Interim Report
1st Quarter 2015

The Quality Connection

LEONI

Highlights: 1st quarter 2015

- **Consolidated sales up by about 9 percent to a new high: quarterly sales of more than € 1.1 billion for the first time**
- **EBIT of € 35.2 million (previous year: € 50.6 million) due to major pre-production spending on new projects**
- **First order for wiring systems from the Korean carmaker Hyundai Motor Company**
- **Forecast for the year as a whole reaffirmed**

LEONI – The Quality Connection

The LEONI Group operates worldwide, providing wires, optical fibers, cables and cable systems as well as related services for applications in the automotive sector and other industries. The Company employs about 70,000 people in 31 countries. LEONI develops and manufactures technically sophisticated products for the motor vehicle industry – ranging from the single-core cable through to the complete wiring system with integrated electronics. The product range also encompasses wires and strands as well as optical fibers, standardised cables, special, hybrid and optical cables as well as completely assembled systems for customers in different industrial markets. Products specifically for application in environmentally friendly technologies are meanwhile gaining in significance.

Cover image:
LEONI is responding with two new plants this year to the growing demand in the automotive cables segment. Our facilities in Celaya (Mexico, pictured) and Panjin (China) will enable shorter delivery lead times to our customers in Asia and the Americas.

Rounding differences may for arithmetical reasons occur in the tables, charts and references versus the mathematically precise figures (monetary units, percentages, etc.).

This Interim Report is published in German and English. The original is in German language. In case of doubt or conflict, the German language version will prevail.

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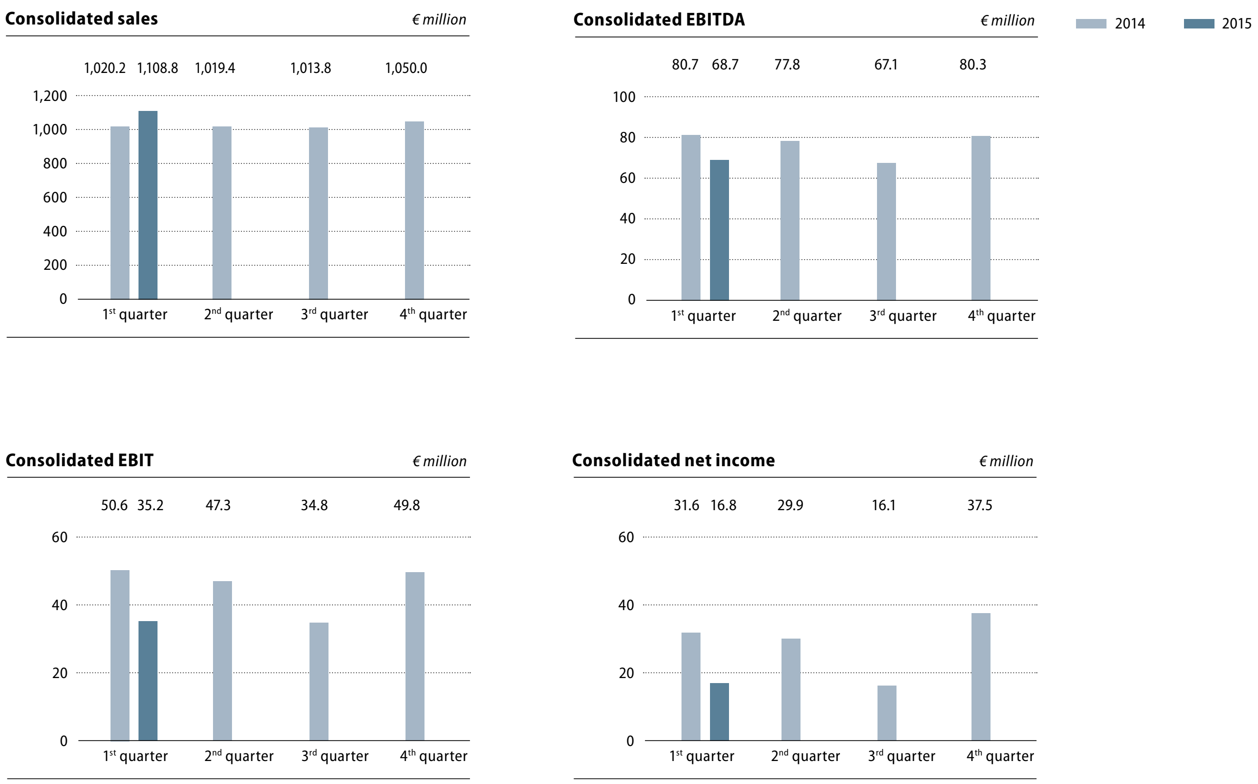
Group key figures

	1st quarter		
€ million	**2015**	**2014**	**Change**
Sales	1,108.8	1,020.2	8.7 %
Earnings before interest, taxes and depreciation/amortisation (EBITDA)	68.7	80.7	(14.9) %
Earnings before interest and taxes (EBIT)	35.2	50.6	(30.5) %
Adjusted earnings before interest and taxes (EBIT) [1]	37.9	52.8	(28.2) %
Earnings before taxes (EBT)	27.8	43.7	(36.4) %
Consolidated net income	16.8	31.6	(46.8) %
Capital expenditure (incl. acquisitions)	38.1	35.1	8.5 %
Equity ratio (%)	33.3 %	34.2 %	—
Earnings per share (€)	0.51	0.96	(46.9) %
Employees as at 31/03/ (number)	70,065	64,071	9.4 %

[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 disposals and on business combinations including related derivatives.



The LEONI Share

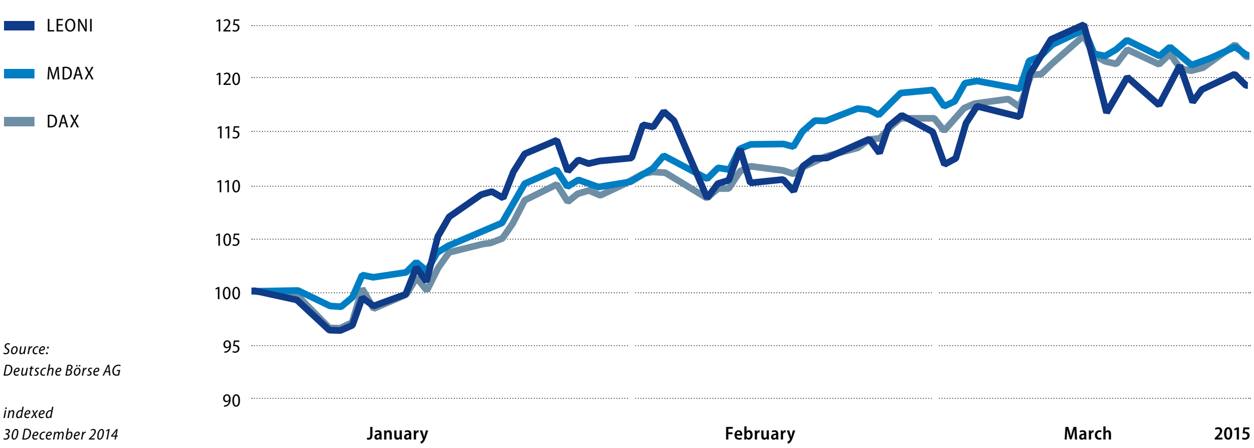
Strong gains on European equity markets in the first quarter of 2015

Sentiment on the international markets was on the whole upbeat during the first three months of the current year. In Europe, the bond-buying programme of the ECB (European Central Bank), the weak common currency and the improved economic data caused equities to rally, in the course of which the Euro Stoxx 50 index gained significantly in value. The somewhat diminished momentum in China and the uncertainty about Greece weighed on the markets only briefly. The Japanese Nikkei index also recovered some ground, while the strong US dollar held back the American market barometer where the gain was only a minor one. Germany's leading DAX index topped the 12,000-point threshold for the first time in March 2015 and, at the end of the first quarter, was 22 percent above its level at the close of 2014. The MDAX likewise rose by 22 percent in this period.

Overview of key LEONI share data

First listed on	1 January 1923
Ticker symbol	LEO
ISIN	DE0005408884
WKN	DE540888
Class of shares	Ordinary bearer shares with no par value
Market segment	Prime Standard
Index	MDAX
Share capital	€ 32,669,000
Number of shares	32,669,000

1st quarter 2015 performance



Source: Deutsche Börse AG

indexed 30 December 2014

LEONI share rises by more than 19 percent

The shares of the automotive and component supply industries even slightly outperformed the overall markets. At the end of March, the DAX 'Automobile' index and the sub-index for the automotive suppliers were up by 30 and 24 percent, respectively. LEONI's share also rose, albeit with a little less momentum: starting from the low for the year to date of € 47.64 recorded in the first days of January, the price climbed with minor corrections to a new high of € 61.79 by mid-March. At the end of the quarter our share traded at € 58.97, which equates to appreciation of more than 19 percent versus the end of 2014.

The market capitalisation of the roughly 32.7 million LEONI shares amounted to nearly € 1,927 million at the end of March 2015, up from € 1,614 million on 31 December 2014.

Key LEONI share figures

		1st quarter	
		2015	**2014**
Net result	*€/share*	0.51	0.96
Equity	*€/share*	30.38	25.95
High [1]	*€/share*	61.79	59.57
Low [1]	*€/share*	47.64	49.36
Closing price [1] at end of quarter	*€/share*	58.97	52.97
Average daily trading volume	*no. of shares*	248,538	265,577
Market capitalisation at end of quarter	*€ million*	1,926.5	1,730.5

[1] *XETRA closing prices of the day*

Trading volumes

An average of about 249,000 LEONI shares changed hands per trading day in the first three months of 2015, as opposed to approximately 266,000 shares in the same period of the previous year. The number of LEONI shares traded during the period under report totalled 15.7 million (previous year: 16.7 million).

