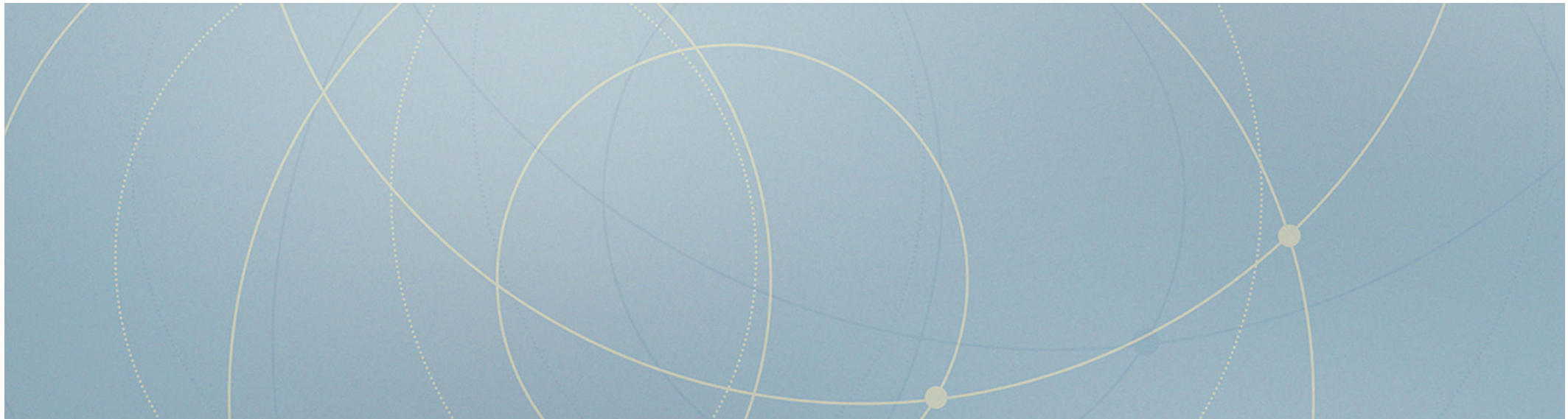
1st Quarter 2016



The Quality Connection

LEONI

- 1. LEONI Group – overview**
- 2. LEONI Divisions**
- 3. Report 1st Quarter 2016**
- 4. LEONI Group – figures**
- 5. Outlook**
- 6. Appendix**



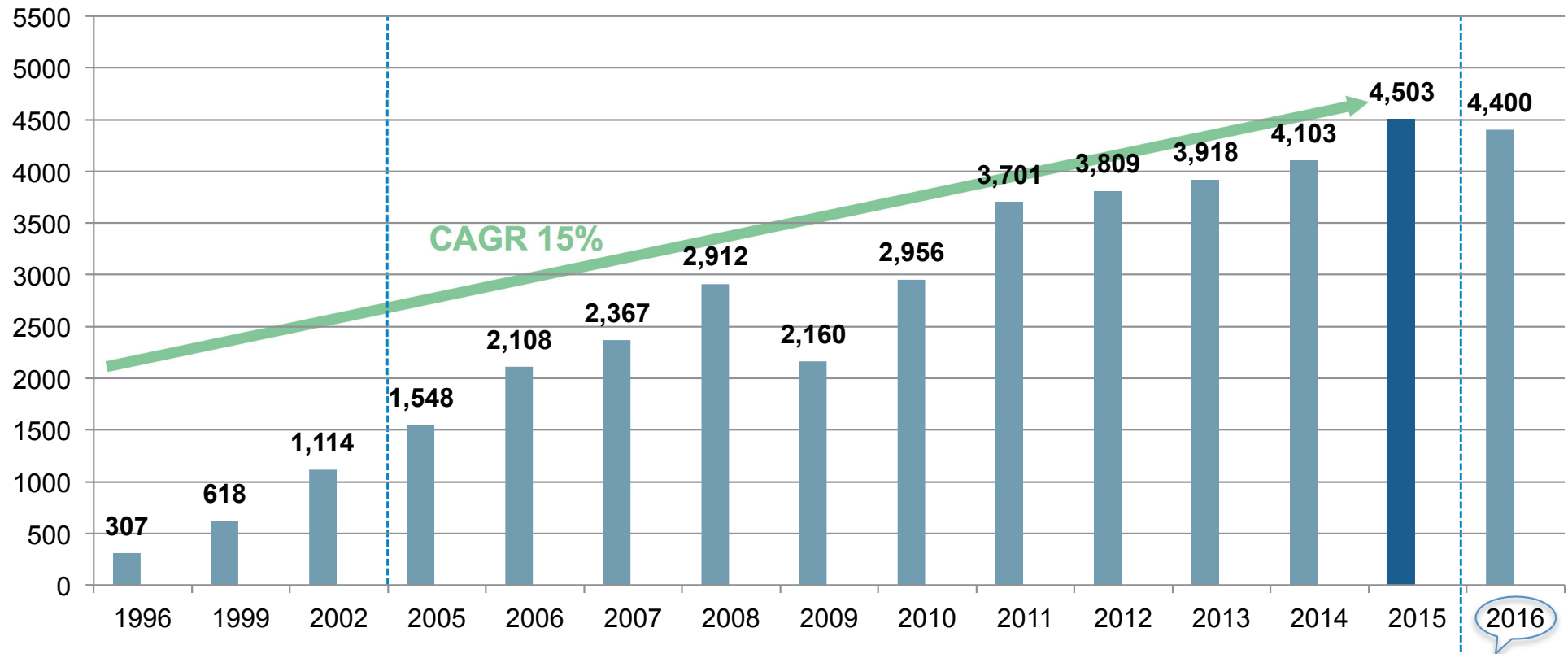
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Sales 2015: € 4.5 billion
 EBIT 2015: € 151 million
 % margin: 3.4%
 Employees: 74,018

Divisions	Sales breakdown and operating margin	Sales breakdown per region
<p>Wiring Systems</p> <p>Wiring systems and electrical components for the global automotive industry</p>	<p>Total sales: € 2.67 billion EBIT: € 87 million % margin: 3.3% Employees: 64,745</p>	<ul style="list-style-type: none"> EMEA 72% thereof Germany 29% Asia 15% Americas 13%
<p>Wire & Cable Solutions</p> <p>Wires, cables and cable systems for a very wide variety of industrial applications</p>	<p>Total sales: € 1.84 billion EBIT: € 64 million % margin: 3.5% Employees: 9,007</p>	<ul style="list-style-type: none"> EMEA 56% thereof Germany 21% Asia 22% Americas 22%

million €

LEONI Group - Sales long-term overview



in million €

major acquisitions

Lucas Rists
sales about € 100 m

Kerpen
sales about € 116 m

Studer Draht- und Kabelwerk
sales about € 84 m

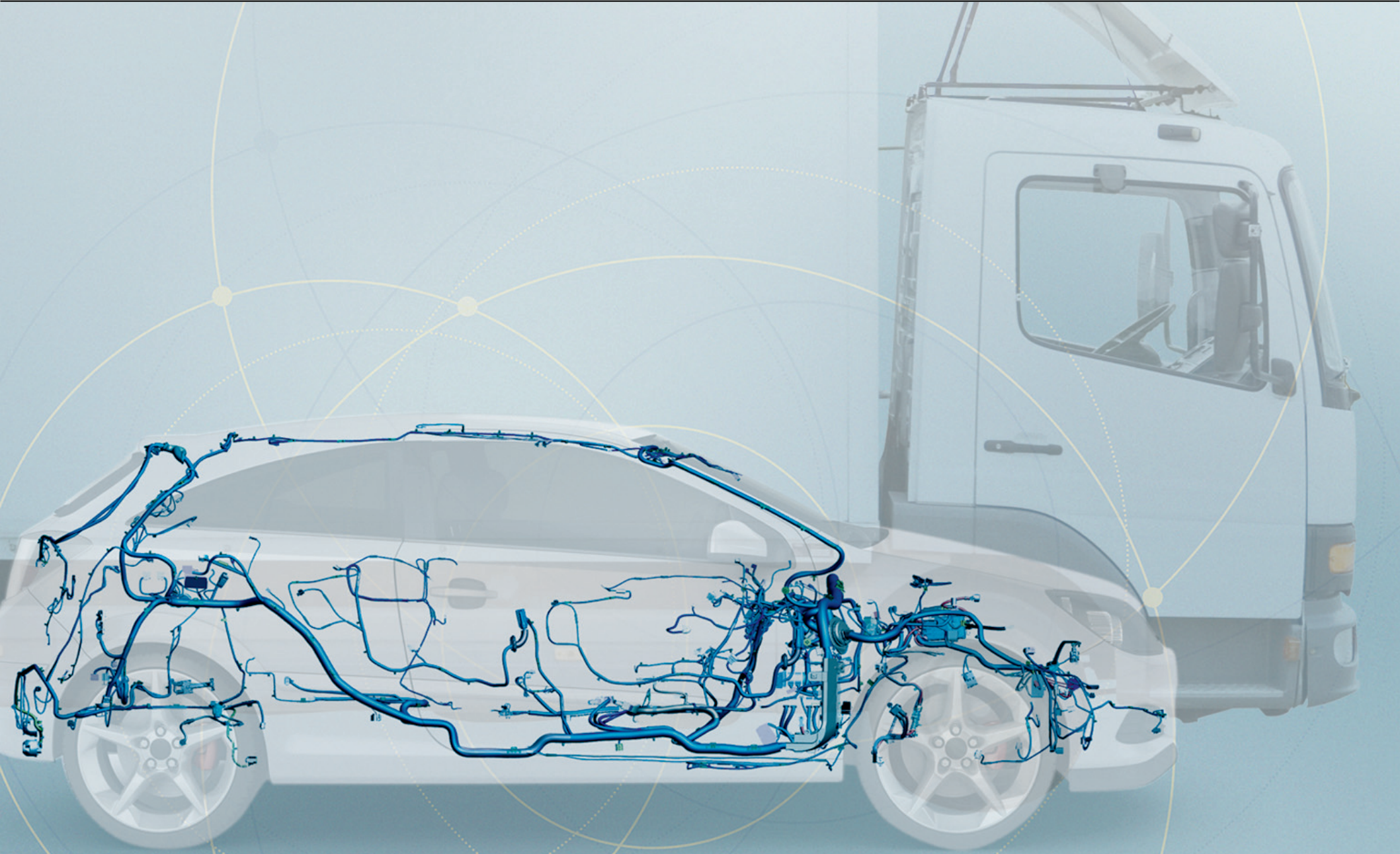
Valeo Wiring Systems
sales about € 574 m

Daekyeung
sales about € 121 m

estimated

Wiring Systems

LEONI



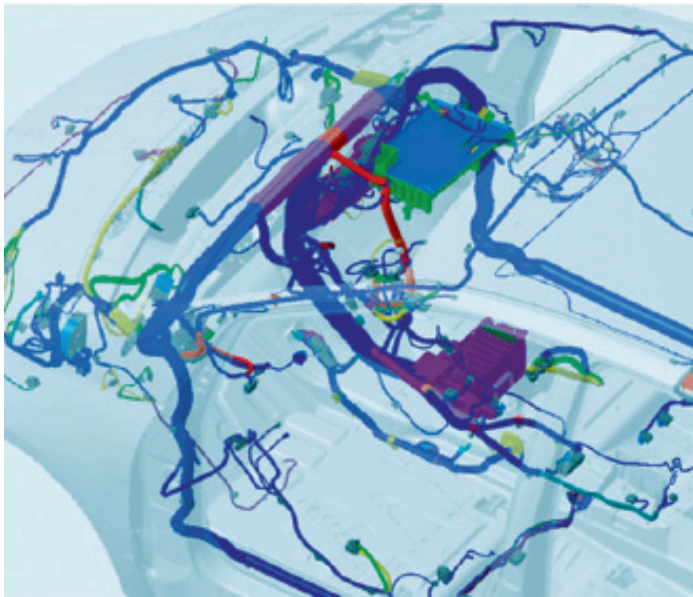
Technical data of a wiring system

- Length of cable: more than 3,000 meters
- Number of single cables: up to 1,500
- Number of contacts: up to 3,000
- Weight: up to 50 kg

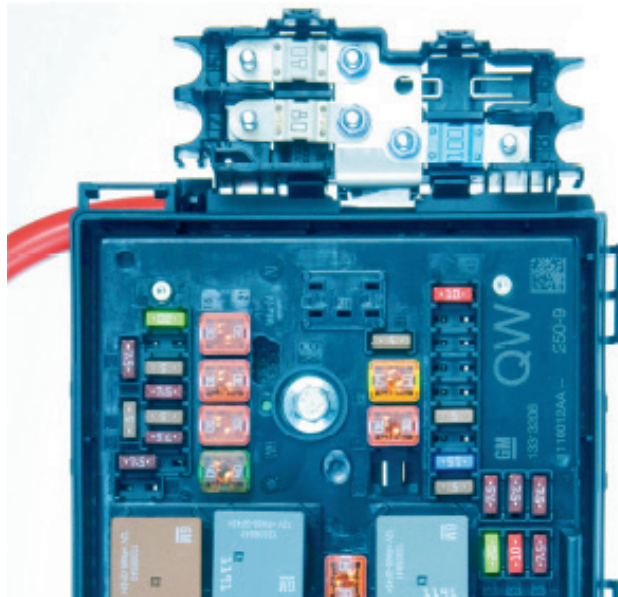


The division's products and services range from basic cable harnesses to cables for wired sensors to complete ready-to-install wiring systems for cars and commercial vehicles. The product range also comprises high voltage cable harnesses for vehicles with alternative drive technology.

