Interim Report
2nd Quarter and 1st Half 2015

The Quality Connection

LEONI

Highlights: 1st half 2015

- **Consolidated sales rise by 11 percent to about € 2.3 billion**
- **First-half EBIT of € 85.5 million still 13 percent short of previous year, but already up considerably in the second quarter**
- **New wiring system projects starting up well**
- **Full-year performance on course – forecast 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 72,000 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 opens its new facility in Tieling, China. It makes cable harnesses and complete wiring systems for a European carmaker.

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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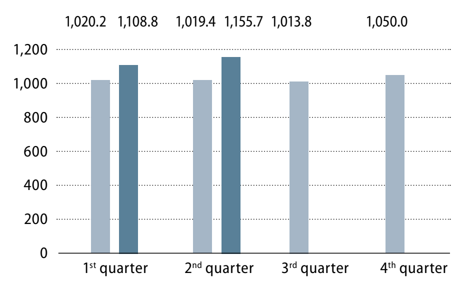
Group key figures

	2nd quarter			1st half		
€ million	**2015**	**2014**	**Change**	**2015**	**2014**	**Change**
Sales	1,155.7	1,019.4	13.4 %	2,264.5	2,039.6	11.0 %
Earnings before interest, taxes and depreciation/amortisation (EBITDA)	84.7	77.8	8.9 %	153.4	158.5	(3.2) %
Earnings before interest and taxes (EBIT)	50.4	47.3	6.4 %	85.5	97.9	(12.7) %
Adjusted earnings before interest and taxes (EBIT) [1]	54.6	50.9	7.3 %	92.5	103.8	(10.9) %
Earnings before taxes (EBT)	43.8	39.7	10.4 %	71.6	83.4	(14.1) %
Consolidated net income	35.1	29.9	17.3 %	51.8	61.4	(15.6) %
Capital expenditure (incl. acquisitions)	60.6	54.1	12.0 %	98.7	89.2	10.7 %
Equity ratio (%)	34.5 %	33.4 %	—	34.5 %	33.4 %	—
Earnings per share (€)	1.07	0.91	17.6 %	1.58	1.87	(15.5) %
Employees as at 30/06/ (number)	71,987	65,571	9.8 %	71,987	65,571	9.8 %

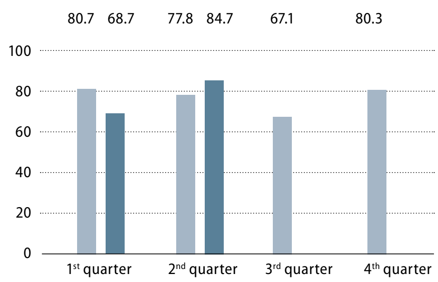
[1] Earnings adjusted for the impact of revaluation as part of allocating the prices of major acquisitions, restructuring, impairment of non-current assets, gains on business disposals and on business combinations including related derivatives.