Analysts still upbeat about LEONI

Of the 22 financial market analysts who cover LEONI on a regular basis (as of the end of March), the majority still regard our share as a good investment. 13 investment specialists rated our share as buy, five analysts issued hold recommendation and four advised selling.

Shareholder structure virtually unchanged

All LEONI shares are in free float. Our shareholder structure was virtually unchanged in the first three months of 2015: about two thirds of the 32,669,000 shares are held by institutional investors; the remainder is in the hands of private shareholders. Wilms Beteiligungs GmbH and the US investment firm of T. Rowe Price had holdings of between 3 and 5 percent at the end of the quarter. No single shareholder owned more than 5 percent of the shares during the period under report. The majority of LEONI shares, i.e. roughly two thirds, are held in Germany. The remaining third is evenly spread between the rest of Europe, especially so in the United Kingdom, and in the United States.

The announcements of voting rights that LEONI received in the first quarter of 2015 are, along with earlier disclosures, accessible on our website under the heading Investor Relations / Share / Voting rights announcements.

Quarterly financial report
Interim group management report

Overview of conditions and business performance

Macroeconomic trend

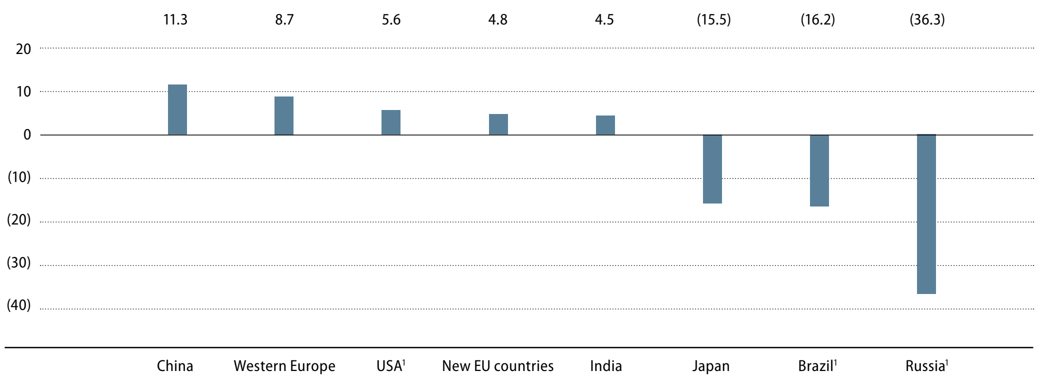
The trend of the global economy was on the whole favourable at the beginning of 2015. In the view of Germany's leading economic research institutes, global output is likely to have picked up slightly early in the year – due above all to the sharp drop in the price of crude oil. This resulted in recovery especially of the advanced economies. The European economy furthermore benefited from the sharp devaluation of the euro. On the other hand, the slump in commodity prices and partially also such problems in the domestic economy as the real estate crisis in China adversely affected the large emerging countries.

Sentiment in the German economy brightened up slightly at the beginning of the year against the backdrop of the decline in the oil price, the robust US economy and the euro's weakness. According to a survey by the Association of German Chambers of Commerce and Industry (DIHK), many businesses in Germany are therefore looking forward with confidence to the next few months and have also raised their export projections moderately.

Business by sector

The customer industries of importance to LEONI performed solidly in the first quarter. For instance, according to the German Association of the Automotive Industry (VDA), the international **motor vehicle industry** posted strong increases in its sales figures in the three key regions of the Americas, Asia and Europe in the period from January to March 2015. The IHS Automotive market research institute estimates that global output of passenger cars and light commercial vehicles rose by 0.4 percent versus the same period of the previous year. This involved considerable production increases in both North America and China, whereas the figures decreased in Europe.

Trend of car sales in the key countries *January to March 2015 / 2014* %



[1] *Light vehicles (cars and light commercial vehicles)*
Source: VDA

Based on our observations, conditions on the market for heavy commercial vehicles on the whole remained good in early 2015. However, weaker demand for agricultural machinery in the United States offset the encouraging demand for trucks in Europe and the Americas (excluding Brazil).

Performance in the **electrical and electronics industry** has so far been mixed this year. The German Electrical and Electronic Manufacturers' Association (ZVEI) reported a 2.4 percent sales increase in Germany for the first two months, but flat order receipts and price-adjusted output figures.

The German Engineering Federation (VDMA) says that the domestic **machinery and plant engineering sector** likewise managed only to hold its order bookings steady in the first two months of 2015. This involved a 2 percent increase in orders from export markets, while domestic orders were down by 4 percent.

Sentiment at the beginning of the year among the German companies in the **digital economy** was good according to the German Association for Information Technology, Telecommunications and New Media (BITKOM). Providers of IT services and software were especially confident about the upcoming months, followed by the hardware manufacturers. By contrast, the providers of communication technology rated their prospects somewhat more sceptically.

Overview of LEONI AG’s business performance

The consolidated sales of LEONI AG rose by nearly 9 percent year on year in the first three months of 2015, to the new quarterly high of € 1,108.8 million. This involved consistently good demand from the global automotive industry as well as most of the other sectors of importance to LEONI, thanks to which both of the Company's divisions enlarged their business. Currency effects were also positively noticeable.

The LEONI Group’s earnings before interest and taxes (EBIT) of € 35.2 million for the period from January to March 2015 were considerably below the 2014 like-for-like figure of € 50.6 million. Due to the large number of new projects in the Wiring Systems Division, the Company incurred major pre-production and start-up costs during the period under report. In addition, there were the adverse effects of weak business involving infrastructure cables and in the petrochemical sector.

The consolidated sales of the first quarter slightly exceeded expectations due to foreign exchange rates. EBIT, on the other hand, fell slightly short of our projections. From today’s perspective, the new projects, a decrease in the Wiring Systems Division’s start-up costs and further pick-up of the infrastructure business as well as efficiency gains in both divisions will gradually contribute to an improved quality of earnings as the year progresses.

The LEONI Group’s strategy, business activity and its product range as well as its most important markets are comprehensively presented in the Annual Report 2014 and have not materially changed in the period under report. The current report can be read on and downloaded from LEONI’s website under the heading Investor Relations / Financial publications or requested from LEONI AG.

» **Annual Report 2014 page 49 et seq.**

Reports by division/Segment report

Wiring Systems Division

9 percent sales increase in the first quarter

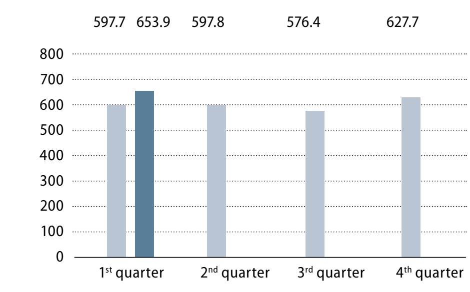
The external sales of the Wiring Systems Division (WSD) rose by more than 9 percent year on year in the first quarter of 2015, to € 653.9 million. The increase came to one of 4 percent on a currency-adjusted basis. Cable harnesses and wiring systems for the passenger cars of various German, other European and American automotive companies continued to be the main sales generators. Our shipments for compact-class models of the export-heavyweight German premium carmakers rose especially strongly. Sales to American motor vehicle manufacturers also increased significantly, whereas business with customers based in other European countries was down on the whole because of the still subdued performance of the French automotive industry. There was again a considerable increase in sales of engine cable harnesses to the international commercial vehicle manufacturers, meaning that the significance of this customer group rose further.

Record number of new projects

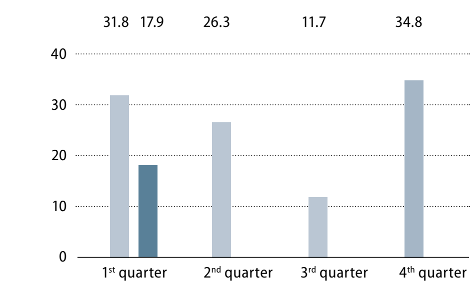
The customer projects started in the first quarter also already contributed to sales. Among other products, we began making wiring systems for various new compact-class cars of German automotive manufacturers. We also commenced mass production of engine cable harnesses for the vehicle platforms of a premium carmaker and several commercial vehicle manufacturers. In total, there are 27 major new projects scheduled to commence in 2015, more than ever before in the division's history. They will form the basis for the next growth surge in the year ahead, but initially incurred heavy pre-production and start-up costs during the period under report.

2014 2015

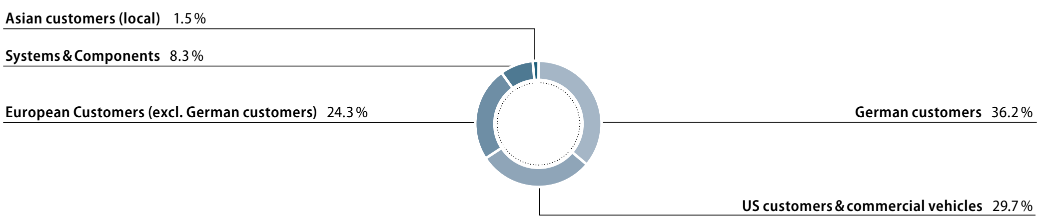
Wiring Systems external sales € million



Wiring Systems EBIT € million



Sales breakdown of Wiring Systems Q1/2015



Earnings before interest and taxes of € 17.9 m down significantly from previous year

The Wiring Systems Division's earnings before interest and taxes in the first quarter of 2015 were, at € 17.9 million, down considerably from the previous year's € 31.8 million. In particular, the large number of start-ups to be prepared affected EBIT. The earnings situation will improve in the course of 2015 because of decreasing pre-production costs.