Design



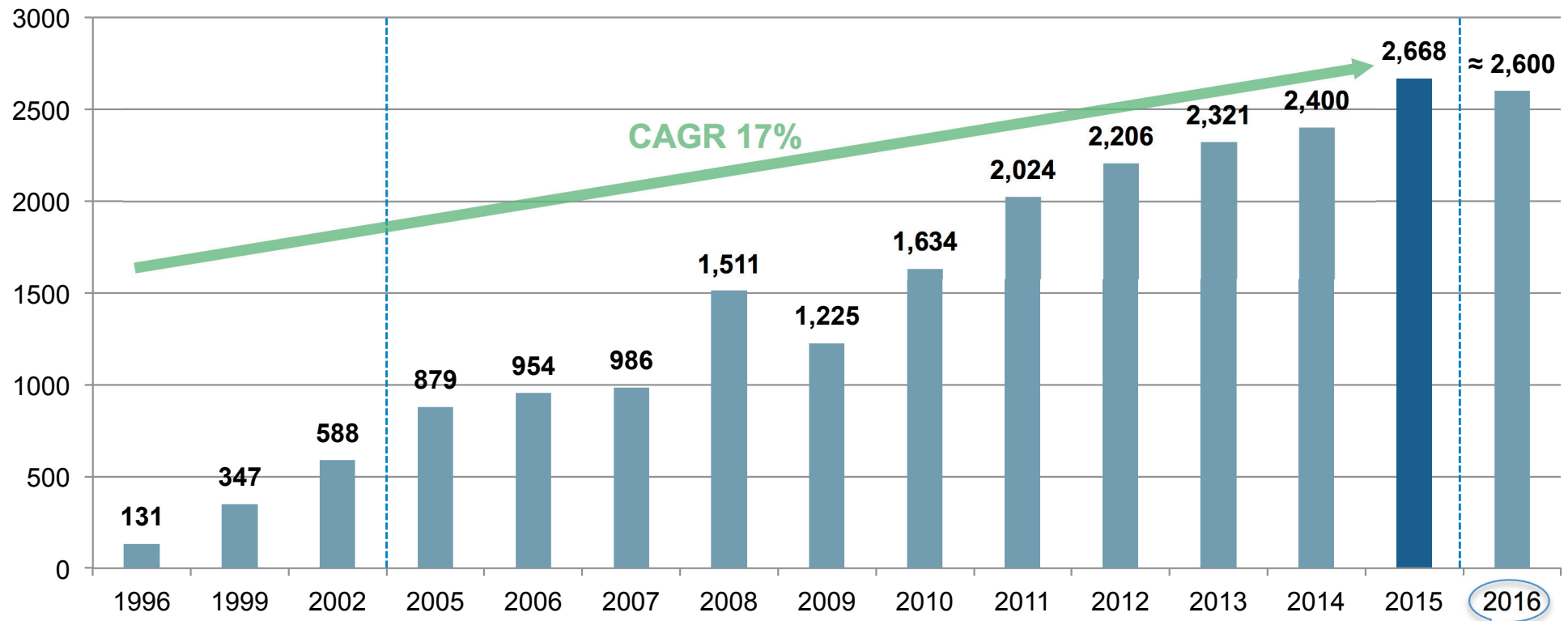
Electronical system components



Integrated wiring systems



Wiring Systems - Sales long-term overview



Wiring Systems - Customers (examples)

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Passenger cars [≈ 75 %]



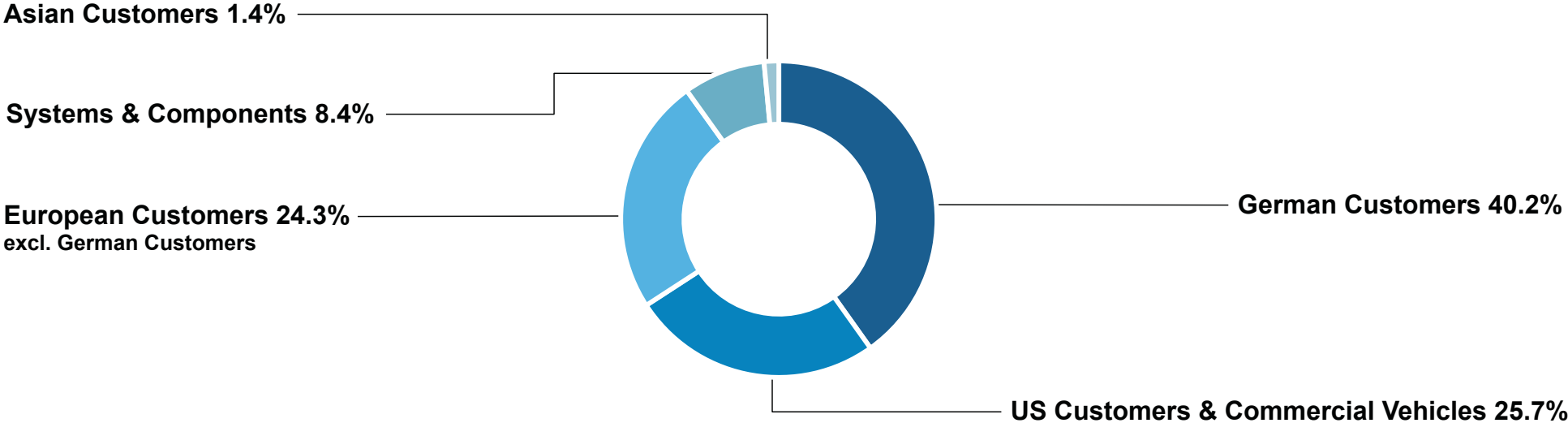
Commercial vehicles [≈ 15 %]



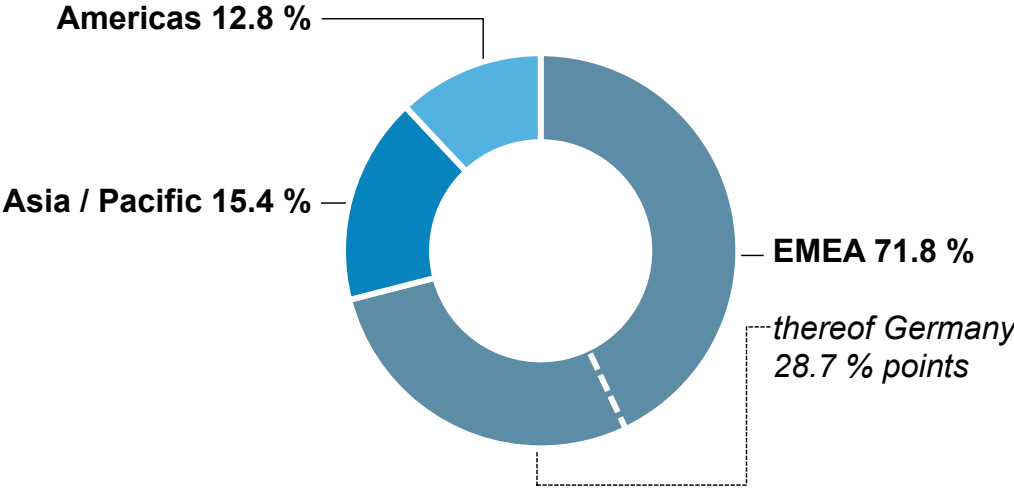
Suppliers [≈ 10 %]



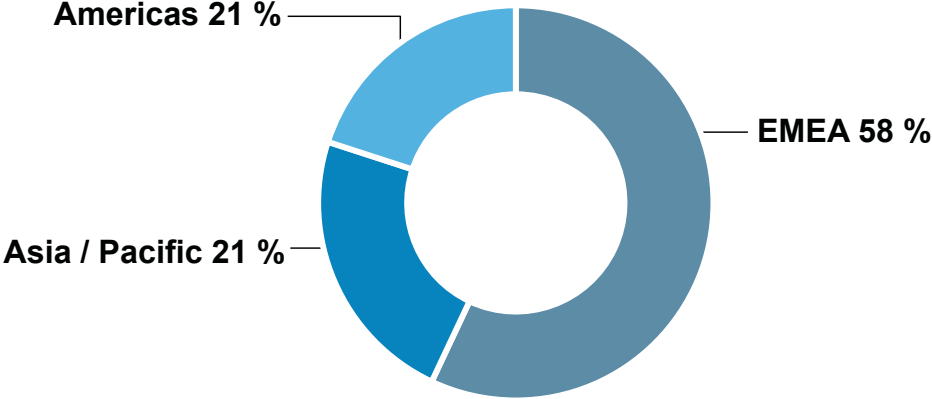
Wiring Systems - Customer segments 2015



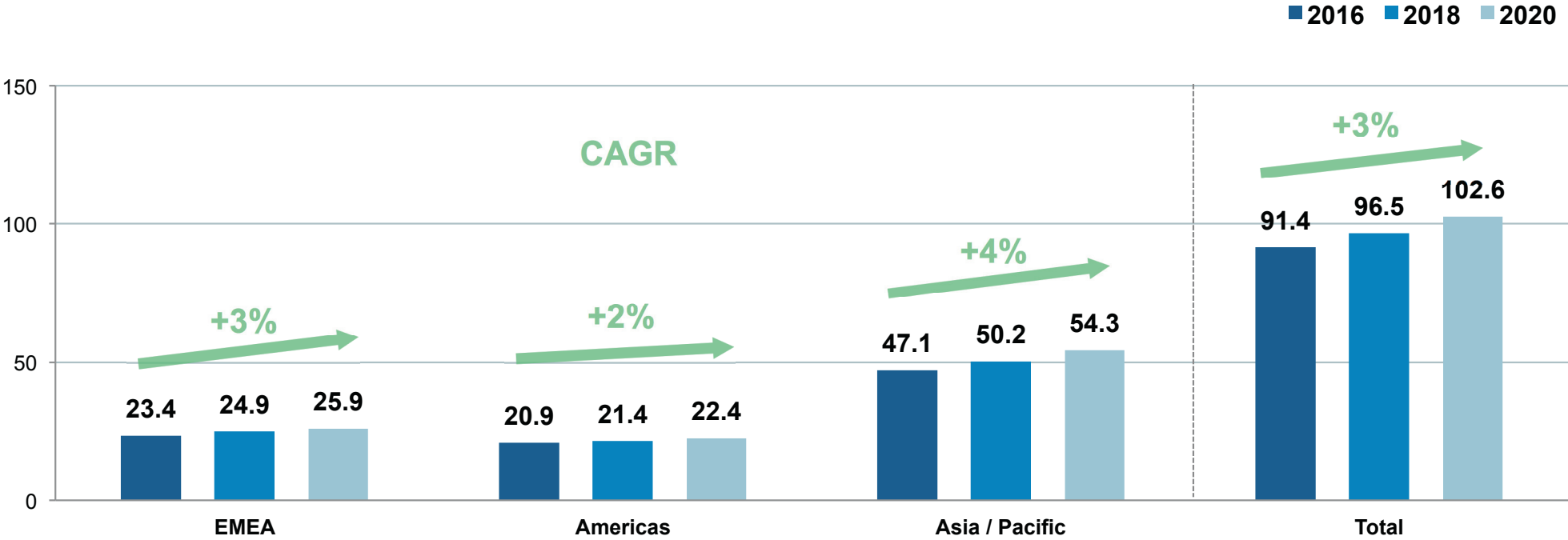
Sales breakdown per region



Final customer market



Wiring Systems - Light vehicles production



Wiring Systems - Global facilities

number of employees

7,211

2,585

28,665

24,476

2,888

1,850 leased personell

- USA
- Mexico
- Brazil
- Paraguay
- France
- Germany
- UK
- Portugal
- Romania
- Russia
- Serbia
- Slovakia
- Ukraine
- Egypt
- Morocco
- Tunisia
- China
- India
- South Korea

