

## Media release

### Leoni continued to expand in the first quarter of 2008

Sales and EBITDA up significantly – consolidated net income near the previous year's level – forecasts for 2008 reaffirmed

**Nuremberg, 7 May 2008 – The Leoni Group grew further in the first quarter of 2008. Compared with the same period of the previous year, consolidated sales increased by more than 31 percent to EUR 770.6 million (Q1/2007: EUR 586.5 million) due above all to initial consolidation of the new subsidiary Leoni Wiring Systems (LWS) France, the former wiring systems division of Valeo. Earnings before interest, taxes and depreciation/amortisation (EBITDA) rose by 16 percent to EUR 61.2 million (2007: 52.7) despite extensive pre-production spending on new projects. Due to the expected adverse effect on earnings of revaluation according to the purchase price allocation of LWS France, earnings before interest and taxes after three months of 2008 were, at EUR 34.1 million, down slightly on the previous year's figure of EUR 35.3 million. With a figure of EUR 20.0 million, consolidated net income likewise came close the level in the first quarter of 2007 (EUR 20.7 million).**

To facilitate further growth in the future, Leoni increased its spending on property, plant and equipment as well as intangible assets significantly in the period under report, to EUR 31.5 million (from EUR 15.4 million in the previous year). This included expansion of capacity for production of wiring systems in China, North Africa and Eastern Europe as well as setting a new facility in Bautzen, Germany for refining polymer cables by means of irradiation crosslinking.

On the 31 March 2008 reporting date, the Leoni Group had 52,179 employees (34,721 in the previous year). This strong increase was the result mainly of having integrated LWS France with 14,714 employees. In Germany the workforce grew by 6 percent to 4,130 people and outside Germany by 56 percent to 48,049.

### **Earnings-oriented growth at Wire & Cable Solutions**

In its Wire & Cable Solutions division, Leoni increased sales by 11 percent, from EUR 323.7 million in the first quarter of 2007 to EUR 359.5 million; growth generated in roughly equal halves from own resources and by way of acquisitions. Thanks to its good position in profitable niche markets and its high capacity utilisation, the division's earnings before interest and taxes (EBIT) climbed by 21 percent in the first three months of 2008, to EUR 21.9 million from EUR 18.2 million in the previous year. Business involving special cables for the automotive industry as well as infrastructure projects, petrochemical plant and automation performed especially strongly.

### **Integration of Leoni Wiring Systems France successfully started**

The Wiring Systems division benefited in the period under report from initial consolidation of LWS France, which has been part of the Group since 2 January 2008, and thereby expanded the volume of its business substantially to EUR 411.1 million (2007: 262.8). Integration of this new subsidiary, which outperformed expectations in the first quarter of 2008 and generated sales of EUR 159.2 million, was the focal point of activity. In addition, the division stepped up development work and preparations for series production start-up of new projects, which will boost sales in the years ahead. This pre-production spending as well as the adverse effect on earnings of revaluation related to allocation of the price to purchase LWS France resulted in the expected decline of the division's operating earnings (EBIT) to EUR 13.4 million (2007: 16.7). Excluding the adverse effect on earnings from revaluation pertaining to LWS France EBIT came to € 18.4 million.

### Guidance for 2008 reaffirmed

Leoni is still confident about the whole of 2008 and still expects sales and earnings increases in both divisions. On this basis, the Leoni Group is still forecast to generate sales of at least EUR 3 billion as well as earnings before interest and taxes of about EUR 140 million. "Regardless of economic researchers' increasingly cautious forecasts," said Leoni CEO Dr Klaus Probst, "there are no signs of a downtrend in the markets of importance to us." Thanks to its very broad international footprint and a widely diversified customer base, Leoni also considers itself to be in a strong position that limits the company's exposure to economic fluctuation in single countries or among individual buyer groups. Probst adds: "This enables us to generate growth even during economically difficult times."

### Overview of Leoni's consolidated figures

	Q1/2008	Q1/2007	Change
Group external sales	EUR 770.6 million	EUR 586.5 million	31.4 %
EBITDA	EUR 61.2 million	EUR 52.7 million	16.1 %
EBIT	EUR 34.1 million	EUR 35.3 million	-3.4 %
EBIT excl. the effect of any revaluation*	EUR 39.7 million	EUR 35.7 million	11.2 %
Consolidated net income	EUR 20.0 million	EUR 20.7 million	- 3.4 %
Investment in property, plant and equipment as well as intangible assets	EUR 31.5million	EUR 15.4 million	104.5 %
Equity ratio	26.6 %	36.1 %	—
Earnings per Share	EUR 0.67	EUR 0.69	-2.9 %
Employees (as at 31 December)	52,179	34,721	50.3 %

\* Earnings excluding the effect of revaluation according to the purchase price allocation of major acquisitions.

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***The interim report on the first quarter of 2008 as well as up-to-date illustrations is available for download at [www.leoni.com](http://www.leoni.com).***