First order from Hyundai

In January 2015, the Wiring Systems Division obtained a first order from the South Korean carmaker Hyundai Motor Company. Currently the world's fourth largest carmaker, Hyundai placed an order with us for cable harnesses for a mid-market vehicle that will be produced in the Czech Republic for the European market from the end of 2016. LEONI will supply between 130,000 and 160,000 cable harnesses p.a. over a period of probably six years. Our years of commitment to the important Korean car market are thus paying off. This new project simultaneously strengthens our position in the global market and broadens our customer base.

We obtained further new orders in the first three months of 2015 from, among others, various commercial vehicle manufacturers as well as the international component supply industry. In addition, a European motorcycle manufacturer placed an order with our Powers Sports (leisure and sport vehicles) unit. In total, the Wiring Systems Division's order backlog covering the next five years amounted to about € 12 billion at the end of March and thus formed a solid basis for the planned growth. The precise amount and timing of the shipments will depend on what our customers actually call forward.

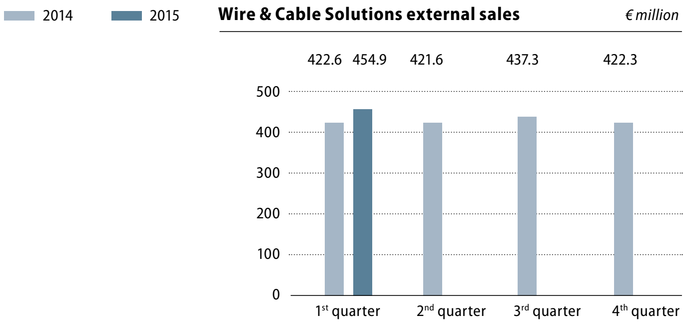
Wire & Cable Solutions Division

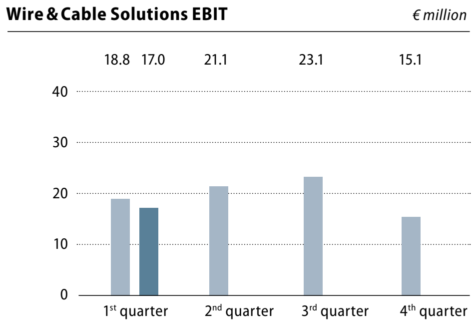
Sales up 8 percent to € 454.9 million

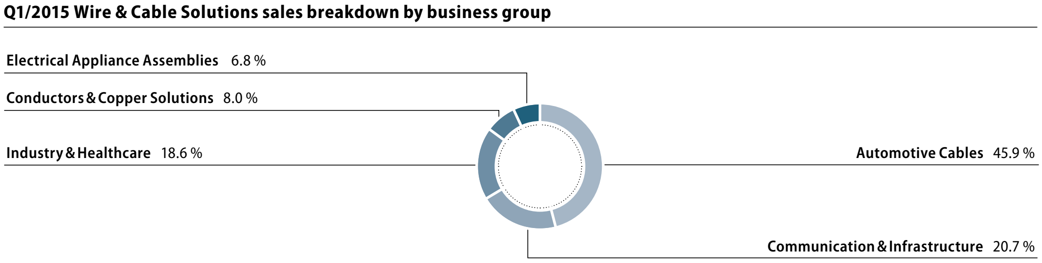
In the Wire & Cable Solutions Division (WCS), the rising demand for standard automotive and special cables as well as cables for the capital goods industry persisted in the first months of 2015. In the period from January to March, the division's external sales rose by nearly 8 percent or € 32.3 million year on year to € 454.9 million. This involved organic growth of € 12.7 million and a positive forex effect of € 32.6 million offset by a negative effect of € 13.0 million due to the price of copper. The amount of business grew especially strongly in Asia and the Americas, whereas it remained stable in the EMEA area.

Good business with automotive and industrial cables; weak performance involving infrastructure projects

Business Group Automotive Cables increased its sales by about 12 percent in the first quarter of 2015. We continued to register growing demand for standard and special cables from the automotive industry, especially so in Asia and the Americas. For this reason, we are currently setting up two new automotive cable plants in Mexico and China, which are to go into operation before the end of this year. Total sales in the industrial segments were up by about 4 percent year on year. Business Group Industry & Healthcare grew thanks to its good business with the robotics and capital goods industries, which offset the rather subdued demand for cable systems from the medical technology sector. Business Groups Conductors & Copper Solutions as well as Electrical Appliance Assemblies also made gains. In Business Group Communication & Infrastructure sales performance remained no better than steady. Especially our infrastructure business, most of which we conduct via our Swiss subsidiary, was compromised compared with the previous year by delays in the go-ahead given for projects. The demand for cables from the petrochemical industry revived, meaning that we were in a position to end short-time working at our facility in Stolberg, Germany. However, the corresponding projects will not benefit sales and earnings until the months ahead. There was further growth, on the other hand, in our business involving cable solutions for the Chinese solar industry.







Earnings before interest and taxes of € 17.0 million

The WCS Division generated EBIT of € 17.0 million between January and March 2015, down from € 18.8 million in the same period of 2014. In addition to the weak infrastructure business, the still limited sales in the petrochemical sector also exerted an adverse effect on earnings.

Launch of the Factory of the Future

The agreement to purchase a 134,000 square metre site at LEONI's location in Roth, Germany in the first quarter 2015 represented the go-ahead for our Factory of the Future. With the new building we will expand production capacity at this manufacturing location, which is steeped in our tradition, and make processes more efficient. In addition to development and production of high-quality cables and conductors, the Factory of the Future will serve as a centre of excellence and services for the entire Wire & Cable Solutions Division. Construction is scheduled to commence in mid 2016; ongoing production is gradually to be relocated to the new facility starting in early 2018.

Order receipts well up on the previous year

The Wire & Cable Solutions Division booked new orders worth € 473.8 million in the first quarter of 2015. The amount of orders thus exceeded both the corresponding figure for the previous year of € 450.4 million and also the current sales for the quarter. Among other business, we obtained a significant order from the Americas in Business Group Automotive Cables for special cables worth an eight-digit euro figure. Business Group Communication & Infrastructure secured significant projects with the international oil and gas industry. From China we furthermore received an order to supply fiber optic cable systems for wind and hydro power plants. A European premium manufacturer ordered cables for various household and electrical appliances from our Business Group Electrical Appliance Assemblies.

Group sales and earnings

Consolidated sales above € 1.1 billion for the first time

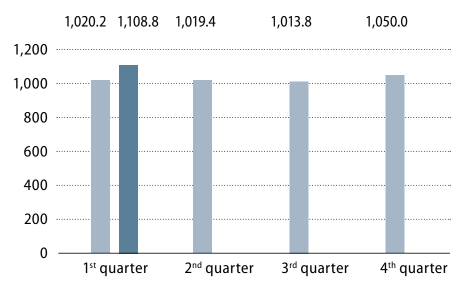
Based on the expansion of business in both of its divisions, LEONI boosted its consolidated sales by nearly 9 percent year on year to € 1,108.8 million in the period from January to March 2015. We generated nearly 4 percent from our own resources. Currency translation exerted a beneficial effect of just over 6 percent. On the other hand, the price of copper had a negative effect of about 1 percent.

Q1/2015 sales growth

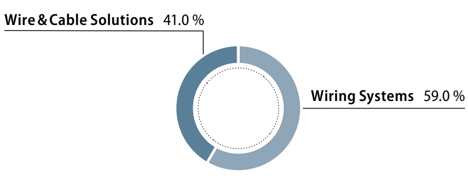
	€ million	%
Q1/2014 sales	**1,020.2**	
Organic growth	37.1	3.7
Currency effects	64.6	6.3
Copper price effects	(13.1)	(1.3)
Q1/2015 sales	**1,108.8**	**8.7**

Underpinned also by the impact of translating into the euro reporting currency, we recorded increases in all regions: the growth was especially strong in the Americas, where the amount of business was up by 33 percent to € 188.0 million. In Asia we generated a gain of nearly 17 percent to € 206.0 million and in the EMEA (Europe, Middle East and Africa) group of countries our sales were up by about 2 percent to € 714.8 million.

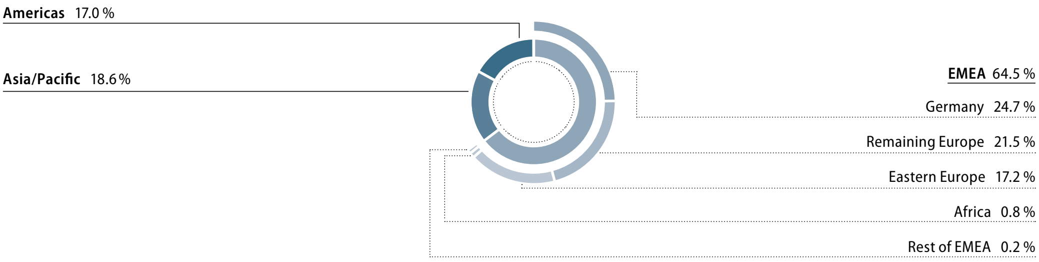
Consolidated sales *€ million*



Q1/2015 consolidated sales by division



Q1/2015 consolidated sales by region



EBIT down to € 35.2 million due to pre-production spending

The LEONI Group's cost of sales in the first quarter of 2015 rose by about 10 percent versus the same period in 2014, i.e. to € 926.7 million. The slightly larger increase relative to that in sales was due above all to the necessary recruitment and other pre-production spending on the new wiring system projects for this year. Gross profit on sales was up by about 2 percent to € 182.1 million for the period from January to March 2015, equating to a **gross margin** of 16.4 percent (previous year: 17.6 percent).