number of employees

in total: **65,825** + 3,546 leased personell = **69,371**

■ Main production sites
 ■ Competence centre
 as of March 2016



A) Improving the performance of the critical projects

B) Improvement of project planning and implementation

C) Simplifying the organisational structure

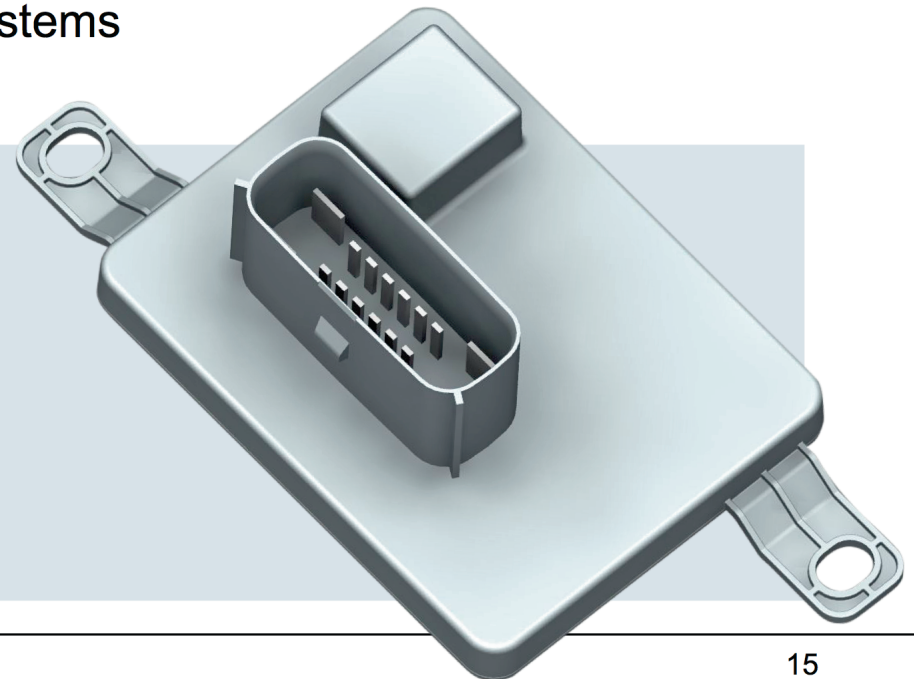
**→ Launch of a transformation programme
scheduled to run for 2 years**

- **Consistent implementation of measures**
- **Market and product development**
 - Further improvement of market position in Asia and the Americas
 - Enhancement of systems expertise in the segments of components and connectors
 - Development of innovative solutions for weight reduction and digitalisation
- **Positive business prospects**
 - Order intake of Euro 4.1 billion in 2015
 - Order backlog enlarged to more than Euro 13 billion for the next 5 years
 - Disproportionately growing market for wiring systems

→ Forecast 2016

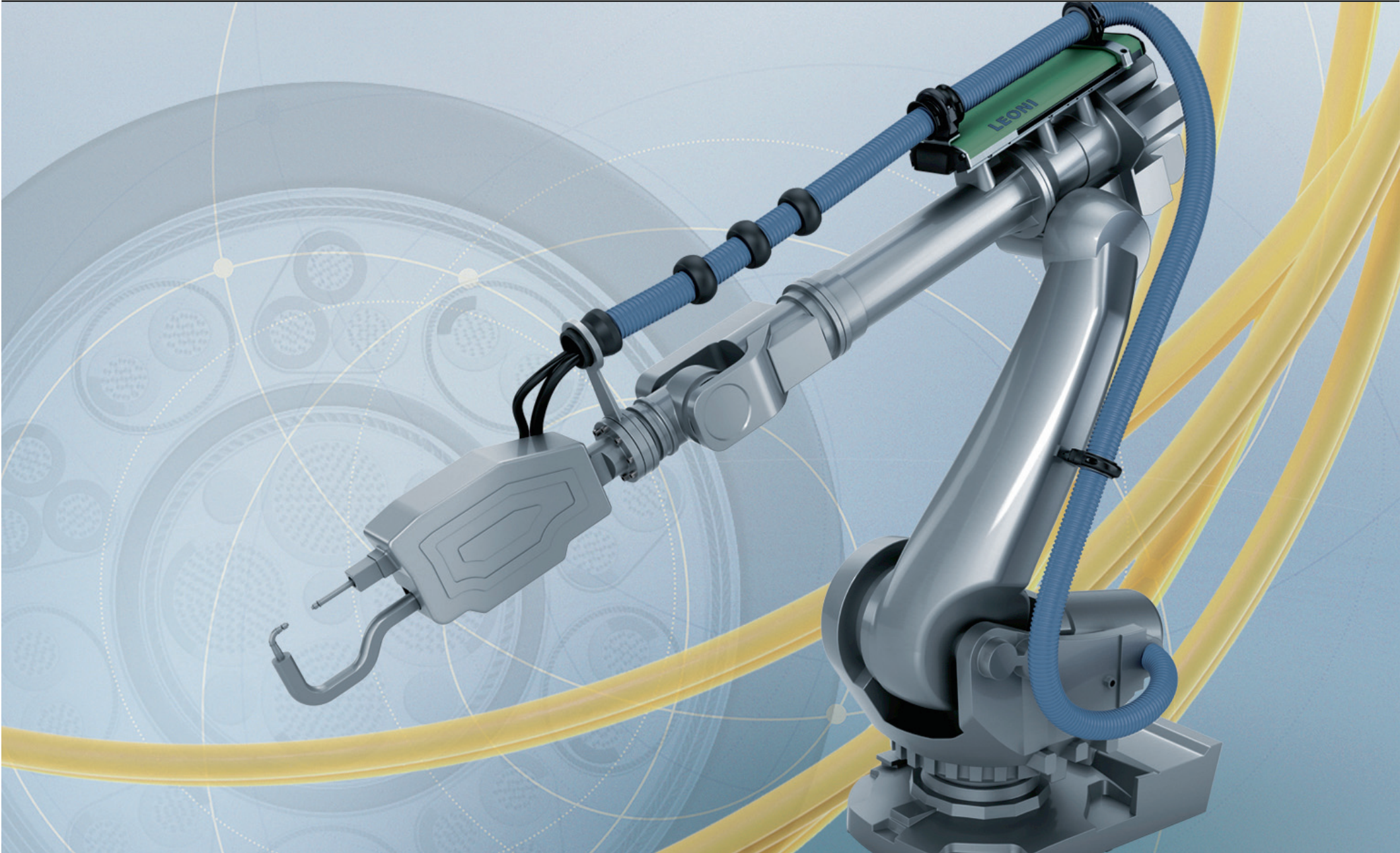
- External sales of about Euro 2.6 billion
- EBIT of about Euro 30 million
(including Euro 25 million for restructuring and exceptional expenses)

→ Target: Return to profitable growth



Wire & Cable Solutions

LEONI



Automotive



Industry & Healthcare



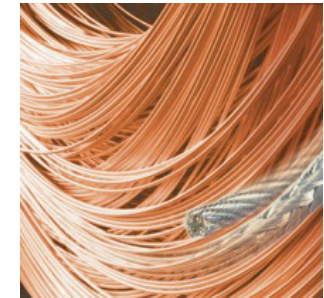
Communication & Infrastructure



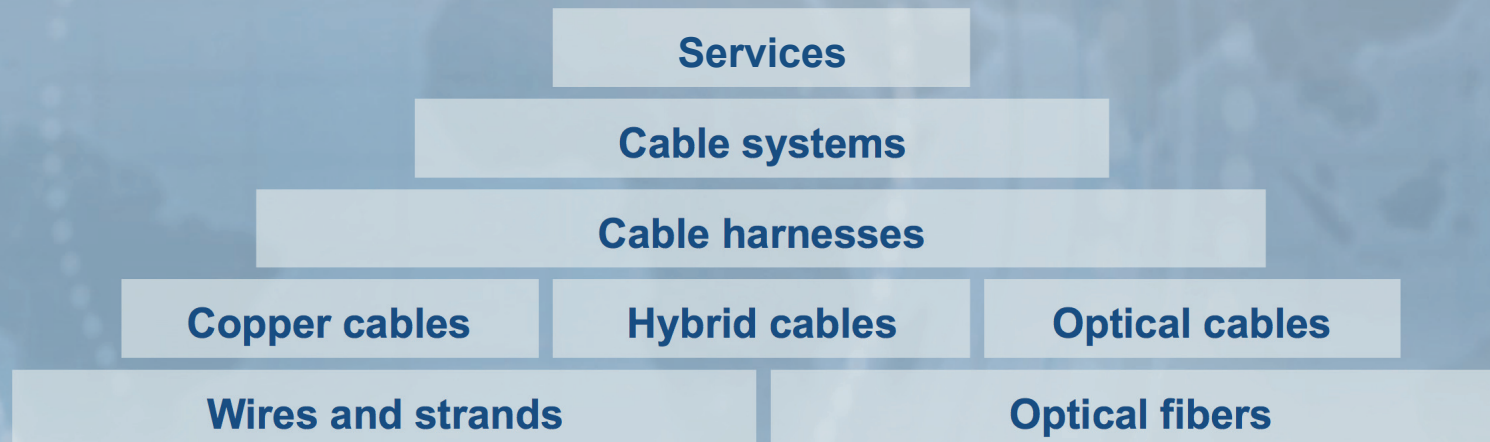
Electrical Appliances



Conductors & Copper Solutions



LEONI's products and services portfolio



R&D / Engineering

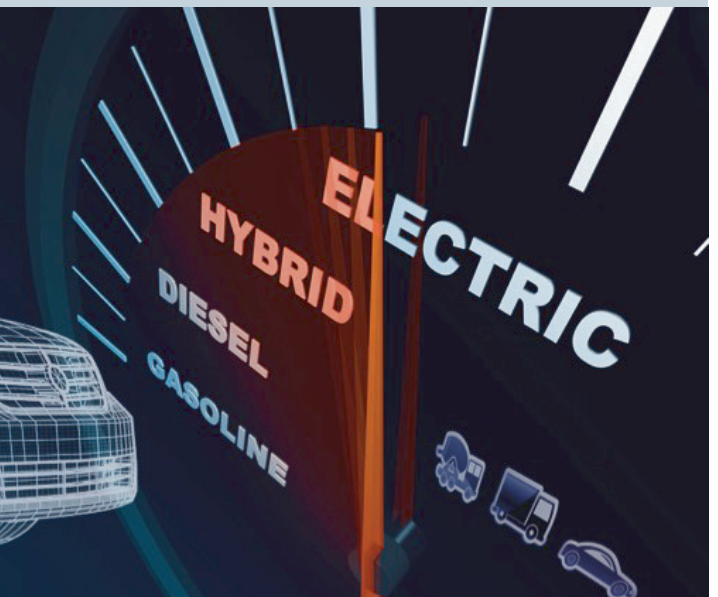
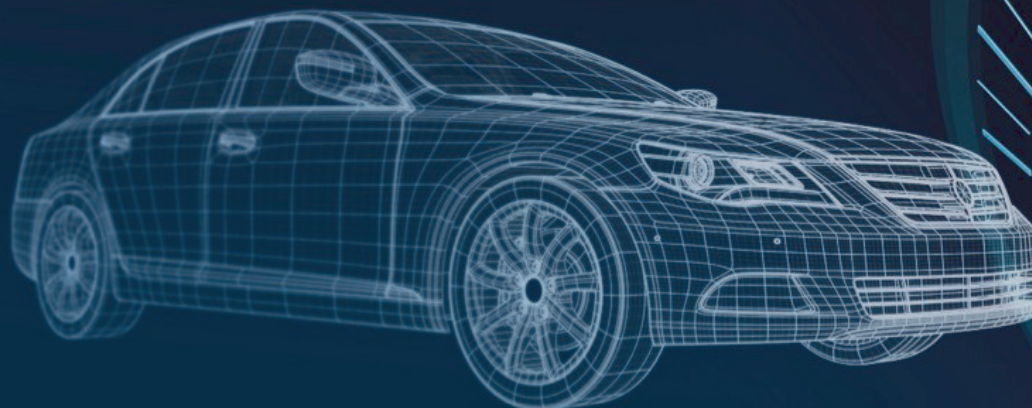
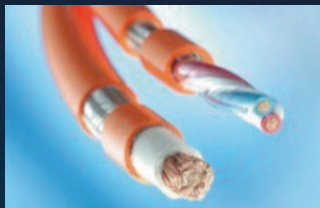
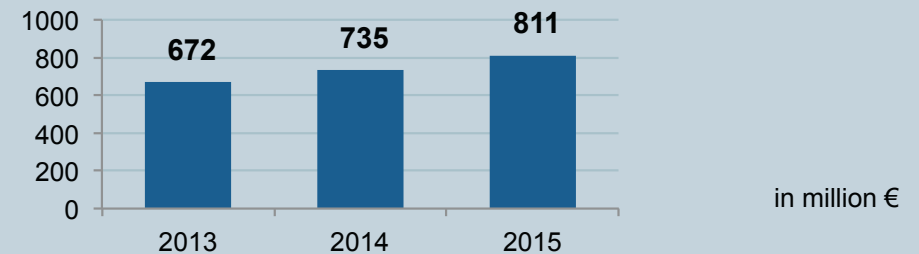
▪ Cables for

