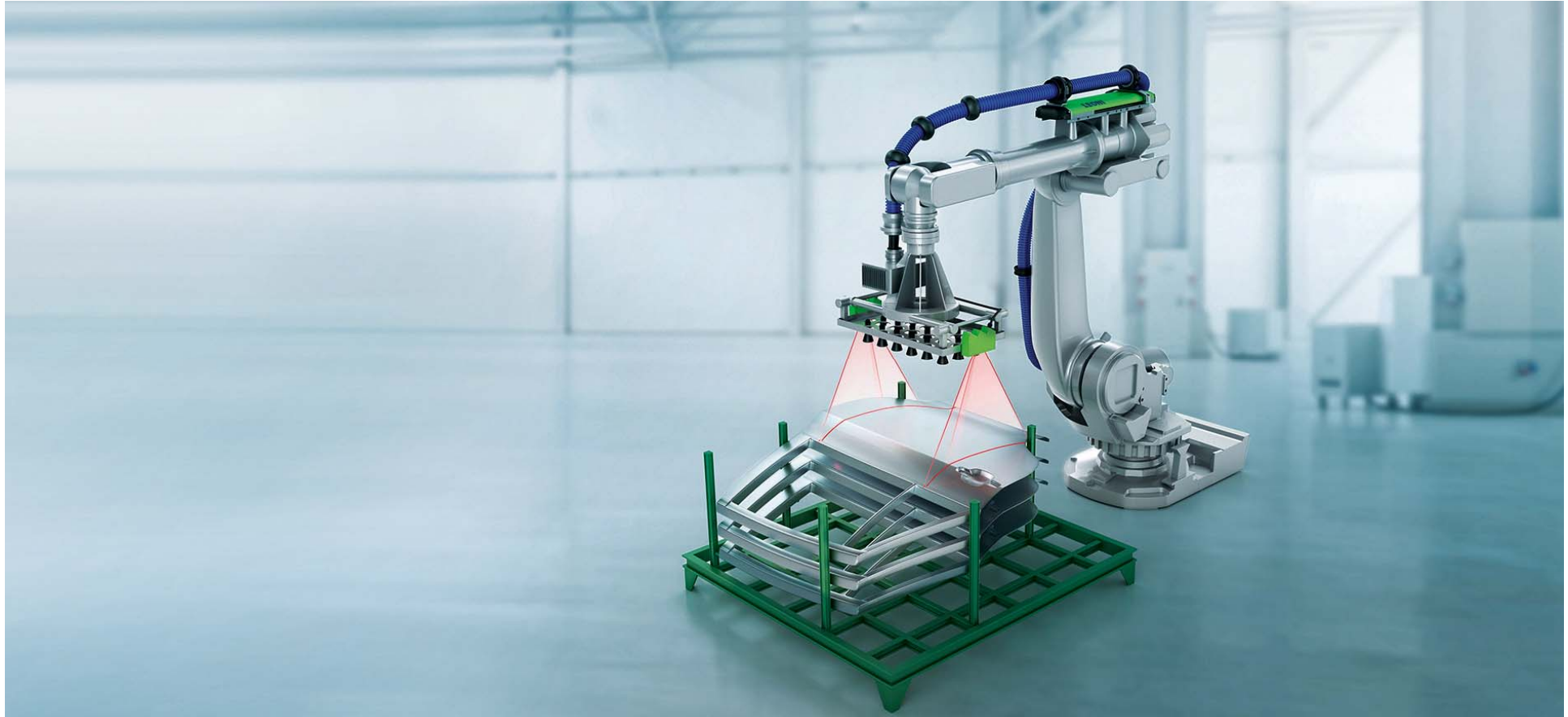


Interim Report 1st Half 2016



The Quality Connection

LEONI

Highlights 1st Half 2016



Consolidated sales come to €2.24 billion and thus nearly the previous year's level