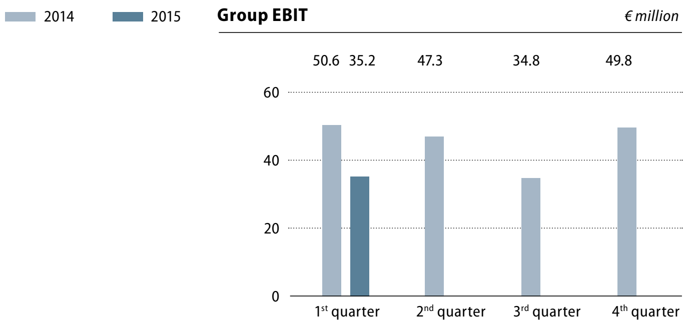
Our selling expenses likewise rose by about 10 percent to € 56.8 million. Among other factors, the general administrative costs, which in total were up by approximately 20 percent to € 59.3 million, reflected collective bargaining wage increases and non-recurring spending on projects to enhance efficiency. Research and development costs increased by more than 19 percent to € 31.3 million due in particular to the extensive preparations for new customer projects in the Wiring Systems Division.

The three-month balance of other operating income and expenses improved, year on year, from expenses of € 1.5 million to income of € 0.5 million, due primarily to grants received for a new facility in Serbia. Neither in the current nor in the pre-year period did the Company incur restructuring expenses to any noteworthy extent.

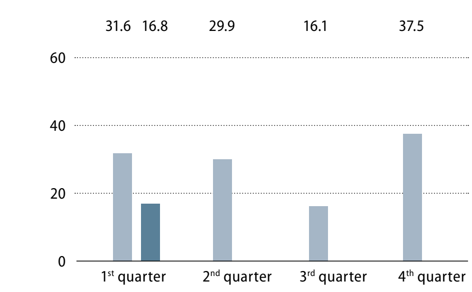
In total, **consolidated earnings before interest and taxes** in the first three months of 2015 amounted to € 35.2 million, down from the exceptionally high € 50.6 million for the same period of the previous year. EBIT adjusted for the impact of allocating purchase prices, restructuring and divestment amounted to € 37.9 million (previous year: € 52.8 million). The **financial result** including other investment income came to a negative balance of € 7.4 million (previous year: negative € 6.9 million). It included non-recurring costs relating to premature repayment and refinancing of borrower's note loans, which will in the future result in improvement of our finance costs.

» Financial result page 13

Group EBIT *€ million*



Consolidated net income *€ million*



Earnings before interest and taxes contracted from € 43.7 million to € 27.8 million in the first quarter of 2015. The tax rate was exceptionally high because we did not form any deferred tax assets for the start-up losses incurred at our subsidiaries in China, India and Russia. **Consolidated net income** therefore dropped from € 31.6 million to € 16.8 million. The tax rate will likely normalise again later in the year.

Financial situation

Finance structure further optimised

In the period from January to March 2015 the LEONI Group spent additional funds of € 31.9 million (previous year: € 8.9 million) on operating activities. In contrast to the same period in the previous year, there was also the effect, alongside the lower earnings figure, of the somewhat larger amount of funds tied up in working capital, which resulted from the expansion of business, the increasing degree of globalisation and accumulation of inventory in connection with new projects.

Capital spending amounted to € 54.1 million (previous year: € 56.1 million) and largely pertained to measures to expand capacity for orders already on the books. **Free cash flow** at the end of March thus came to a negative figure of € 86.0 million as opposed to negative € 65.0 million one year earlier.

» Capital expenditure page 14

Financing activity provided the LEONI Group with cash of € 100.6 million (previous year: € 40.7 million). We placed new borrower's note loans with a total value of € 222.5 million to fund growth and to take long-term advantage of the favourable terms on the capital market. We thereby repaid, in some cases prematurely, existing borrower's note loans in the overall amount of € 131.0 million and refinanced on more favourable terms.

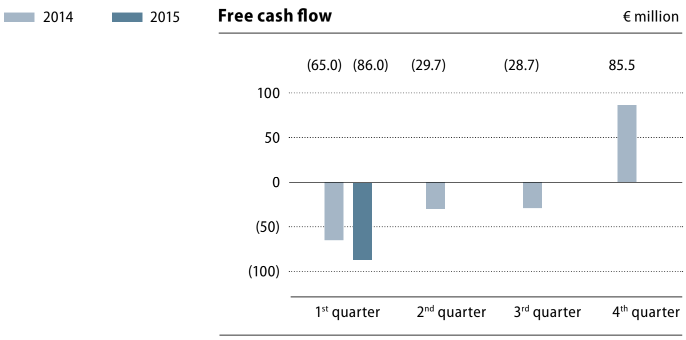
Taking exchange rate-related changes into account, Group-wide cash and cash equivalents increased to € 259.9 million as at 31 March 2015 (previous year: € 172.3 million).

Consolidated statement of cash flows *(abridged version)*

	1st quarter	
€ million	**2015**	**2014**
Cash used for operating activities	(31.9)	(8.9)
Cash used for capital spending activities	(54.1)	(56.1)
Cash provided by financing activities	100.6	40.7
Increase / decrease in cash and cash equivalents	14.6	(24.4)
Cash and cash equivalents at period end	**259.9**	**172.3**

Calculation of free cash flow

	1st quarter	
€ million	**2015**	**2014**
Cash used for operating activities	(31.9)	(8.9)
Cash used for capital spending activities	(54.1)	(56.1)
Free cash flow	(86.0)	**(65.0)**

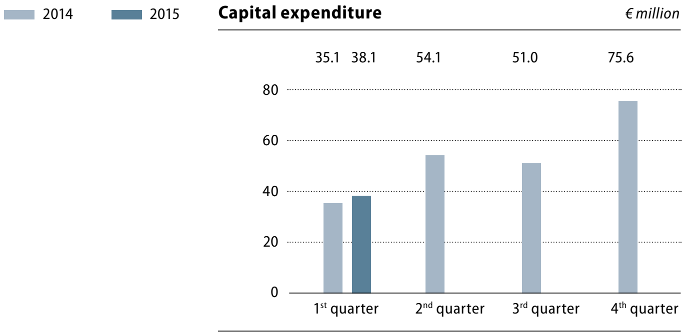


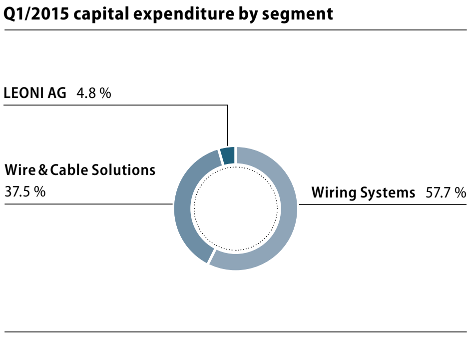
Capital investment up by 8.5 percent

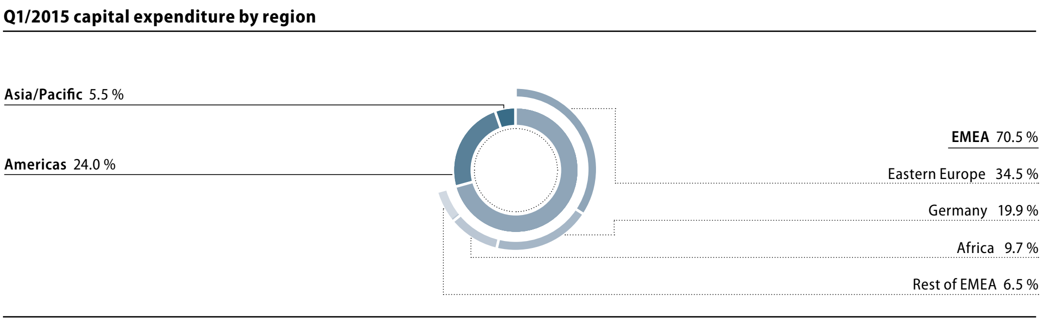
The LEONI Group's capital expenditure during the period under report was up to € 38.1 million, an increase of 8.5 percent on the same period in 2014. This involved almost entirely property, plant and equipment as well as intangible assets.

The Wiring Systems Division invested a total of € 22.0 million, up from € 20.4 million in the pre-year period. Several production facilities in the Americas, North Africa and Eastern Europe were expanded based on various customer orders. In addition, we launched the second phase of extension and modernisation work at our divisional headquarters in Kitzingen.

In the Wire & Cable Solutions Division, capital investment amounted to € 14.3 million in the first three months of 2015 (previous year: € 13.2 million). The focal areas were infrastructure, plant and machinery for two new automotive cable plants in Mexico and China as well as a special cables production line of Business Group Industry & Healthcare in Eastern Europe.







Asset situation

About 33 percent equity

As at 31 March 2015, LEONI's consolidated balance sheet was enlarged by nearly 12 percent versus the figure as at the end of 2014, to € 2,977.0 million. This was due almost entirely to currency translation effects because of the weak euro. On the asset side, **current assets** consequently increased by nearly 17 percent to € 1,716.8 million. Trade receivables, which rose by nearly 19 percent to € 647.2 million, furthermore reflected the increasing globalisation of our activity and the changed customer base. Inventories, which were up by 12.5 percent to € 634.5 million, additionally reflected the stepped-up accumulation of stock in connection with the numerous new projects. Other assets furthermore rose by 24.5 percent to € 115.3 million, due above all to increased value added tax receivables. Cash and cash equivalents accumulated by 12 percent to € 259.9 million.