- wiring systems in cars and commercial vehicles
- telematics and multimedia
- antenna based communication
- propulsion and engines
- alternative powertrains
- safety applications
- ergonomics and lighting
- driver assistance and active safety systems in the axle wiring
- seat heatings

▪ Charging cables for electric vehicles

▪ Cables with alternative conductor materials

Sales:

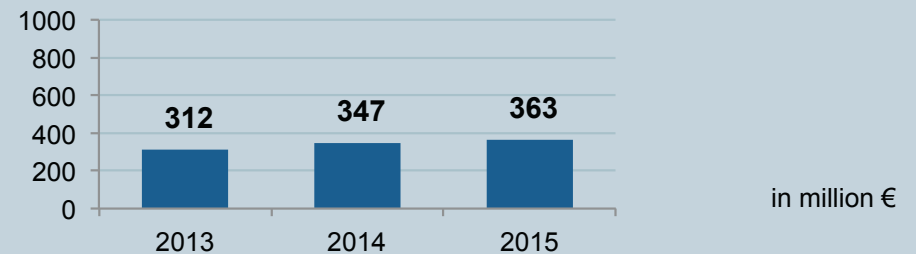


Key markets - Industry & Healthcare

- **Cables, cable systems, optical technologies and services for**

- plant and mechanical engineering
- automation and drives
- measurement and control technology
- robotics
- special vehicles
- aerospace
- telecommunication
- medical devices, medical laser applications
- patient monitoring
- science

Sales:

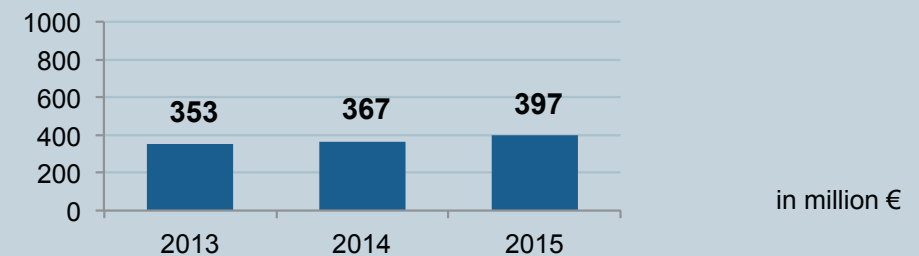


▪ Cables, cable systems and full service for

- structural and civil engineering as well as traffic infrastructure (e.g. installation cables)
- large plant and refineries (project-specific instrumentation and power cables)
- power generation and distribution (solar-, wind-, hydro- und nuclear power)
- traffic *on board* (rolling stock, marine technology)

- LAN cable system *office* (copper and fiber optic cables, systems and accessories)
- telecommunication networks

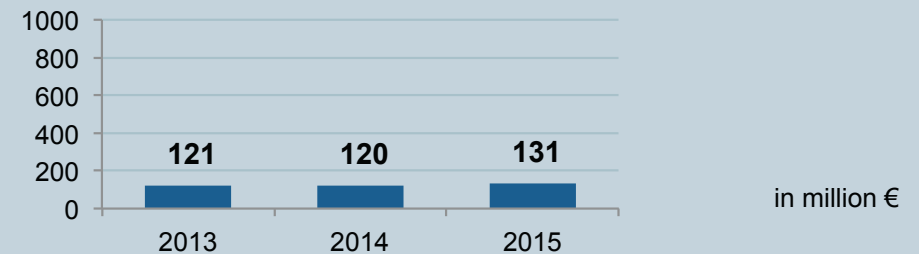
Sales:



▪ Cables and cable systems for

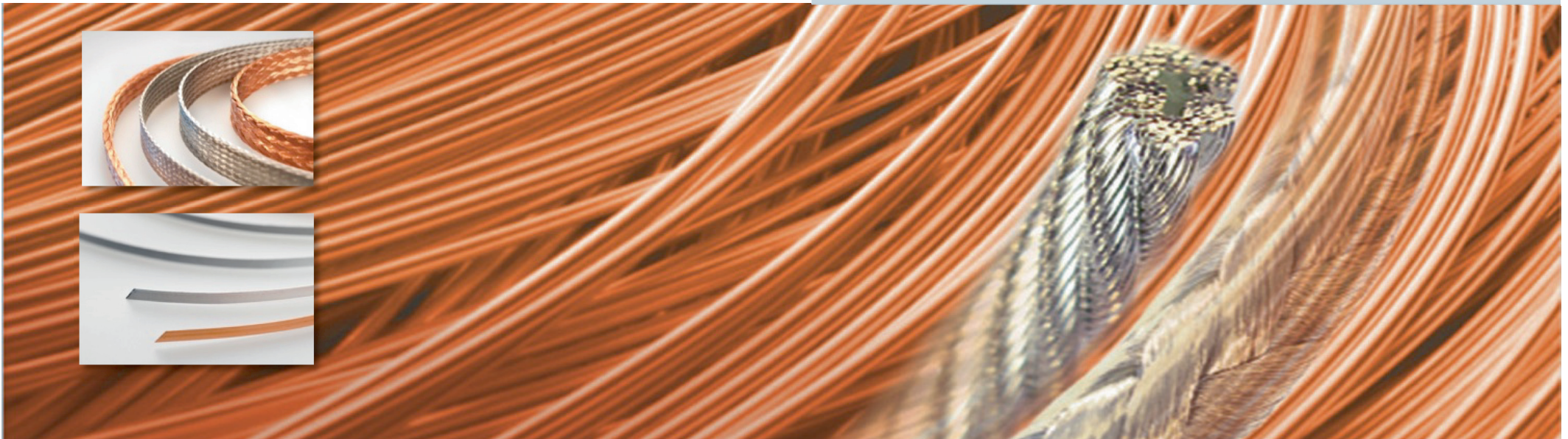
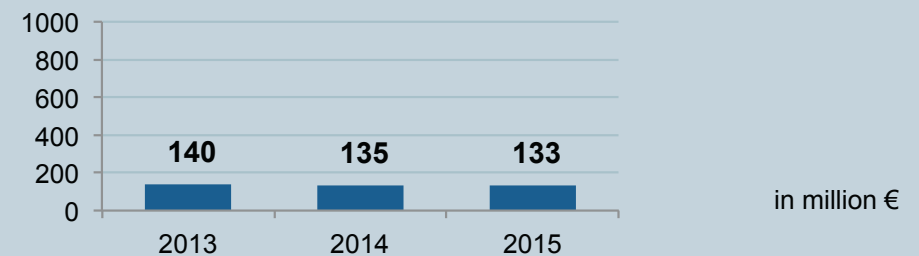
- small appliances
- irons
- vacuum cleaners
- consumer electronics
- washing machines
- refrigerators
- tools
- lighting industry

Sales:

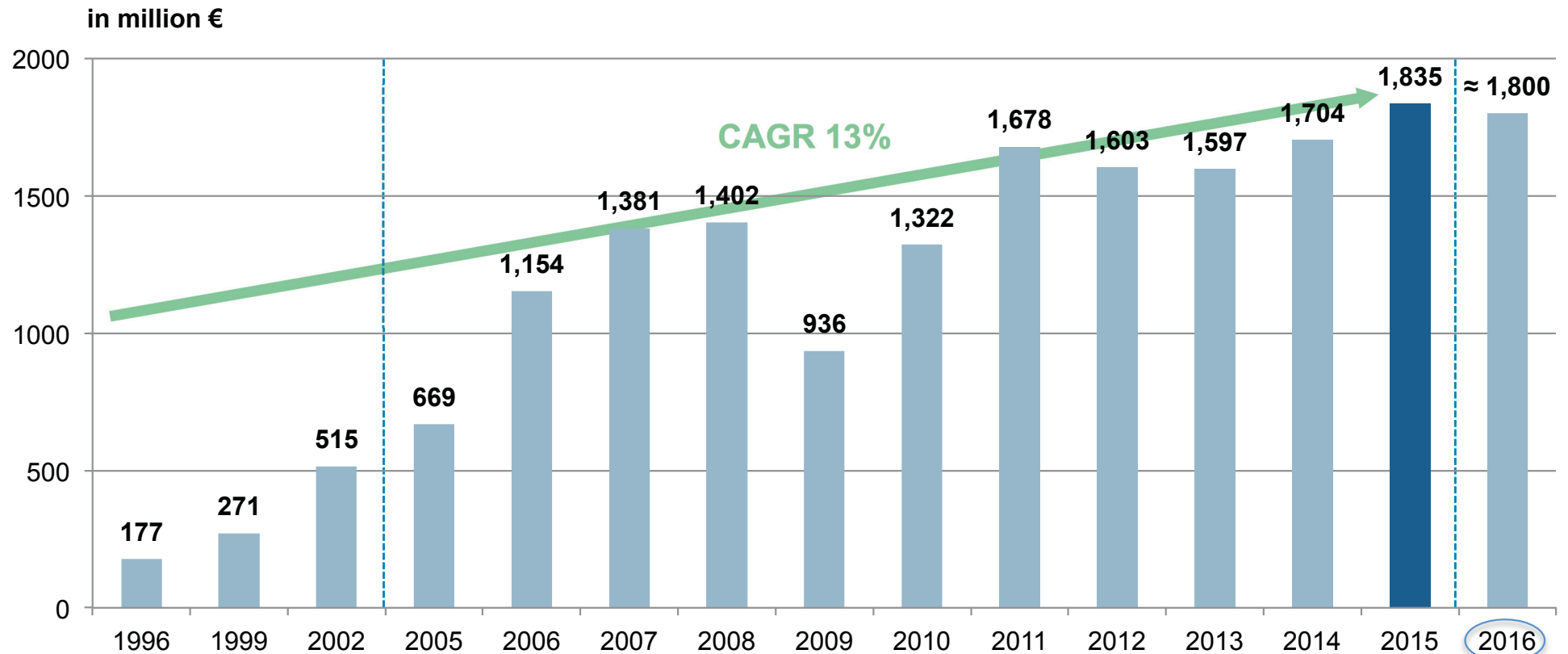


- **Wires and strands for**
 - special cable industry
 - heating system manufacturers
- **Round, stranded copper flexibles and braided copper tapes for**
 - carbon brushes
 - welding equipment
 - mechanical engineering

Sales:



Wire & Cable Solutions - Sales long-term overview



2016
estimated



Wire & Cable Solutions · Customers (examples)