EBIT of €61.9 million exceeds expectations

WCS Division with a new strategic alignment as a solutions provider

Wiring Systems Division (WSD) obtains large order from PSA Group

WSD restructuring programme running on schedule

Forecast for 2016 as a whole reaffirmed

Group Key Figures



€ million	2 nd quarter			1 st half		
	2016	2015	Change in %	2016	2015	Change in %
Sales	1,148.2	1,155.7	(0.7)%	2,237.5	2,264.5	(1.2)%
EBIT	37.6	50.4	(25.4)%	61.9	85.5	(27.6)%
Restructuring cost	18.8	1.5	>100 %	21.1	1.5	>100 %
EBIT before restructuring expenses	56.4	51.9	8.7%	83.0	87.0	(1.9)%
Effect of purchase price allocation (PPA)	3.6	2.7	33.3%	7.3	5.5	32.7%
Other adjustments	0.4	0.0	-	0.4	0.0	-
Adjusted EBIT	60.4	54.6	10.6%	90.7	92.5	(1.9)%

Rounding differences may for arithmetical reasons occur versus the mathematically precise figures.

Wiring Systems Key Figures



	2 nd quarter		1 st half		Change
	2016	2015	2016	2015	1 st half 2016/ 2015
<i>€ million (except employees)</i>					
External sales	715.6	683.8	1,366.8	1,337.7	2.2%
EBIT	17.1	35.0	22.1	52.8	(58.1)%
Restructuring cost	18.1	1.1	19.7	1.1	>100 %
EBIT before restructuring expenses	35.2	36.1	41.8	53.9	(22.4)%
Effect of purchase price allocation (PPA)	3.3	2.3	6.7	4.6	45.7%
Other adjustments	0.4	0.0	0.4	0.0	-
Adjusted EBIT	38.9	38.4	48.9	58.5	(16.4)%
EBIT as a percentage of external sales	2.4%	5.1%	1.6%	4.0%	-

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Transformation programme: leaner and more efficient structures

- Further progress with our comprehensive reorganisation of the WSD:
 - Trimmed organisational structure from five levels to three effective 1 June 2016.
 - Pooled Central Functions and customer relationship management transferred to twelve Business Units.
 - Clearer lines of responsibility, shorter decision-making channels, more efficient and less costly collaboration between departments.
 - About 1,100 fewer jobs worldwide this year, of which about 70 in Germany and approx. 150 in such other high wage countries as France, the United Kingdom, South Korea and the United States.
 - From 2017, these measures will raise our profitability on a lasting basis:
Total impact to be expected will be 30 million euro on an annual basis.
- Improved performance of the critical projects during the period under report:
Initial benefit from efficiency enhancement measures such as adjusting the production concept, optimising logistics processes and relocating some work to other facilities.
 - Increasingly positive effect over the whole term of the project.

Significant follow-on orders from the PSA Group

- Two important follow-on orders from the PSA Group in Q2 2016 being worth about 500 million euro over the project term.
 - Principal supplier to this major French carmaker
 - Launch of the new Peugeot models also in China, South America and Russia
 - > Benefit in these regions as well for LEONI as a global supplier to the PSA Group

Order backlog underpinned by further large-scale projects

- Key follow-on orders from other vehicle manufacturers in the past few months:
 - A range of new orders from European and Asian car companies for conventional wiring systems and cable harnesses as well as high-voltage wiring for several mid-market and premium-segment hybrid models.
 - Business Unit Components: order from a major German premium carmaker for smart boxes for two vehicle categories.
 - Also gain of several new projects from various customers in the commercial vehicle segment involving both the engine and complete wiring for various trucks and agricultural vehicles.
- Substantial order backlog of more than € 14 billion over the next five years
 - > solid foundation for the planned future growth.

Best Plant Award for LEONI facility in Romania

- Best Plant Award from PSA Group presented to our wiring systems factory in Pitesti, Romania.
- Commendation for the third time in succession, recognising in particular the delivery reliability and quality of products made there.