There was an overall increase in **non-current assets** of just over 5 percent to € 1,260.2 million. Here the only notable change involved property, plant and equipment, which increased by 6 percent to € 858.6 million because of our capacity expansion measures.

Among the liabilities, there was an increase particularly in **non-current liabilities** of about 18 percent € 807.1 million. The main reason for this was the increase in non-current financial liabilities from € 448.4 million to € 538.7 million due to our placement of new borrower's note loans. Another material factor involved the rise in pension provision of about 17 percent to € 183.7 million, measurement of which had to be further adjusted because of the decline in the level of market interest rates.

» Financial situation page 13

The total of **current liabilities** was up by 10.5 percent to € 1,177.4 million. This involved a rise of about 18 percent to € 118.2 million in current financial liabilities. Here a reclassification from non-current financial liabilities offset the on-schedule repayment of a borrower's note loan. Trade liabilities were up by about 10 percent to € 777.1 million in the wake of our business expansion and due to currency translation effects. Other current liabilities furthermore climbed by nearly 13 percent to € 170.3 million, primarily as a consequence of increased holiday pay provisions and value added tax payables.

Asset and capital breakdown

€ million	**31/03/2015**	**31/12/2014**
Current assets	1,716.8	1,471.7
Non-current assets	1,260.2	1,195.5
Total assets	**2,977.0**	**2,667.2**
Current liabilities	1,177.4	1,065.8
Non-current liabilities	807.1	683.7
Equity	992.5	917.8
Total equity and liabilities	**2,977.0**	**2,667.2**

Calculation of net financial liabilities

€ million	**31/03/2015**	**31/12/2014**
Cash and cash equivalents	259.9	232.0
Current financial liabilities	(118.2)	(99.8)
Non-current financial liabilities	(538.7)	(448.4)
Calculation of net financial liabilities	(397.0)	(316.2)

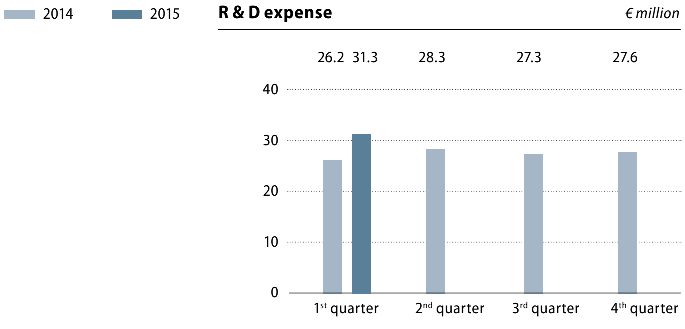
Equity was, as at 31 March 2015, up by about 8 percent to € 992.5 million, which works out to an **equity ratio** of 33.3 percent (31 December 2014: 34.4 percent). Retained earnings increased by approximately 3 percent to € 635.9 million due to the quarterly result. There was furthermore an improvement in accumulated other comprehensive income from a negative figure of € 26.6 million to a positive one of € 31.3 million. This year the figure comprised substantial gains on translation from foreign currencies to the reporting currency, whereby actuarial losses relating to the adjusted measurement of pension provisions were significantly more than offset. **Net financial liabilities** amounted to € 397.0 million at the end of the quarter, up from € 316.2 million at the turn of the year.

Research & Development

The LEONI Group spent € 31.3 million on research & development in the first three months of 2015 (previous year: € 26.2 million). As in the preceding periods, customer-specific projects for the international automotive industry played a key role in both divisions. The focus was above all on weight optimisation, but also on other specific properties of our products. For example, the Wire & Cable Solutions Division worked on new PVC compounds that fulfil special requirements in terms of temperature resistance. The current Annual Report contains further information on our ongoing R & D work.

» Annual Report 2014 pages 89 et seq.

R & D expense *€ million*



Employees

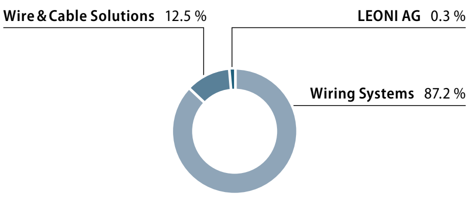
Workforce grows to more than 70,000 employees

The LEONI Group had 70,065 employees at the end of March 2015, 2,077 more people than at the turn of the year. In Germany the workforce grew by 15 to 4,323 people and outside Germany by 2,062 to 65,742 employees. This still equated to a proportion outside Germany of nearly 94 percent. On the other hand, the number of temporary employees, most of whom work for LEONI in China, decreased by 1,416 to 4,950 people.

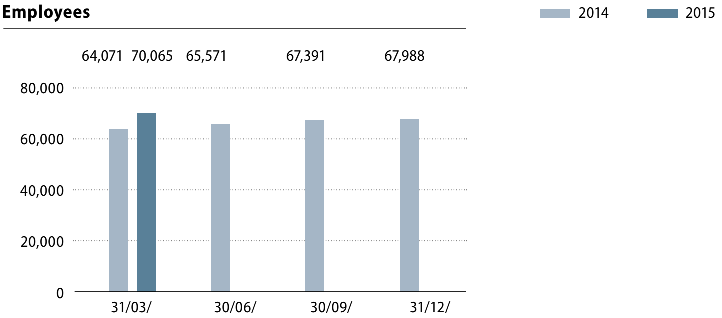
In the Wiring Systems Division the workforce increased by 2,015 to 61,071 people in the first three months of 2015. There was recruitment particularly for customer projects in Eastern Europe. On the other hand, there was a significant reduction in the number of part-time employees in China due to the scheduled end of projects.

The Wire & Cable Solutions Division employed 8,739 people on the reporting date, 60 more than at the end of 2014. Recruitment took place above all at automotive cables facilities in Asia and the Americas. The number of employees in the LEONI AG holding company was up by 2 to 255 people.

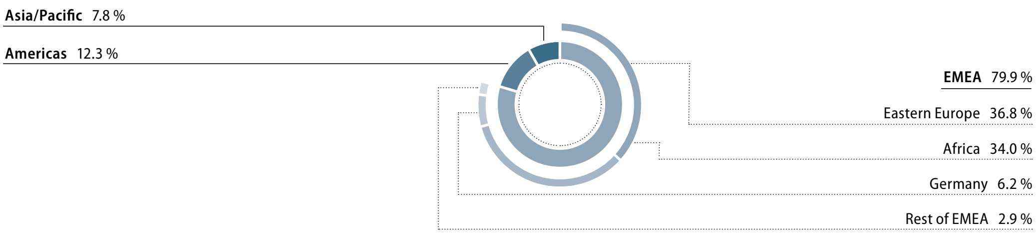
Employees by segment *as of 31 March 2015*



Employees



Employees by region *as of 31 March 2015*



Supplementary report

No events of special significance and with material impact on the LEONI Group's earnings, financial and asset situation occurred after close of this reporting period and until this report was signed.

Sustainability report

LEONI is committed to sustainable corporate governance aimed at meeting the requirements of all the stakeholders affected by our actions. The current Annual Report and the third Global Compact Communication on Progress released in August 2014, which is accessible on our website, provide extensive information on our activity with respect to corporate responsibility.

» Annual Report 2014 page 93 et seq.

» www.leoni.com

Risk and opportunity report

The risk and opportunity situation for the LEONI Group has not materially changed since the end of 2014. There are still no risks that would threaten the Company's continued existence. All existing risks and opportunities as well as the structure and set-up of our risk and opportunity management are comprehensively presented in our Annual Report 2014.

» Annual Report 2014 page 98 et seq.

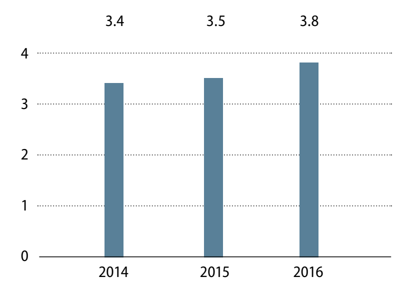
Forecast

Business and underlying conditions

Macroeconomic setting

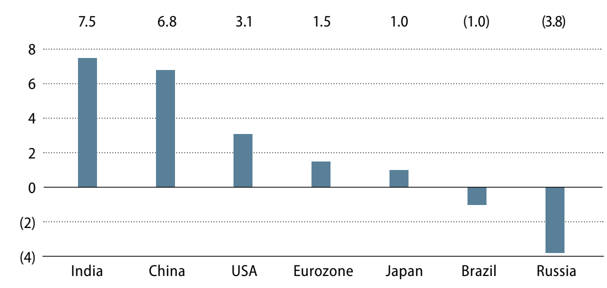
The IMF (International Monetary Fund) believes that the global economy will expand by 3.5 percent in 2015 and thus a little more strongly than in the previous year. The IMF reaffirmed this growth estimate issued at the beginning of the year in its current World Economic Outlook of April 2015. The global economy continues to be characterised by complex and in some cases opposing effects. Alongside the lower oil price, these include the increasingly different directions in terms of monetary policy of the United States on the one hand and such other developed economies as Japan and the eurozone on the other, which have resulted in changed currency parities. Among other things, risks stem from the economic situation in China, escalation in the existing geopolitical crises that is possible at any time and Greece's financial problems. Overall, the IMF consequently expects the growth of the developing and emerging countries to be somewhat more moderate, while it believes that growth in some industrialised countries will pick up. For example, the IMF therefore in April revised its growth forecast for Germany from a rate of 1.3 percent to 1.6 percent.