LEONI

Automotive



Industry & Healthcare



Communications & Infrastructure



Electrical Appliances

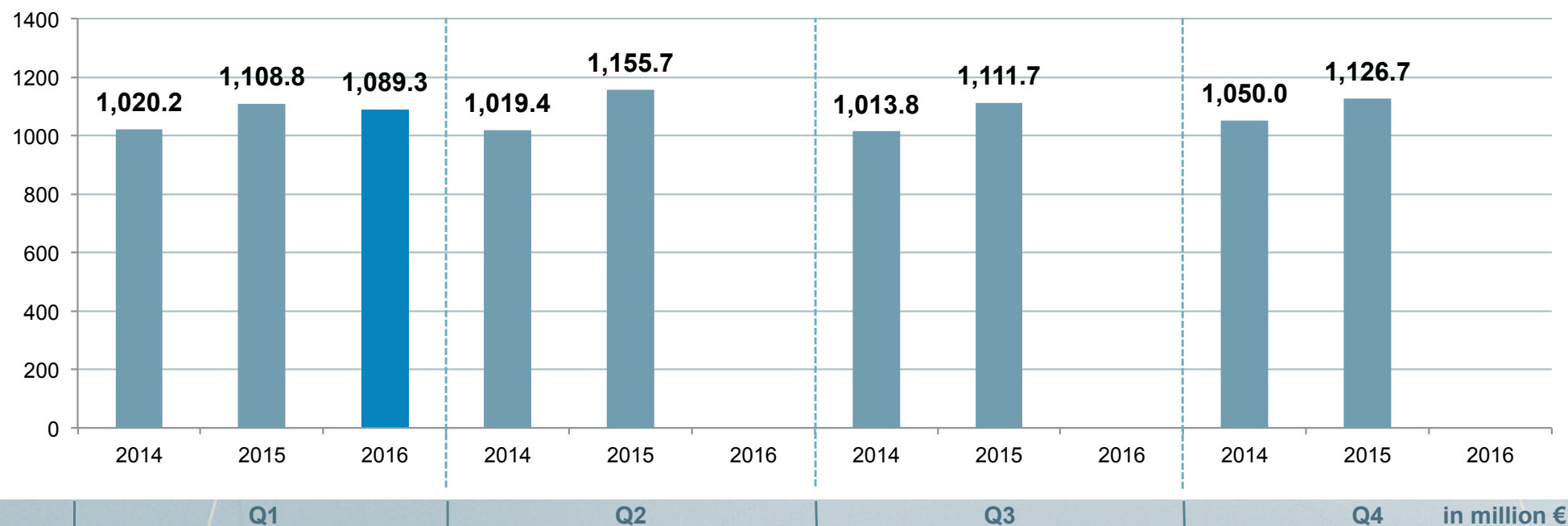


in total about 6.000 customers

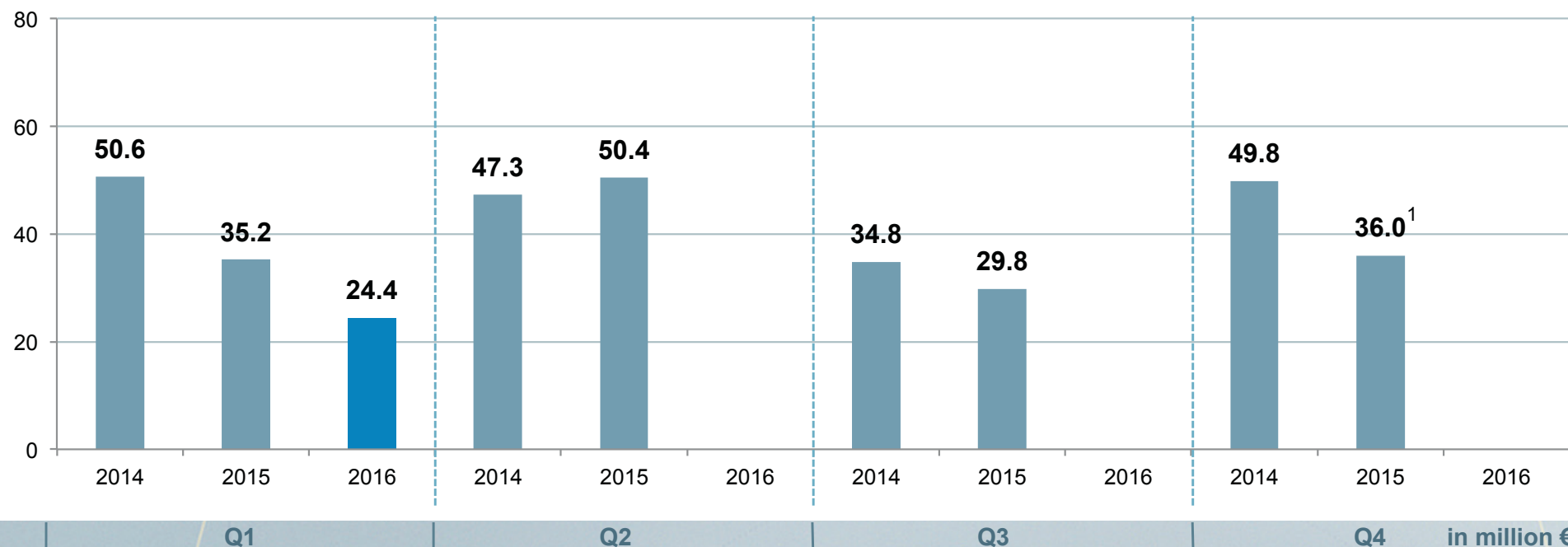
- **Transformation from cable manufacturer to solutions provider**
 - Expanding the range of systems and services
 - **Intensifying the activities in the field of 'Industrie 4.0'**
 - **Development of the business model**
- **Forecast 2016**
- External sales of about Euro 1.8 billion
 - EBIT of about Euro 75 million
(including Euro 5 million for restructuring)

- Consolidated sales of about € 1.1 billion nearly at previous year's level
- EBIT of € 24.4 million as expected (previous year: € 35.2 million)
- Transformation process in the Wiring Systems Division on schedule
- Forecasts for fiscal 2016 unchanged at sales of € 4.4 billion and EBIT of € 105 million

1st Quarter 2016 · Group sales



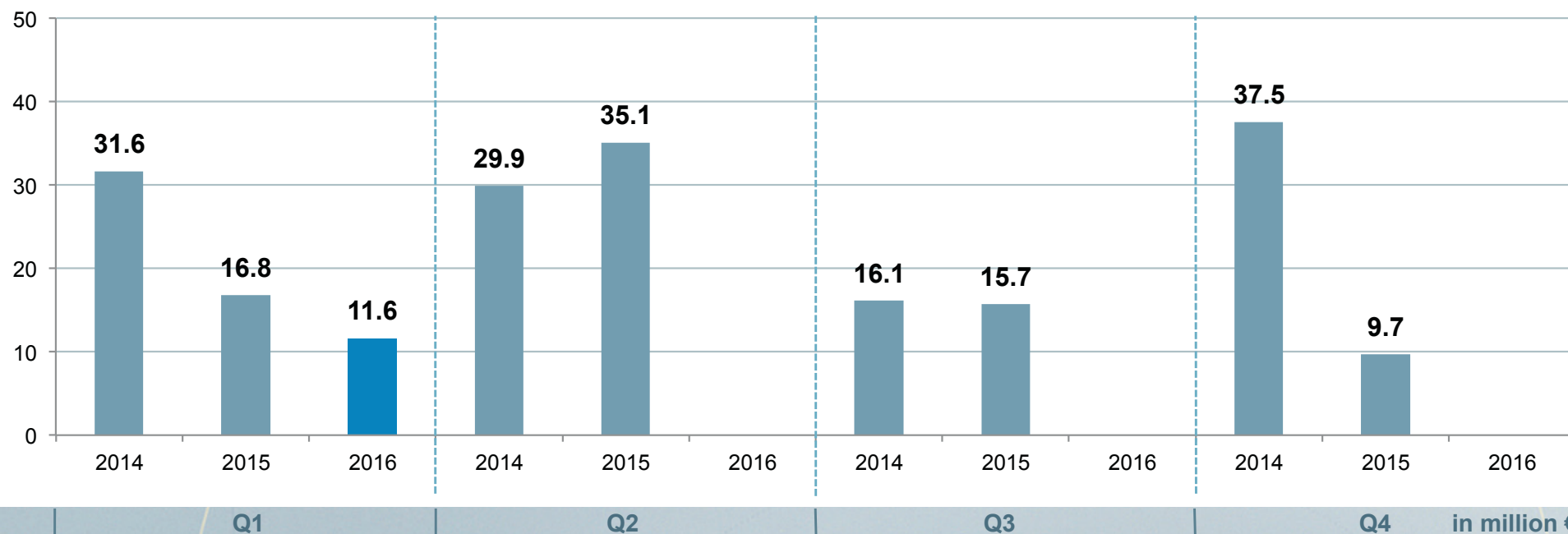
- Both divisions generated slight organic growth in their business.
- The adverse effects of a copper price substantially lower than in the same period of the previous year more than offset this growth.



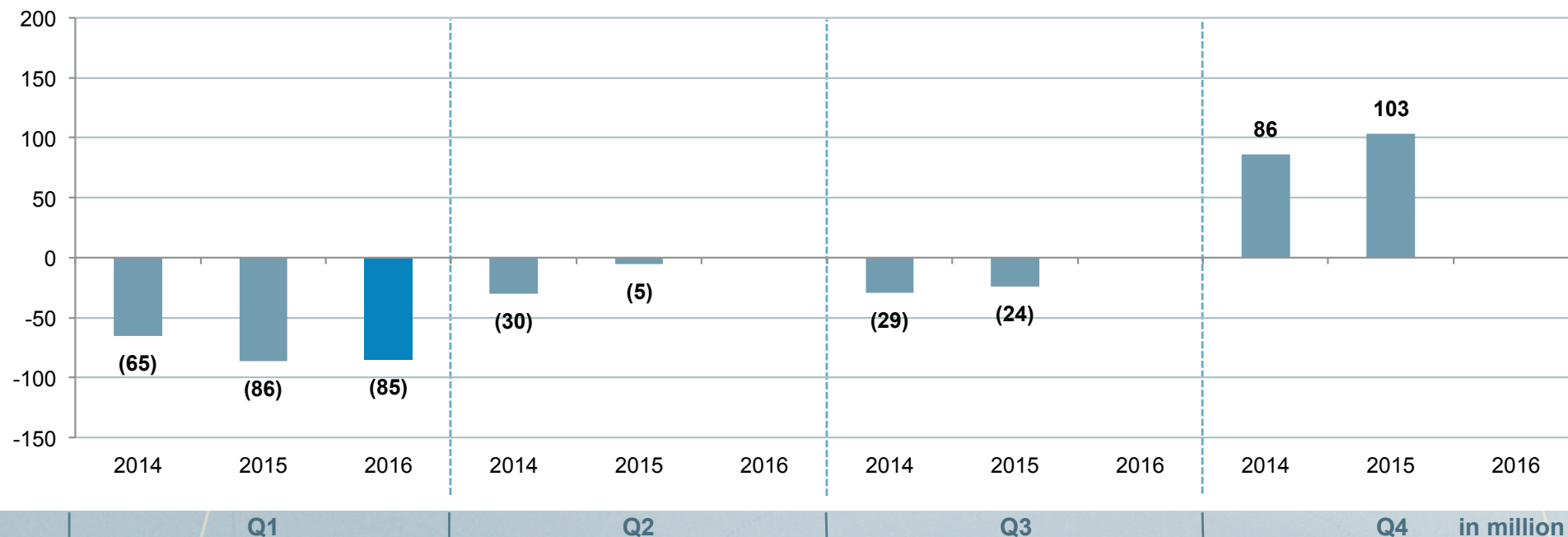
- EBIT decreased to € 24.4 million in the first three months of 2016, thus likewise matching the anticipated level.
- Wire & Cable Solutions generated an EBIT increase.
- Wiring Systems Division was, as expected, severely affected by projects that started in the previous year.

¹ Including the exceptional income from the sale of the 50% share in Langfang LEONI Wiring Systems Co. Ltd. of € 19.6 million

1st Quarter 2016 · Group net income



1st Quarter 2016 · Free cash flow*



- Free cash flow on previous year's level.

* Before dividends, purchase or sale of own shares, acquisitions and divestment and taking related costs into account

1st Quarter 2016 - Key figures

in million €	01/01 – 31/03 2014	01/01 – 31/03 2015	01/01 – 31/03 2016
Consolidated sales	1,020.2	1,108.8	1,089.3
EBITDA	80.7	68.7	61.3
EBIT	50.6	35.2	24.4
adjusted EBIT ¹	52.8	37.9	28.7
EBT	43.7	27.8	18.9
Net income	31.6	16.8	11.6
Equity ratio in %	34.2 %	33.3 %	34.1 %
Net debt	322.7	397.0	407.8
Capital expenditure (incl. acquisitions)	35.1	38.1	38.8
Employees (as at 31/03)	64,071	70,065	75,178

¹ 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 acquisitions and derivatives relating to business combinations.