Wire & Cable Solutions Key Figures



	2 nd quarter		1 st half		Change
	2016	2015	2016	2015	1 st half 2016/ 2015
<i>€ million (except employees)</i>					
External sales	432.6	471.9	870.7	926.8	(6.1)%
EBIT	20.5	15.5	39.8	32.5	22.5%
Restructuring cost	0.7	0.4	1.3	0.4	>100 %
EBIT before restructuring expenses	21.2	15.9	41.1	32.9	24.9%
Effect of purchase price allocation (PPA)	0.3	0.4	0.6	0.8	(25.0)%
Adjusted EBIT	21.5	16.3	41.7	33.7	23.7%
EBIT as a percentage of external sales	4.7%	3.3%	4.6%	3.5%	-

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Good demand for high-quality automotive and industrial cables

- Business Group Automotive Cables:
 - Strong demand of high-quality special cables especially in Europe and the United States.
 - Weaker standard cables business in China.
 - Sales were down by about 9 percent due to heavily adverse copper price and exchange-rate effects.

- Business Group Industry & Healthcare:
 - Overall sales in industrial sectors 4 percent below that of previous year.
 - Operational gains above all in the profitable medical technology and fiber optics segments.

- Business Group Communication & Infrastructure:
 - Weaker business involving data cables and cables for the petrochemical industry for cyclical reasons

Order receipts exceed sales

- Business Group Automotive Cables:
 - Several follow-on orders from various automotive component suppliers in Q 2 2016: High-quality special cables for example, for antenna applications as well as driver assistance and infotainment systems in vehicles.
- Business Group Industry & Healthcare:
 - Order for cabling systems for a new generation of cutting-edge x-ray machines from a major European medical equipment manufacturer.
 - Start of cooperation with GE for providing cable system solutions for renewable energy markets.
- Business Group Communication & Infrastructure:
 - Major project of an international railway engineering manufacturer covering much of the wiring for two new platforms for rail vehicles.

Strategic realignment: from cable manufacturer to solutions provider

- Strategic vision: development into a leading provider of intelligent and secure energy transmission and data management system solutions.
- Successful reposition in keeping with the megatrends of energy and data management.
- Transformation of the WCS Division from being a dependable wire and cable manufacturer into a customer-oriented solutions provider and preferred partner of global OEMs.
- New options for operating with sustained success on the basis of innovative products, solutions and services due particularly to the trend towards digitalisation (Industry 4.0).
- Changes to the organisational structure: effective 1 July 2016 combination of Business Groups Industry & Healthcare as well as Communication & Infrastructure to Business Group Industrial Solutions.

Innovation prize for 6D calibration system

- Initial projects as a solution and systems provider:
 - For example, such intelligent innovations as the new 'advintec 6D laser measurement' calibration system.
 - The MaschinenMarkt trade publication commended the system as one of the Automatica trade fair's most innovative exhibits in the 'image processing and sensor systems' category.