Global economic growth 2014 to 2016 %



Source: IMF (2015/2016 estimate)

2015 economic growth in selected regions %



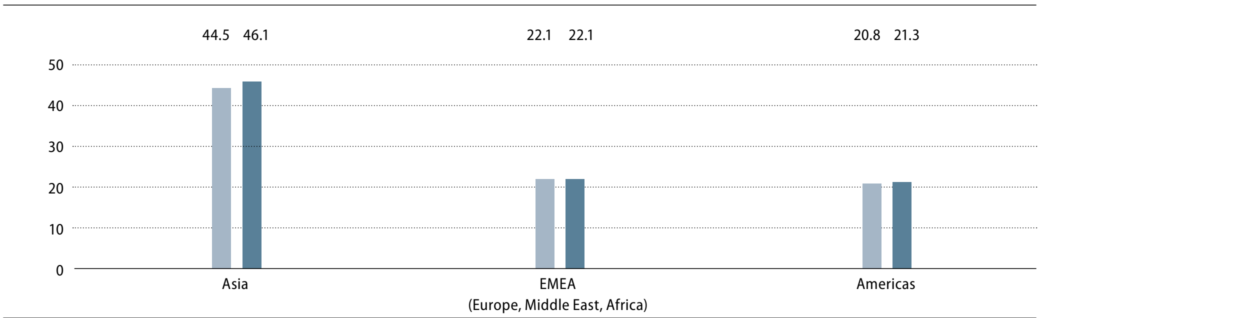
Source: IMF (estimate)

Sector trend

Slight growth in 2015 is to be expected in most of the sectors of importance to LEONI. The current projections of IHS Automotive, for instance, comprise overall growth in global output of about 2 percent to nearly 90 million **cars and light commercial vehicles** this year due to increases in Asia and the Americas.

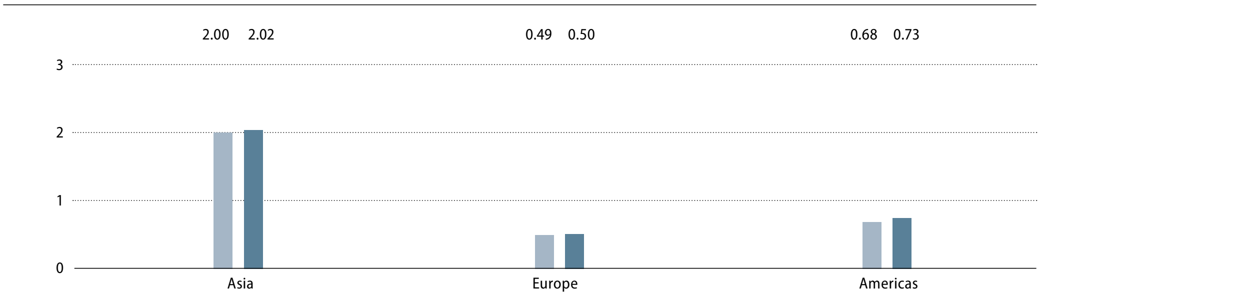
IHS Automotive says that the international **commercial vehicle industry** will produce nearly 3 percent more heavy commercial vehicles than in the previous year, with modest growth expected in all key production regions apart from China.

Output of cars and light commercial vehicles by region



Source: IHS Automotive

Output of heavy commercial vehicles by region



Source: IHS Automotive

The German **electrical engineering and electronics industry** has reaffirmed its upbeat outlook: at the beginning of April the ZVEI sector association again forecast a price-adjusted increase in output of 1.5 percent for the year as a whole.

The **mechanical engineering** sector likewise anticipates expansion. The latest estimates of the sector's VDMA federation are that worldwide sales will increase by 4 percent in 2015. A 2 percent increase in output is still projected for Germany.

The German **information and communication (ICT)** industry is also forecast to remain on a growth trajectory. According to the sector’s BITKOM association, the ICT market as a whole is likely to grow by 0.6 percent in 2015, with this expansion being driven exclusively by the software, IT services and IT hardware segments. Declines are, on the other hand, projected for the telecommunications and consumer electronics segments.

The Spectaris **medical technology** sector association does not yet project any significant improvement for its member companies in 2015 as compared with the moderate growth of the previous year.

The LEONI Group's business performance

For 2015 as a whole, the Management Board of LEONI AG still expects increases in consolidated sales to approximately € 4.3 billion (previous year: € 4.1 billion) and in consolidated EBIT to more than € 200 million (previous year: € 182.5 million). With the first quarter of 2015 still having been marked to a significant extent by pre-production spending on new projects and the weak sales of infrastructure cables, we expect, as forecast, a gradual improvement in earnings in the subsequent quarters, to which efficiency gains in both divisions will also contribute.

The business of the Wiring Systems Division is forecast to increase slightly to about € 2.45 billion in 2015 (previous year: € 2.4 billion) with earnings before interest and taxes rising to more than € 115 million (previous year: € 104.6 million). Further large-scale projects are due to start in the months ahead, for which we are expanding our capacity worldwide. We are furthermore setting up a new plant in Paraguay that is to commence supplying American car and commercial vehicle manufacturers in the third quarter. Stepping up activity with our new customer Hyundai and with local manufacturers in Asia as well as strengthening our car business in the Americas provides further growth opportunities. There is also additional potential for raising the proportion of our supply to selected customers in Europe as well as to the component and commercial vehicle industries.

For the Wire & Cable Solutions Division we project an increase in sales this year to about € 1.85 billion (previous year: € 1.7 billion) and a rise in EBIT to more than € 85 million (previous year: € 78.1 million). We anticipate positive impetus from the persistently good demand in the automotive and industrial sectors, from the recovery of the infrastructure business and from our WCS ON Excellence performance programme. With two new automotive cable plants in Asia and the Americas, which will both be commissioned before the end of 2015, we are establishing the foundations for further growth in these strategically important regions.

LEONI will thus have a solid basis on which, as planned, to increase its consolidated sales to € 5 billion and to widen its EBIT margin to 7 percent in 2016. Our detailed, still valid forecast is contained in our Annual Report 2014.

» Annual Report 2014 page 114 et seq.

The LEONI Group's targets

		Actual 2014 figures	Forecast 2015
Consolidated sales	*€ billion*	4.1	approx. 4.3
EBIT	*€ million*	182.5	> 200
Capital expenditure	*€ million*	215.8	approx. 240
Free cash flow	*€ million*	(37.9)	approx. 0
Net financial liabilities	*€ million*	316.2	approx. 360
Equity ratio	*%*	34.4	> 35
Return on capital employed	*%*	13.7	approx. 14

Interim consolidated financial statements 31 March 2015

Consolidated income statement

	1st quarter		
€ '000 (except information to shares)	**2015**	**2014**	**Change**
Sales	1,108,809	1,020,229	8.7 %
Cost of sales	(926,737)	(841,076)	10.2 %
Gross profit on sales	**182,072**	**179,153**	**1.6 %**
Selling expenses	(56,794)	(51,587)	10.1 %
General and administration expenses	(59,311)	(49,336)	20.2 %
Research and development expenses	(31,257)	(26,182)	19.4 %
Other operating income	3,902	1,846	> 100.0 %
Other operating expenses	(3,449)	(3,306)	4.3 %
Result from associated companies and joint ventures	12	(1)	> 100.0 %
EBIT	**35,175**	**50,587**	**(30.5) %**
Finance revenue	517	359	44.0 %
Finance costs	(7,980)	(7,395)	7.9 %
Other income/expenses from share investments	100	144	(30.6) %
Income before taxes	**27,812**	**43,695**	**(36.4) %**
Income taxes	(11,020)	(12,140)	(9.2) %
Net income	**16,792**	**31,555**	**(46.8) %**
attributable to: equity holders of the parent	16,688	31,444	
non-controlling interests	104	111	
Earnings per share (basic and diluted)	0.51	0.96	
Weighted average shares outstanding (basic and diluted)	32,669,000	32,669,000	

Consolidated statement of comprehensive income

	1st quarter	
€ '000	**2015**	**2014**
Net income	**16,792**	**31,555**
Other comprehensive income		
Items that cannot be reclassified to the income statement:		
Actuarial gains or losses on defined benefit plans	(22,143)	(9,382)
Income taxes applying to items of other comprehensive income that are not reclassified	5,279	2,285
Items that can be reclassified to the income statement:		
Cumulative translation adjustments		
Gains and losses arising during the period	72,963	(5,573)
Total cumulative translation adjustments	72,963	(5,573)
Losses and gains arising during the period	(1,682)	1,042
Less reclassification adjustments included in the income statement	2,088	524
Total cash flow hedges	406	1,566
Income taxes applying to items of other comprehensive income that are reclassified	1,479	(300)
Other comprehensive income (after taxes)	**57,984**	**(11,404)**
Total comprehensive income	**74,776**	**20,151**
attributable to: equity holders of the parent	74,629	20,035
non-controlling interests	147	116

Consolidated statement of cash flows

	1st quarter	
€ '000	**2015**	**2014**
Net income	16,792	31,555
Adjustments to reconcile cash provided by operating activities:		
Income taxes	11,020	12,140
Net interest	7,730	6,608
Dividend income	(100)	(144)
Depreciation and amortisation	33,564	30,162
Other non-cash expenses and income	(12)	1
Result of asset disposals	(12)	57
Change in operating assets and liabilities, adjusted for the impact of changes in the scope of consolidation		
Change in receivables and other financial assets	(79,511)	(50,457)
Change in inventories	(35,688)	(47,952)
Change in other assets	(24,682)	(11,494)
Change in provisions	3,345	3,108
Change in liabilities	48,759	24,368
Income taxes paid	(8,136)	(3,134)
Interest paid	(5,209)	(3,964)
Interest received	206	77
Dividends received	100	144
Cash used for operating activities	**(31,834)**	**(8,925)**
Capital expenditures for intangible assets and property, plant and equipment	(54,819)	(56,264)
Capital expenditures for other financial assets	(4)	(2)
Cash receipts from disposal of assets	690	144
Cash used for capital spending activities	**(54,133)**	**(56,122)**
Cash receipts from acceptance of financial debts	235,764	43,156
Cash repayments of financial debts	(135,166)	(2,488)
Cash provided by financing activities	**100,598**	**40,668**
Change of cash and cash equivalents	14,631	(24,379)
Currency adjustment	13,270	(1,311)
Cash and cash equivalents at beginning of period	231,978	197,974
Cash and cash equivalents at end of period	259,879	172,284