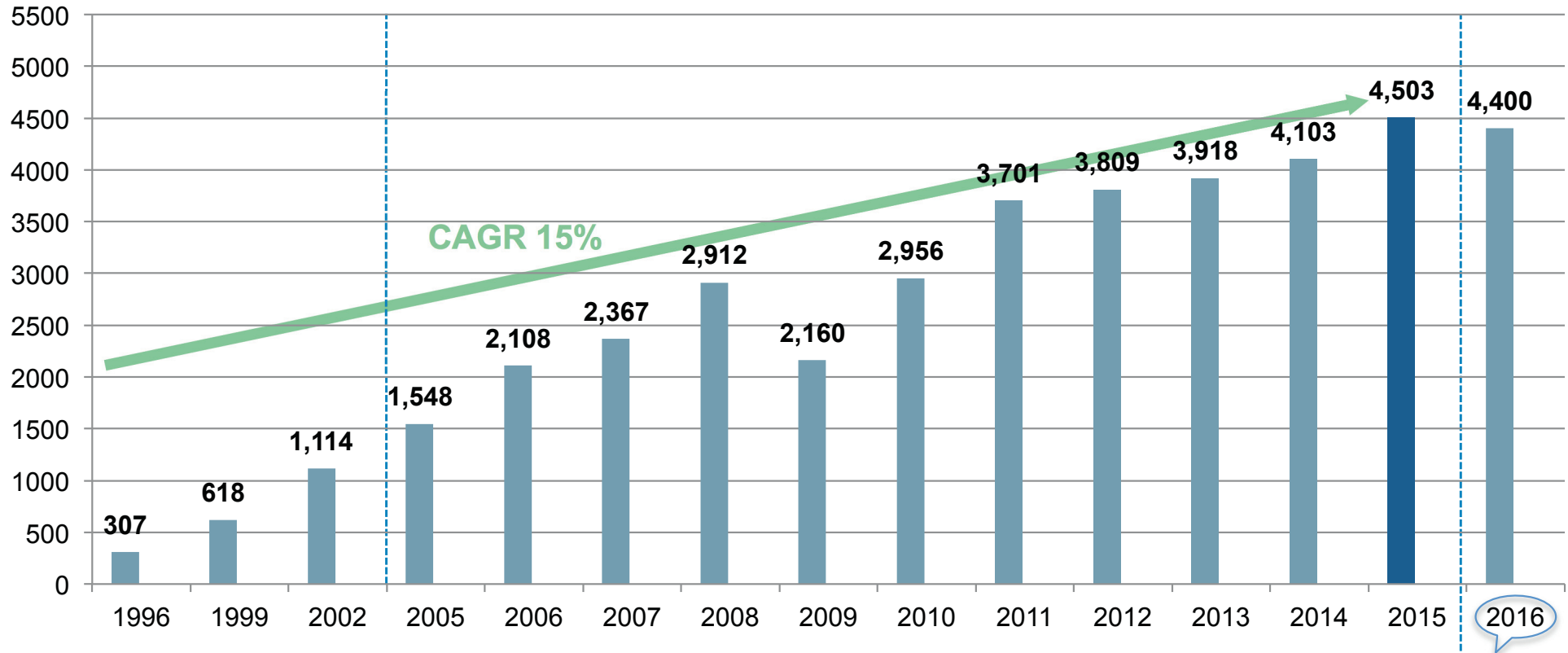
1st Quarter 2016 · Segment reporting

	Wire & Cable Solutions			Wiring Systems			LEONI Group		
in million €	2014	2015	2016	2014	2015	2016	2014	2015	2016
External sales	422.6	454.9	438.1	597.7	653.9	651.2	1,020.2	1,108.8	1,089.3
EBIT	18.8	17.0	19.3	31.8	17.9	5.0	50.6	35.2	24.4
EBIT / external sales	4.4%	3.7%	4.4%	5.3%	2.7%	0.8%	5.0%	3.2%	2.2%

LEONI Group figures



LEONI Group - Sales long-term overview



in million € estimated

major acquisitions

Lucas Rists
sales about € 100 m

Kerpen
sales about € 116 m

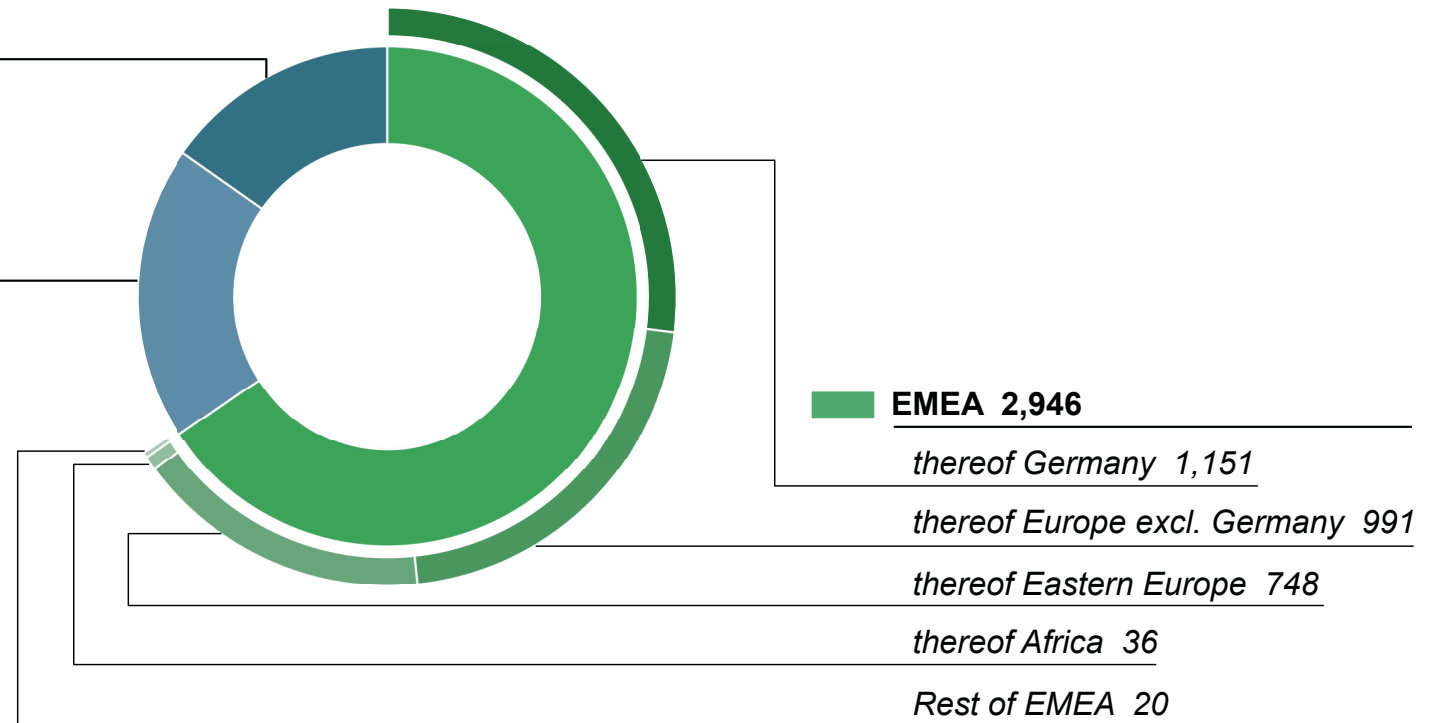
Studer Draht- und Kabelwerk
sales about € 84 m

Valeo Wiring Systems
sales about € 574 m

Daekyeung
sales about € 121 m

Americas 737

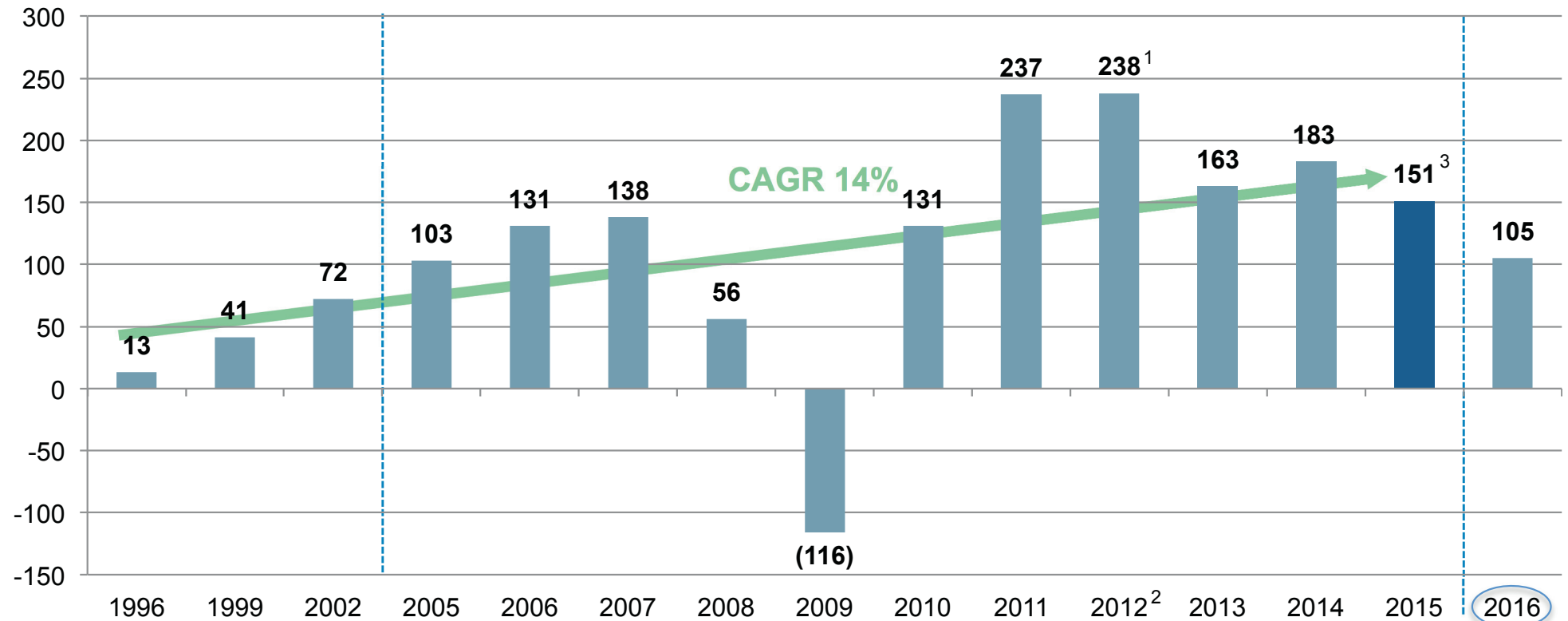
Asia / Pacific 820



Total 4.5 billion

by regions in million €

LEONI Group - EBIT long-term overview



in million €

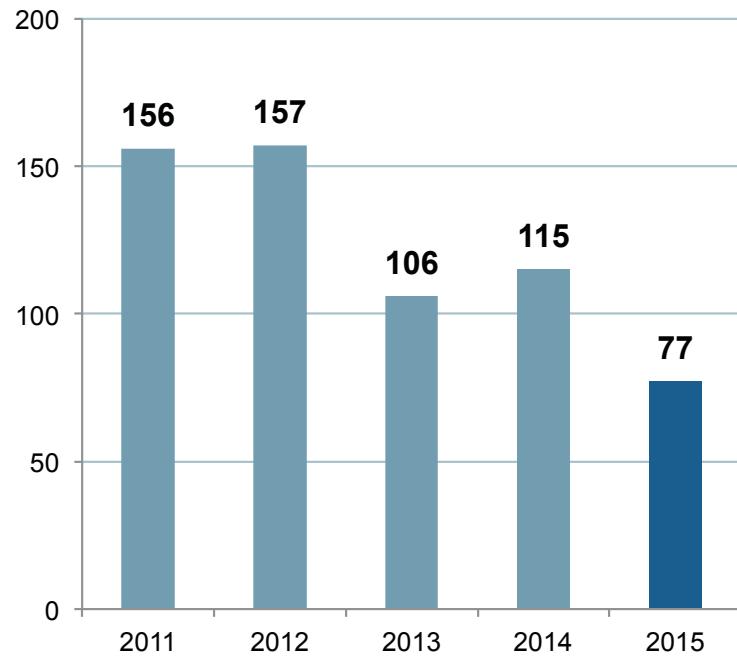
estimated

¹ Including the exceptional income from the sale of Studer Hard AG of € 28 million

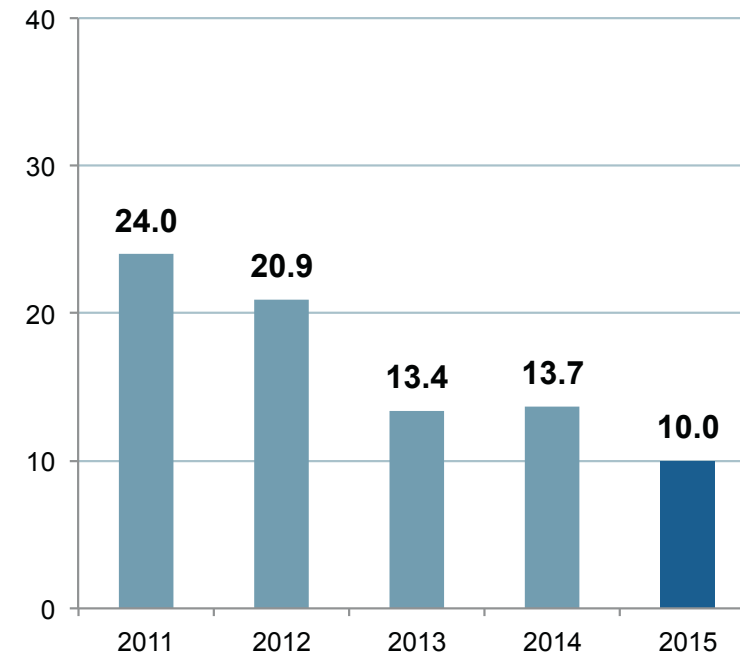
² Adjustment of various pre-year amounts due to amendment of IAS 19