Group Consolidated Income Statement

LEONI

€ million	2 nd quarter			1 st half		
	2016	2015	Change 2016/ 2015	2016	2015	Change 2016/ 2015
Sales	1,148.2	1,155.7	(0.7)%	2,237.5	2,264.5	(1.2)%
Cost of sales	(934.8)	(959.9)	(2.6)%	(1,852.3)	(1,886.6)	(1.8)%
Gross profit on sales	213.5	195.8	9.0%	385.2	377.8	2.0%
Selling expenses	(63.0)	(59.0)	6.6%	(123.4)	(115.8)	6.5%
General and administration expenses	(62.3)	(57.2)	9.0%	(122.1)	(116.5)	4.8%
Research and development expenses	(33.6)	(29.6)	13.6%	(66.2)	(60.9)	8.8%
Other operating income	6.0	5.8	2.3%	11.8	9.7	21.3%
Other operating expenses	(26.3)	(5.5)	>100.0 %	(28.4)	(8.9)	>100.0 %
Result from associated companies and joint ventures	3.4	0.0	>100.0 %	5.1	0.0	>100.0 %
EBIT	37.6	50.4	(25.4)%	61.9	85.5	(27.6)%
Restructuring cost	18.8	1.5	>100 %	21.1	1.5	>100 %
EBIT before restructuring expenses	56.4	51.9	8.7%	83.0	87.0	(1.9)%
Finance revenue	0.2	0.5	(54.7)%	0.6	1.0	(39.6)%
Finance costs	(5.8)	(7.1)	(17.7)%	(11.8)	(15.0)	(21.5)%
Other income/ expenses from share investments	0.0	0.0	-	0.1	0.1	14.0%
Income before taxes	32.0	43.8	(26.9)%	50.8	71.6	(29.0)%
Income taxes	(7.7)	(8.7)	(12.4)%	(14.9)	(19.8)	(24.5)%
Net income	24.3	35.1	(30.6)%	35.9	51.8	(30.7)%

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Group Consolidated Statement of Financial Position **LEONI**

	30/06/2016	31/12/2015	30/06/2015
<i>€ million</i>			
Current assets			
Cash and cash equivalents	148.1	279.7	152.7
Trade accounts receivable	635.3	562.2	672.1
Other financial assets	22.8	41.0	25.1
Other assets and receivables from income taxes	155.5	108.5	132.6
Inventories	608.3	547.9	623.9
Assets held for sale	0.0	7.0	7.0
Property, plant and equipment and intangible assets	996.3	981.6	955.3
Goodwill, shares in associated companies and joint ventures	166.8	163.0	151.8
Trade receivables from long-term development contracts	52.0	54.2	57.0
Other financial assets and deferred taxes	72.5	66.9	75.8
Other assets	32.3	25.4	23.1
Total assets	2,889.9	2,837.4	2,876.4

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Group Consolidated Statement of Financial Position **LEONI**

	30/06/2016	31/12/2015	30/06/2015
<i>€ million</i>			
Current liabilities			
Current financial debts and current proportion of long-term financial debts	71.1	102.4	58.0
Trade accounts payable	779.4	735.7	788.3
Other financial liabilities	70.4	61.8	35.7
Income taxes payable and other current liabilities	205.9	181.4	196.7
Provisions	38.6	32.7	23.9
Long-term financial debts	525.4	498.8	540.9
Long-term financial liabilities and other non-current liabilities	13.1	13.0	20.6
Pension provisions	183.8	150.7	159.3
Other provisions	27.9	26.7	24.6
Deferred taxes	34.0	37.9	36.9
Total equity	940.3	996.3	991.5
Total equity and liabilities	2,889.9	2,837.4	2,876.4

Rounding differences may for arithmetical reasons occur versus the mathematically precise figures.

Group Consolidated Statement of Cash Flows



	2 nd quarter		1 st half	
	2016	2015	2016	2015
<i>€ million</i>				
Net income	24.3	35.1	35.9	51.8
Depreciation and amortisation	36.6	34.3	73.5	67.9
Change in operating assets and liabilities	(8.7)	(18.6)	(90.1)	(106.3)
Other	(5.3)	(1.5)	(4.4)	4.1
Cash flows from operating activities	46.9	49.3	14.9	17.5
Cash flows from capital investment activities	(52.0)	(54.6)	(104.7)	(108.8)
Free cash flow (before acquisitions and divestments)	(5.1)	(5.3)	(89.8)	(91.3)

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Group Forecast



		Actual 2015 figures	Forecast 2016
Consolidated sales	€ billion	4.5	4.4
EBIT	€ million	151.3	105
Capital expenditure	€ million	247.6	230
Free cash flow	€ million	(5.2)	(30.0)
Net financial liabilities	€ million	321.6	390
Equity ratio	%	35.1	35
Return on Capital Employed	%	10.0	6

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Q & A - Session