Consolidated statement of financial position

Assets

€ '000	31/03/2015	31/12/2014	31/03/2014
Cash and cash equivalents	259,879	231,978	172,284
Trade accounts receivable	647,177	544,936	551,854
Other financial assets	38,973	17,414	20,247
Other assets	115,296	92,630	93,833
Receivables from income taxes	11,282	10,919	10,179
Inventories	634,492	564,179	557,650
Assets held for sale	9,689	9,601	7,965
Total current assets	**1,716,788**	**1,471,657**	**1,414,012**
Property, plant and equipment	858,573	810,073	712,706
Intangible assets	84,709	82,661	80,123
Goodwill	151,772	147,676	148,266
Shares in associated companies and joint ventures	671	658	457
Trade receivables from long-term development contracts	54,072	55,146	47,544
Other financial assets	10,281	7,535	5,362
Deferred taxes	78,376	72,004	53,867
Other assets	21,787	19,771	17,544
Total non-current assets	**1,260,241**	**1,195,524**	**1,065,869**
Total assets	**2,977,029**	**2,667,181**	**2,479,881**

Equity and liabilities

€ '000	31/03/2015	31/12/2014	31/03/2014
Current financial debts and current proportion of long-term financial debts	118,160	99,776	56,504
Trade accounts payable	777,111	704,881	674,456
Other financial liabilities	45,173	39,338	22,748
Income taxes payable	38,838	42,454	43,381
Other current liabilities	170,276	150,985	163,424
Provisions	27,869	28,329	32,398
Total current liabilities	**1,177,427**	**1,065,763**	**992,911**
Long-term financial debts	538,713	448,402	438,502
Long-term financial liabilities	12,953	7,522	5,951
Other non-current liabilities	9,233	9,072	9,744
Pension provisions	183,743	157,183	122,437
Other provisions	24,369	23,961	22,383
Deferred taxes	38,060	37,523	40,205
Total non-current liabilities	**807,071**	**683,663**	**639,222**
Share capital	32,669	32,669	32,669
Additional paid-in capital	290,887	290,887	290,887
Retained earnings	635,940	619,252	568,691
Accumulated other comprehensive income	31,310	(26,631)	(45,950)
Equity holders of the parent	990,806	916,177	846,297
Non-controlling interests	1,725	1,578	1,451
Total equity	**992,531**	**917,755**	**847,748**
Total equity and liabilities	**2,977,029**	**2,667,181**	**2,479,881**

Consolidated statement of changes in equity

€ '000	Share capital	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income: Cumulative translation adjustments	Accumulated other comprehensive income: Cash flow hedges	Accumulated other comprehensive income: Actuarial gains and losses	Equity holders of the parent	Non-controlling interests	Total equity
1 January 2014	**32,669**	**290,887**	**537,247**	**29,674**	**(2,653)**	**(61,562)**	**826,262**	**1,335**	**827,597**
Net income			31,444				31,444	111	31,555
Other comprehensive income				(5,578)	1,266	(7,097)	(11,409)	5	(11,404)
Total comprehensive income							20,035	116	20,151
31 March 2014	**32,669**	**290,887**	**568,691**	**24,096**	**(1,387)**	**(68,659)**	**846,297**	**1,451**	**847,748**
1 January 2015	**32,669**	**290,887**	**619,252**	**68,599**	**(4,469)**	**(90,761)**	**916,177**	**1,578**	**917,755**
Net income			16,688				16,688	104	16,792
Other comprehensive income				72,920	1,885	(16,864)	57,941	43	57,984
Total comprehensive income							74,629	147	74,776
31 March 2015	**32,669**	**290,887**	**635,940**	**141,519**	**(2,584)**	**(107,625)**	**990,806**	**1,725**	**992,531**

Notes to the interim consolidated financial statements for the period from 1 January to 31 March 2015

Principles

These interim financial statements were, in accordance with the International Accounting Standard IAS 34, Interim Financial Reporting as it is to be applied within the European Union, prepared as a condensed interim report. These financial statements do not include all the disclosures and information required for annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements as at 31 December 2014. LEONI prepares and publishes the interim financial statements in euro (€). The presented interim financial statements and interim management report as at 31 March 2015 were subjected to neither a review nor an audit pursuant to Section 317 of the German Commercial Code (HGB) by the auditors. The Management Board authorised release of the interim financial statements on 5 May 2015.

1 | Accounting principles

The consolidation, valuation and accounting methods applied are, with exception of the amendments described hereinafter, in line with those of the 2014 consolidated financial statements, where they are described in the notes.

The following new or amended, major IFRS requirements were applied for the first time at the beginning of the 2015 financial year and thus also to these interim financial statements:

- In May 2013, the IASB issued IFRIC 21, Levies. The Interpretation clarifies for levies that are imposed by governments and do not fall within the scope of another IFRS how, and especially when, such liabilities according to IAS 37, Provisions, Contingent Liabilities and Contingent Assets, are to be recognised.

- In November 2013, the IASB issued amendments to IAS 19, Employee Benefits. The amendment governs the recognition of contributions from employers or third parties to the pension plan as a reduction in the service cost, provided this is reflected in the related service rendered during the reporting period.

- In December 2013, the IASB issued two omnibus standards with annual improvements: “Improvements to IFRSs 2010-2012” and “Improvements to IFRSs 2011-2013” involving a total of eleven amendments to nine Standards. The IASB's Annual Improvements process provides a mechanism to make non-urgent but necessary amendments to IFRS that address unintended consequences, conflicts or oversights.

These amendments did not have any effect on the consolidated financial statements.

2 | Scope of consolidation

In addition to LEONI AG, which is based at Marienstrasse 7 in Nuremberg and is registered with the Nuremberg local court under number HRB 202, all the entities where LEONI AG is in a position, either directly or indirectly, to determine the financial and operating policies as well as returns are included in the consolidated financial statements.

Apart from the merger of two Chinese companies into one legal entity, there were no changes to the scope of consolidation during the period under report.

Explanations

3 | Segment information

The Group has two segments subject to reporting: Wire & Cable Solutions as well as Wiring Systems. The Wire & Cable Solutions Division encompasses the development, manufacture and sale of wires, strands, optical fibers, standardised cables, special cables and fully assembled systems as well as related services for applications in the automotive sector and other industries.

The activity of the Wiring Systems Division is focused on the development, production and distribution of complete wiring systems and customised cable harnesses for the motor vehicle industry. Its products and services also encompass high-voltage wiring systems for hybrid and electric vehicles, power distribution components and special connectors.

The information by segment was as follows for the period under report:

	1st quarter		
€ '000 (employees excluded)	**2015**	**2014**	**Change**
Wiring Systems			
Sales	654,004	597,734	9.4 %
Less intersegment sales	87	61	42.6 %
External sales (sales to third parties)	653,917	597,673	9.4 %
EBIT	17,890	31,783	(43.7) %
EBIT as a percentage of external sales	2.7 %	5.3 %	—
Employees (as at 31/03)	61,071	55,563	9.9 %
Wire & Cable Solutions			
Sales	498,006	461,433	7.9 %
Less intersegment sales	43,114	38,877	10.9 %
External sales (sales to third parties)	454,892	422,556	7.7 %
EBIT	16,957	18,787	(9.7) %
EBIT as a percentage of external sales	3.7 %	4.4 %	—
Employees (as at 31/03)	8,739	8,269	5.7 %
Consolidation / LEONI AG			
Sales	(43,201)	(38,938)	(10.9) %
Less intersegment sales	43,201	38,938	10.9 %
External sales (sales to third parties)	—	—	
EBIT	328	17	
Employees (as at 31/03)	255	239	6.7 %
Group			
Sales	1,108,809	1,020,229	8.7 %
Less intersegment sales	—	—	
Consolidated sales (external sales)	1,108,809	1,020,229	8.7 %
EBIT	35,175	50,587	(30.5) %
EBIT as a percentage of external sales	3.2 %	5.0 %	—
Employees (as at 31/03)	70,065	64,071	9.4 %

4 | Other operating expenses and income

The other operating income in the amount of € 3,902 k (previous year: € 1,846 k) comprised primarily income from government grants of € 2,484 k (previous year: € 1,100 k). These rose in comparison with the previous year due mainly to government grants for setting up the plant in Serbia as well as supporting of export trade in Egypt.

Other operating expenses amounted to € 3,449 k in the first quarter (previous year: € 3,306 k). The exchange losses included therein amounted to € 2,197 k (previous year: € 1,651 k). The currency effects were due mostly to fluctuation in the exchange rates of currencies for which a hedge is not legally possible or does not make sense because of the heavy costs this would involve.

5 | Financial result

The financial result, i.e. the balance of finance revenue and costs, came to negative € 7,363 k (previous year: negative € 6,892 k). Penalties for the early repayment of borrower's note loans exerted an adverse effect on the result during the period under report. Furthermore, borrowing to take long-term advantage of the currently favourable level of market interest rates incurred additional interest expenses. Increased exchange gains on financing activity partially offset the increased finance costs.