³ Including the exceptional income from the sale of the 50 % share in Langfang LEONI Wiring Systems Co. Ltd. of € 19.6 million

Net income



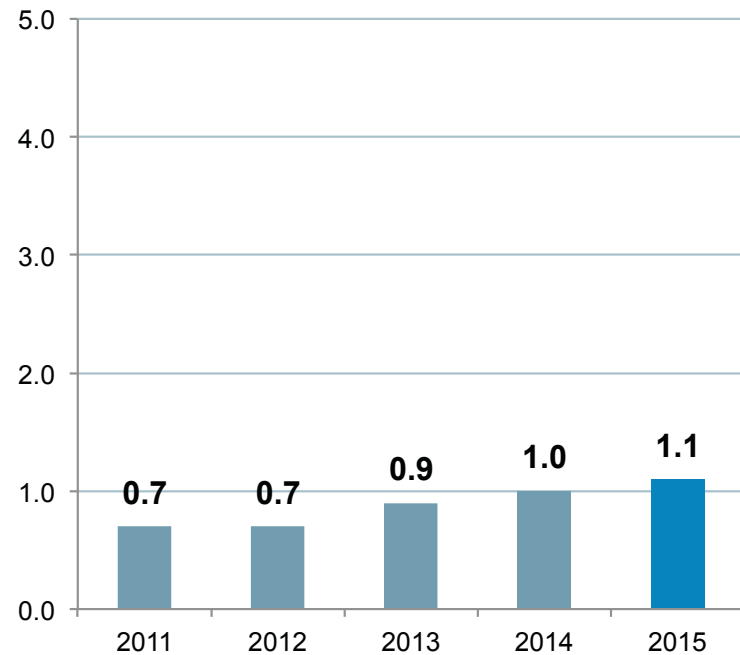
ROCE



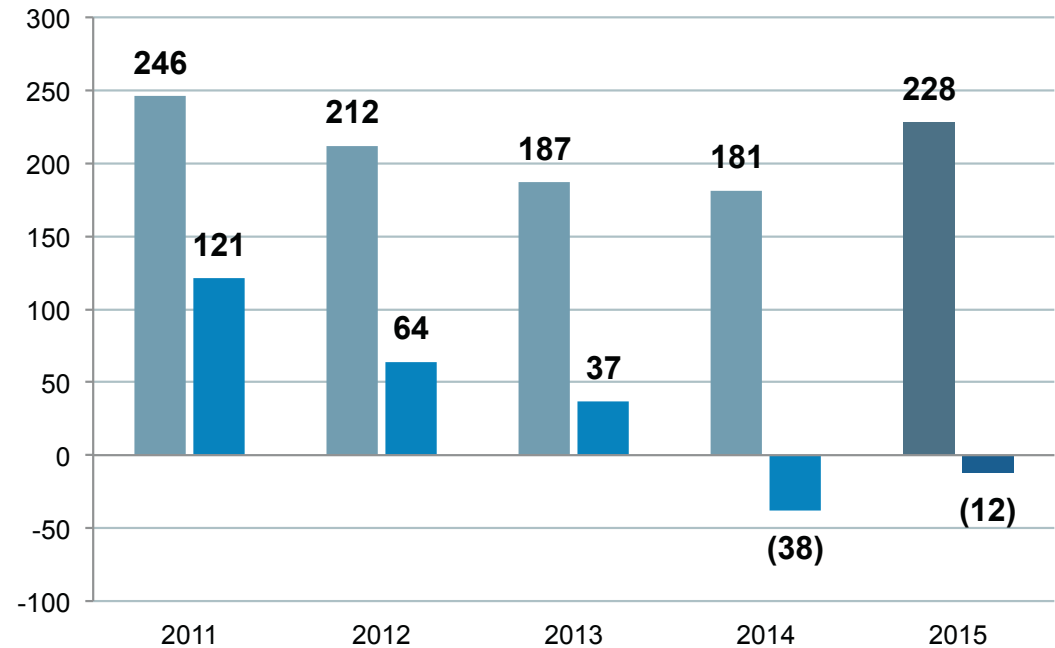
in million €

in %

Net debt / EBITDA



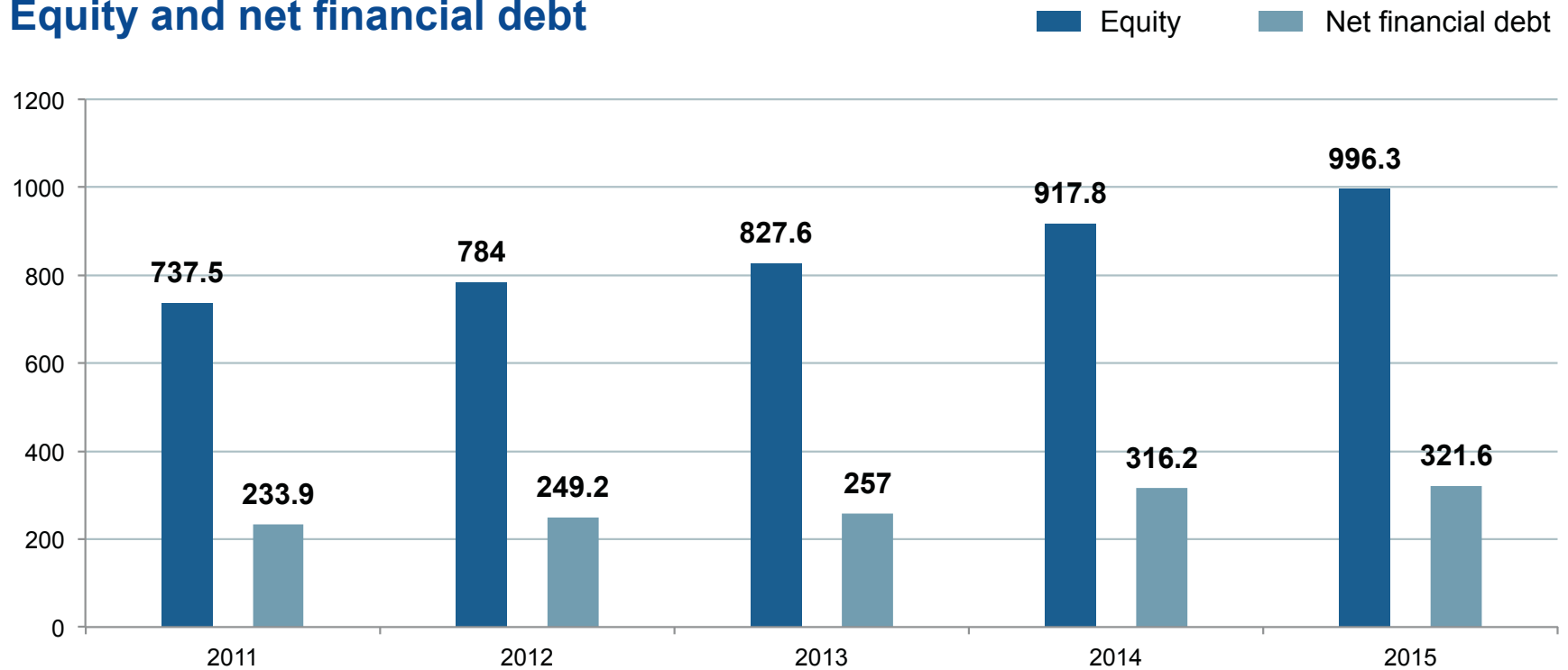
Operating cash flow Free cash flow *



in million €

* before dividends, acquisitions
and purchase or sale of own shares

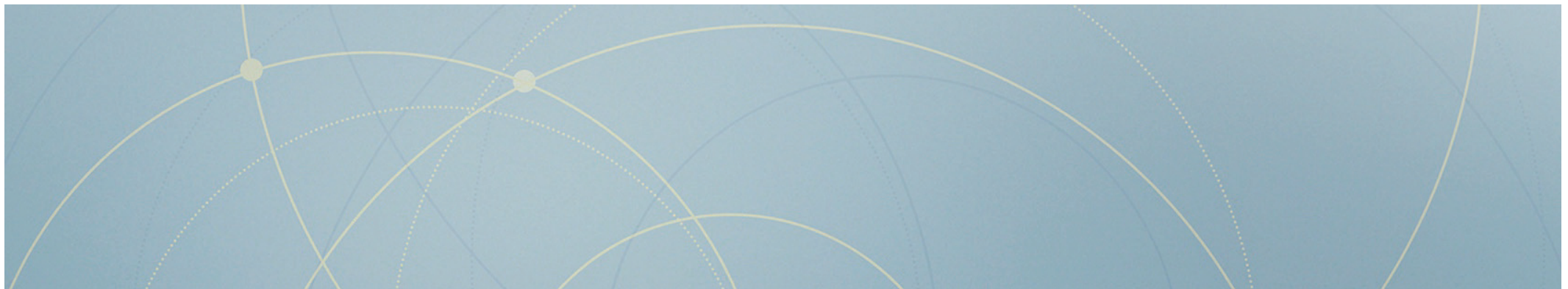
Equity and net financial debt



- **Consolidated sales of Euro 4.4 billion**
 - Slight decrease in demand
 - Lower metal prices
 - Chinese joint venture

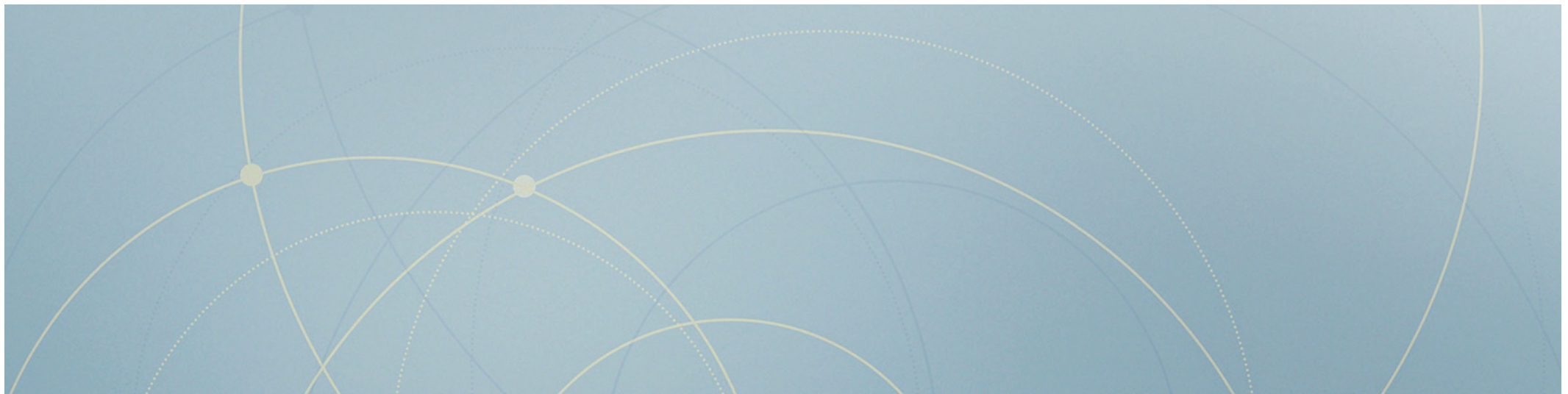
- **EBIT of Euro 105 million**
 - Missing contribution to profits
 - Further impact from critical wiring systems projects
 - Restructuring expenses

- **Capital expenditure with Euro 230 million on a high level**



- Continuation of WSD's efficiency measures
- Further development of WCS's range of services
- Bundling of higher-level functions at group level

→ Sustainable efficiency and increase in margins



Group forecast

		Actual figures 2015	Forecast for 2016
Sales	€ billion	4.5	4.4
EBIT	€ million	151.3	105
Capital expenditure	€ million	247.6	230
Free cash flow	€ million	(5.2)	(30)
Net financial liabilities	€ million	321.6	390
Equity ratio	%	35.1	35
Return on Capital Employed	%	10.0	6

Financial calendar 2016

Press Conference on Financial Statements	23 March 2016
Analyst and Investor Meeting	23 March 2016
Annual General Meeting	4 May 2016
Interim Report 1st Quarter 2016	11 May 2016
Interim Report 2nd Quarter and 1st Half 2016	10 August 2016
Interim Report 1st – 3rd Quarter 2016	16 November 2016

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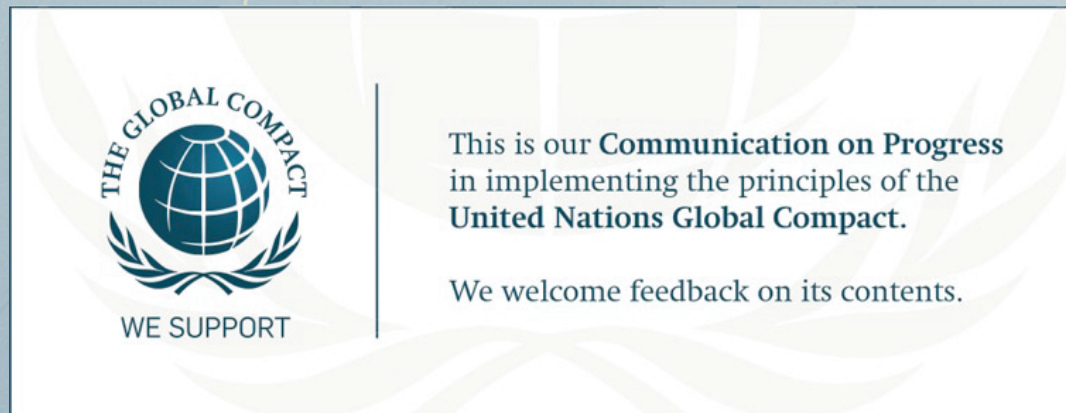




Declaration of support

As a company operating globally, LEONI has made it its mission to ensure observance of human rights and recognised labour standards at our facilities. This form of responsibility was already taken on in 2003 with publication of the LEONI Social Charta, continued in 2007 with the LEONI Code of Ethics and taken further forward in 2011 by joining the UN Global Compact.

Further informationen about the Global Compact Communication on Progress can be found on our website [www.leoni.com / downloads / corporate responsibility](http://www.leoni.com/downloads/corporate_responsibility)



Long-term finance (> 1 year)	Amount (in million €)	Placed (year)	Term (to year)
Borrower's note loan	63.0	2012	matures 2017
EIB loan	100.0	2013	matures 2018
Borrower's note loan	25.0	2012	matures 2018
Borrower's note loan	48.5	2012	matures 2019
Borrower's note loan	25.0	2013	matures 2020
Borrower's note loan	170.5	2015	matures 2020
Borrower's note loan	9.0	2012	matures 2022
Borrower's note loan	40.0	2015	matures 2022
Borrower's note loan	12.0	2015	matures 2025
Other loan	29.0	2016	matures 2019
Total	522		

- Credit lines: short- / medium- / long-term credit lines about: € 584 million
- As a matter of principal: no covenants / mortgages

Significant key figures in million

in million €	2011	2012 ¹	2013	2014	2015
Sales	3,701	3,809	3,918	4,103	4,503
Growth (index 2011 = 100 %)	100 %	103 %	106 %	111 %	122 %
EBITDA	344	354	284	306	298
EBIT	237	238	163	183	151
EBT	196	199	131	151	126
PAT	156	157	106	115	77
Growth (index 2011 = 100 %)	100 %	101 %	68 %	74 %	49 %
Depreciation and amortisation	107	116	121	123	147
Cash flow from current business operations	246	212	187	181	228
Investment (cash effective)					
– Investment in intangible assets and property, plant and equipment	127	161	154	220	248
– Investment in financial assets and acquisitions	3	25	0	0	0
Total net debt	234	249	257	316	322
Equity	737	784	828	918	996
Gearing ²	0.3	0.3	0.3	0.3	0.3
Employees (end of period)	60,745	59,393	61,591	67,988	74,018

¹ Adjustment of various pre-year amounts due to amendment of IAS 19

² Total net debts / equity

Significant key figures in %

in %		2011	2012 ¹	2013	2014	2015
EBITDA	(in % of sales)	9.3	9.3	7.3	7.5	6.6
EBIT	(in % of sales)	6.4	6.2	4.2	4.4	3.4
EBT	(in % of sales)	5.3	5.2	3.3	3.7	2.8
PAT	(in % of sales)	4.2	4.1	2.7	2.8	1.7
Equity	(in % of balance sheet total)	31.8	32.9	34.5	34.4	35.1
Investment ²	(in % of depreciation / amortisation)	128	133	139	175	168
ROCE 1 ³	(in %)	24.0	20.9	13.2	13.7	10.0
ROCE 2 ⁴	(in %)	19.9	17.2	11.2	11.0	6.8
ROE ⁵	(in %)	21.1	20.0	12.8	12.5	7.8

¹ Adjustment of various pre-year amounts due to amendment of IAS 19

² Investment in intangible assets and property, plant and equipment

³ EBIT / capital employed

⁴ PAT BI / capital employed

⁵ PAT / equity

Significant key figures per share

		2011	2012 ³	2013	2014	2015
Shares¹	(million shares)	32.7	32.7	32.7	32.7	32.7
Consolidated net income	(€ per share)	4.99	4.80	3.23	3.51	2.36
P/E	(factor)	5.2	5.9	16.8	14.1	15.1
Dividend	(million €)	49.0	49.0	32.7	39.2	32.7
Dividend per share	(€)	1.50	1.50	1.00	1.20	1.00
Dividend yield ²	(in %)	5.8	5.3	1.8	2.4	2.7
BVPS	(€)	22.57	24.00	25.3	28.09	30.5
Market capitalisation ²	(million €)	841	933	1,775	1,614	1,191
Share price closed	(€ per share)	25.75	28.55	54.33	49.40	36.45
Share price high for the year	(€ per share)	42.31	40.21	55.08	60.66	62.81
Share price low for the year	(€ per share)	21.69	23.42	28.97	39.02	32.10

¹ As per yearend

² Relating to price at yearend

³ Adjustment of various pre-year amounts due to amendment of IAS 19

Consolidated income statement

LEONI

		2015		2014		Change	
		€ million	%	€ million	%	€ million	%
Sales	1	4,502.9	100.0	4,103.4	100.0	399.5	9.7
Cost of sales	2	(3,780.0)	(83.9)	(3,401.1)	(82.9)	(378.9)	11.1
Gross profit on sales	3	722.9	16.1	702.3	17.1	20.6	2.9
Selling expenses	4	(233.8)	(5.2)	(213.8)	(5.2)	(20.0)	9.4
General and administrative expenses	5	(236.0)	(5.2)	(197.4)	(4.8)	(38.6)	19.6
Research and development expenses	6	(119.9)	(2.7)	(109.3)	(2.7)	(10.6)	9.6
Other operating income	7	44.0	1.0	12.6	0.3	31.4	248.3
Other operating expenses	8	(25.6)	0.6	(12.0)	(0.3)	(13.6)	113.7
Result from associated companies and joint ventures	9	(0.2)	0	0.2	0	(0.4)	(183.6)
EBIT	10	151.3	3.4	182.5	4.4	(31.2)	(17.1)
Finance revenue	11	1.4	0.0	0.7	0.0	0.7	114.3
Finance costs	12	(27.0)	0.6	(32.6)	(0.7)	5.6	(17.2)
Other income from share investments	13	0.1	0.0	0.1	0.0	0.0	(30.6)
Income before taxes	14	125.9	2.8	150.7	3.7	(24.8)	(16.5)
Income taxes	15	(48.6)	1.1	(35.7)	(0.9)	(12.9)	36.3
Net income	16	77.3	1.7	115.1	2.8	(37.8)	(32.8)

Addition of the individual amounts in € million in the above table may deviate from the reported totals due to rounding

Consolidated statement of financial position



	31/12/2015		31/12/2014		Disposition of funds	Source of funds
	€ million	%	€ million	%	€ million	€ million
Assets						
Cash and cash equivalents	279.7	9.9	232.0	8.7	47,7	
Trade receivables and other financial assets	603.2	21.3	562.4	21.1	40.8	
Other assets	93.6	3.3	92.6	3.4	1.0	
Receivables from income tax	14.9	0.5	10.9	0.4	4.0	
Inventories	547.9	19.3	564.2	21.2		16.3
Assets held for sales	7.0	0.3	9.6	0.4		2.6
Total current assets	1,546.3	54.5	1,471.7	55.3		
Property, plant and equipment	902.3	31.8	810.1	30.4	92.2	
Intangible assets	79.3	2.8	82.7	3.1		3.4
Goodwill	149.9	5.3	147.7	5.5	2.2	
Shares in associated companies and joint ventures	13.0	0.5	0.7	0.0	12.3	
Trade receivables from long-term development contracts	54.3	1.9	55.1	2.0		0.9
Other financial assets	8.3	0.3	7.5	0.3	0.8	
Deferred taxes	58.6	2.1	72.0	2.7		13.4
Other assets	25.4	0.9	19.8	0.7	5.6	
Total non-current assets	1,291.2	45.5	1,195.5	44.7		
Total assets	2,837.5	100.0	2,667.2	100.0	206.6	36.6

Addition of the individual amounts in € million in the above table may deviate from the reported totals due to rounding

Consolidated statement of financial position

LEONI

	31/12/2015		31/12/2014		Disposition of funds	Source of funds
	€ million	%	€ million	%	€ million	€ million
Equity and liabilities						
Current financial liabilities and proportion of long-term financial liabilities	102.4	3.6	99.8	3.7		2.6
Trade accounts payable and other financial liabilities	797.6	28.1	744.2	27.9		53.3
Income taxes payable	32.1	1.1	42.5	1.6	10.4	
Other current liabilities	149.1	5.3	151.0	5.7	1.9	
Provisions	32.7	1.2	28.3	1.1		4.4
Total current liabilities	1,113.9	39.3	1,065.8	40.0		
Long-term loans	498.8	17.6	448.4	16.8		50.4
Long-term financial liabilities	3.1	0.1	7.5	0.3	4.4	
Other non-current liabilities	9.9	0.4	9.1	0.3		0.8
Pension provisions	150.7	5.3	157.2	5.9	6.5	
Other provisions	26.7	0.9	24.0	0.9		2.7
Deferred taxes	37.9	1.3	37.5	1.4		0.4
Total non-current liabilities	727.2	25.6	683.7	25.6		
Equity	996.3	35.1	917.7	34.4		78.6
Total equity and liabilities	2,837.5	100.0	2,667.2	100.0	23.2	193.2
					229.8	229.8

Addition of the individual amounts in € million in the above table may deviate from the reported totals due to rounding

in million €	2015	2014
Consolidated net income	77.3	115.1
Adjustments to reconcile cash provided by activities		
Income taxes	48.6	35.7
Net interest	26.1	30.5
Dividend income	(0.1)	(0.1)
Depreciation and amortisation	147.0	123.4
Losses on assets held for sale and Intangible assets	4.3	0
Other non-cash expenses and income	0.2	(0.2)
Result of asset disposals	1.7	1.3
Effect of revaluation and deconsolidation	(23.0)	0
Change in operating assets and liabilities, adjusted for the impact of changes in the scope of consolidation		
Change in receivables and other financial assets	(53.2)	(48.3)
Change in inventories	16.6	(54.5)
Change in other assets	(5.6)	(12.5)
Change in provisions	10.6	(7.9)
Change in liabilities	38.2	54.9
Income taxes paid	(41.9)	(32.7)
Interest paid	(19.6)	(24.2)
Interest received	1.0	0.4
Dividends received	0.1	0.1
Cash provided by operating activities	228.0	180.9

Addition of the individual amounts in € million in the above table may deviate from the reported totals due to rounding

in million €	2015	2014
Capital expenditures for intangible assets and property, plant and equipment	(247.6)	(219.7)
Capital expenditures for other financial assets	(0.2)	0.0
Cash receipts from disposal of assets and disposal of assets held for sales (incl. liabilities)	4.3	0.9
Income from disposal of a business operation/ subsidiaries less cash and cash equivalents paid	10.3	0
thereof: Disposal proceeds: € 0 k (previous year: € 120 k) Cash and cash equivalents paid: € 0 k (previous year: € 0 k)		
Cash used for capital spending activities	(233.2)	(218.7)
Cash receipts from acceptance of financial debts	251.0	135.3
Cash repayments of financial debts	(165.7)	(37.6)
Dividends paid by LEONI AG	(39.2)	(32.7)
Dividends paid to the non-controlling interest shareholders	0	(0.2)
Cash provided by/ used for financing activities	46.1	64.8
Change of cash and cash equivalents	40.9	(26.9)
Currency adjustment	6.8	7.1
Cash and cash equivalents at beginning of period	232.0	198.0
Cash and cash equivalents at end of period	279.7	232.0

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This presentation includes forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realised from the proposals described herein. This presentation contains a number of forward-looking statements including, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. LEONI has based these forward-looking statements on its views with respect to future events and financial performance. Actual financial performance of the entities described herein could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated. Given these uncertainties, readers should not put undue reliance on any forward-looking statements.

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