6 | Income taxes

The reported income taxes of € 11,020 k (previous year: € 12,140 k) comprised current tax expense of € 8,530 k (previous year: € 9,387 k) and deferred tax expense due to differences in balance sheet items of € 2,490 k (previous year: € 2,753 k).

The tax rate was 39.6 percent (previous year: 27.8 percent). The change in the tax rate was the result primarily of non-recognition of deferred tax assets relating to start-up losses for new companies in China, India and Russia.

7 | Comprehensive income

The overview below shows the gross amounts, income tax effects and net amounts of other comprehensive income:

	1st quarter					
	2015			2014		
€ '000	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Change in actuarial gains and losses	(22,143)	5,279	(16,864)	(9,382)	2,285	(7,097)
Foreign currency translation adjustments	72,963	0	72,963	(5,573)	0	(5,573)
Changes in unrealised gains/losses on cash flow hedges	406	1,479	1,885	1,566	(300)	1,266
Other comprehensive income	**51,226**	**6,758**	**57,984**	**(13,389)**	**1,985**	**(11,404)**

Currency translation differences of € 72,963 k benefited other comprehensive income in the first quarter (previous year: a negative effect of € 5,573 k). These differences were attributable mainly to translation of the Chinese renminbi, the Swiss franc as well as the US dollar into the euro reporting currency.

The lower level of market interest rates reduced the discount rate on pension obligations particularly in Germany, Switzerland as well as the United Kingdom and resulted in actuarial losses in the amount of € 22,143 k (previous year: losses of € 9,382 k).

Taking deferred taxes into account, the overall result was another comprehensive income of € 57,984 k (previous year: a negative amount of € 11,404 k).

8 | Financial liabilities

The sum of current and non-current financial liabilities was € 656,873 k on 31 March 2015 (31/12/2014: € 548,178 k) and these were up for reporting date-related reasons to fund working capital. The Company took advantage of the currently favourable level of market interest rates to prematurely extend existing financial liabilities on improved terms. Overall, LEONI issued borrower's note loans in the amount of € 222,500 k and repaid such loans in the amount of € 131,000 k. The total of borrower's note loans thus increased by € 91,500 k in the first quarter of 2015.

9 | Financial instruments

The tables below show the carrying amounts and the fair values of the financial instruments held in the Group on 31 March 2015 and on 31 March 2014:

		Amounts recognised in balance sheet according to IAS 39					
[€ '000]	Category in accordance with IAS 39	**Carrying amount 31/03/2015**	Amortised cost	Cost	Fair Value recognised in equity	Fair Value recognised in profit or loss	**Fair Value 31/03/2015**
Assets							
Cash and cash equivalents	LaR	**259,879**	259,879				**259,879**
Trade receivables	LaR	**647,177**	647,177				**647,177**
Long-term trade receivables from development contracts	LaR	**54,072**	54,072				**54,072**
Other financial receivables	LaR	**34,803**	34,803				**34,803**
Other non-derivative financial assets							
Available-for-Sale financial assets	AfS	**1,065**		1,065			**1,065**
Derivative financial assets							
Derivatives without a hedging relationship	FAHfT	**5,459**				5,459	**5,459**
Derivatives with a hedging relationship	n/a	**7,927**			5,845	2,082	**7,927**
Total equity and liabilities							
Trade payables	FLAC	**777,111**	777,111				**777,111**
Liabilities to banks	FLAC	**214,378**	214,378				**213,306**
Borrower's note loans	FLAC	**442,233**	442,233				**453,067**
Other financial liabilities	FLAC	**21,472**	21,472				**21,472**
Derivative financial liabilities							
Derivatives without a hedging relationship	FLHfT	**24,647**				24,647	**24,647**
Derivatives with a hedging relationship	n/a	**12,269**			12,269		**12,269**
Of which aggregated by categories in accordance with IAS 39:							
Loans and Receivables (LaR)	LaR	**995,931**	995,931				**995,931**
Available-for-Sale Financial Assets (AfS)	AfS	**1,065**		1,065			**1,065**
Financial Assets Held for Trading (FAHfT)	FAHfT	**5,459**				5,459	**5,459**
Financial Liabilities measured at Amortised Cost (FLAC)	FLAC	**1,455,194**	1,455,194				**1,464,956**
Financial Liabilities Held for Trading (FLHfT)	FLHfT	**24,647**				24,647	**24,647**

[€ '000]	Category in accordance with IAS 39	Amounts recognised in balance sheet according to IAS 39					
		Carrying amount 31/03/2014	Amortised cost	Cost	Fair Value recognised in equity	Fair Value recognised in profit or loss	**Fair Value 31/03/2014**
Assets							
Cash and cash equivalents	LaR	**172,284**	172,284				**172,284**
Trade receivables	LaR	**551,854**	551,854				**551,854**
Long-term trade receivables from development contracts	LaR	**47,544**	47,544				**47,544**
Other financial receivables	LaR	**20,132**	20,132				**20,132**
Other non-derivative financial assets							
Available-for-Sale financial assets	AfS	**1,065**		1,065			**1,065**
Derivative financial assets							
Derivatives without a hedging relationship	FAHfT	**1,379**				1,379	**1,379**
Derivatives with a hedging relationship	n/a	**3,033**			2,310	723	**3,033**
Total equity and liabilities							
Trade payables	FLAC	**674,456**	674,456				**674,456**
Liabilities to banks	FLAC	**165,330**	165,330				**164,357**
Borrower's note loans	FLAC	**329,101**	329,101				**333,662**
Other financial liabilities	FLAC	**24,337**	24,337				**24,337**
Derivative financial liabilities							
Derivatives without a hedging relationship	FLHfT	**4,150**				4,150	**4,150**
Derivatives with a hedging relationship	n/a	**787**			787		**787**
Of which aggregated by categories in accordance with IAS 39:							
Loans and Receivables (LaR)	LaR	**791,814**	791,814				**791,814**
Available-for-Sale Financial Assets (AfS)	AfS	**1,065**		1,065			**1,065**
Financial Assets Held for Trading (FAHfT)	FAHfT	**1,379**				1,379	**1,379**
Financial Liabilities measured at Amortised Cost (FLAC)	FLAC	**1,193,224**	1,193,224				**1,196,812**
Financial Liabilities Held for Trading (FLHfT)	FLHfT	**4,150**				4,150	**4,150**

Due to the short terms of the cash and cash equivalents, trade receivables and other current receivables, the fair values largely corresponded to the carrying amounts as they did in the previous year.

The fair values of other non-current receivables maturing after more than one year corresponded to the present values of payments relating to the assets, in each case taking into account the current interest parameters that reflected market and partner-related changes in terms.

Trade liabilities and other liabilities usually matured in the short term; the amounts on the balance sheet represented approximations of the fair value. The fair values of liabilities to banks, the borrower's note loans and the other non-current financial liabilities were determined as the present values of the payments relating to the liabilities based on the respectively applicable yield curves.

The fair values of the foreign exchange transactions were based on current reference rates observable on the market and taking into consideration forward premiums or discounts. LEONI takes account of the risk of non-fulfilment by business partners and the risk of non-fulfilment on the part of the Group by determining correction values, known as credit value adjustments (CVAs) or debt value adjustments (DVAs), based on applying a premium / discount. The fair values of the interest rate hedging instruments (interest swaps and interest collars) were based on discounted future cash flows. The applicable market interest rates and volatilities were used for the maturities of the financial instruments.

Valuation method to determine fair value

The tables below contain an overview of the valuation methods used for measuring the fair value of the financial instruments concerned.

31/03/2015 [€ '000]	Prices quoted on active markets (step 1)	Valuation methods where all principal parameters are based on observable market data (step 2)	Valuation methods where all principal parameters are *not* based on observable market data (step 3)	Total
Financial assets measured at fair value				
Derivative financial assets				
Derivatives without a hedging relationship	1,184	4,275	0	**5,459**
Derivatives with a hedging relationship	0	7,927	0	**7,927**
Financial liabilities measured at fair value				
Derivative financial liabilities				
Derivatives without a hedging relationship	0	24,647	0	**24,647**
Derivatives with a hedging relationship	0	12,269	0	**12,269**

31/03/2014 [€ '000]	Prices quoted on active markets (step 1)	Valuation methods where all principal parameters are based on observable market data (step 2)	Valuation methods where all principal parameters are *not* based on observable market data (step 3)	Total
Financial assets measured at fair value				
Derivative financial assets				
Derivatives without a hedging relationship	0	1,379	0	**1,379**
Derivatives with a hedging relationship	0	3,033	0	**3,033**
Financial liabilities measured at fair value				
Derivative financial liabilities				
Derivatives without a hedging relationship	791	3,359	0	**4,150**
Derivatives with a hedging relationship	0	787	0	**787**

Neither in the period under report nor in the previous one was there any movement between the individual levels.

Other information

10 | Transactions with related parties

LEONI maintains relationships with joint ventures as part of its ordinary business activity. This involves LEONI as a matter of principle purchasing and selling products and services on market terms. There were no significant transactions and no lending relationships with joint ventures during the period under report.

LEONI generated income of € 328 k (previous year: € 323 k) from the sale of products and services to members of the Supervisory Board and their companies and made purchases worth € 160 k (previous year: € 244 k) from them during the period under report. All supply and service transactions were concluded on standard market terms.

Nuremberg, 5 May 2015

Dr Klaus Probst | Dieter Bellé | Dr Andreas Brand | Dr Frank Hiller

Key dates

Interim Report 1st Quarter 2015
12 May 2015

Interim Report 2nd Quarter and 1st Half 2015
11 August 2015

Interim Report 1st – 3rd Quarter 2015
10 November 2015

Preliminary Figures 2015
February 2016

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