Consolidated sales € million

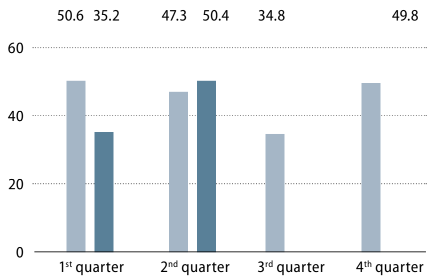


Consolidated EBITDA € million

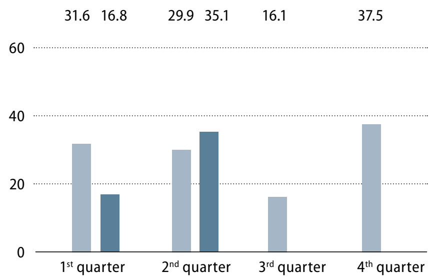
2014 2015



Consolidated EBIT € million



Consolidated net income € million



The LEONI Share

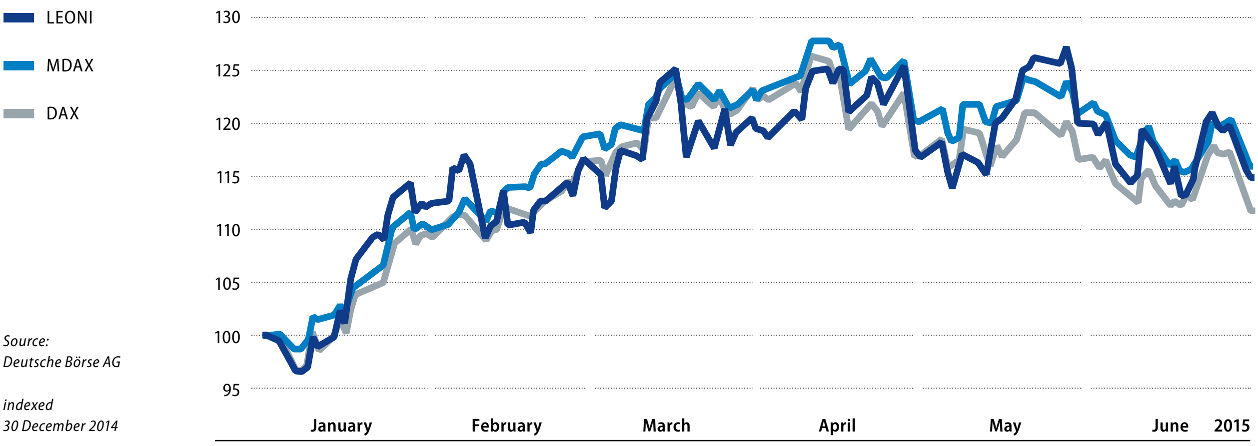
Markets weaker towards midyear

Following the at times strong gains made at the beginning of the year, there were corrections in many markets around the world in the second quarter of 2015. There were, for instance, steep declines on the markets in China, which by the end of June had to relinquish a large proportion of the gains generated earlier in the year because of the weak economic trend and despite government support measures. The Greek crisis dominated events on the European markets, meaning that share indices dipped considerably here as well. For the period as a whole, however, there were nevertheless significant gains thanks to the good performance during the first few months of the year. At the end of June 2015, Germany's leading DAX index was thus still 12 percent above its 2014 closing level, while the MDAX was up by about 16 percent. The strong US dollar held back the American market barometers throughout the first half of 2015 and their performance was on the whole roughly stable. Only the Japanese Nikkei appreciated almost continuously since the turn of the year.

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 half 2015 performance



Source: Deutsche Börse AG

indexed 30 December 2014

LEONI share up by about 15 percent

The share prices of the German automotive and component supply companies also edged down in the second quarter. At the midyear mark, the DAX 'Automobiles' index nevertheless posted an increase of about 18 percent, while the sub-index for the automotive suppliers registered a gain of about 20 percent. The LEONI share plotted a similar trajectory and, over the whole of the first six months of 2015, appreciated by nearly 15 percent: starting from its low for the year so far, i.e. € 47.64 recorded in early January, the share initially rose with some interruptions and posted a new high of € 62.81 at the end of May, which equated to a gain of about 27 percent on the 2014 closing price. The price of the LEONI share subsequently also dropped in the wake of the weaker overall market. On 30 June, the price of our share stood at € 56.63.

The midyear market capitalisation of the roughly 32.7 million LEONI shares came to just over € 1,850 million as opposed to € 1,614 million on 31 December 2014.

Key LEONI share figures

		2d quarter		1st half	
		2015	2014	2015	2014
Net result	*€/share*	1.07	0.91	1.59	1.87
Equity	*€/share*	30.35	26.10	30.35	26.10
High [1]	*€/share*	62.81	60.64	62.81	60.64
Low [1]	*€/share*	55.83	51.24	47.64	49.36
Closing price [1] at end of quarter	*€/share*	56.63	58.12	56.63	58.12
Average daily trading volume	*no. of shares*	198,005	221,565	224,897	243,747
Market capitalisation at end of quarter	*€ million*	1,850.0	1,898.7	1,850.0	1,898.7

[1] XETRA closing prices of the day

A smaller trading volume

An average of 224,897 LEONI shares changed hands per day of trading in the first half of 2015, down from 243,747 in the same period of 2014. Overall, approximately 8 percent fewer of the around 27.9 million LEONI shares thus changed owners in the first six months than in the corresponding period of the previous year (30.5 million shares).

Majority of analysts still convinced by LEONI

22 financial market analysts currently cover LEONI on a regular basis. At the end of June, the majority of ratings – 14 analysts – still favoured our share as a buy. Four capital market specialists recommended holding our share and four rated it as a sell.

Shareholder structure: T. Rowe Price is the largest single shareholder

All LEONI shares are in free float. The breakdown of our shareholders changed only slightly in the second quarter of 2015: in April, the US investment firm of T. Rowe Price increased its stake to just over 5 percent. Wilms Beteiligungs GmbH and Oslo-based Norges Bank had holdings of between 3 and 5 percent at the end of the quarter. Overall, about two thirds of the 32,669,000 shares were still held by institutional investors, the remainder being owned by private individuals. 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 second quarter of 2015 are, along with earlier disclosures, accessible on our website under the heading Investor Relations / Share / Voting rights announcements.

Half-year financial report
Interim group management report

Overview of conditions and business performance

Macroeconomic trend

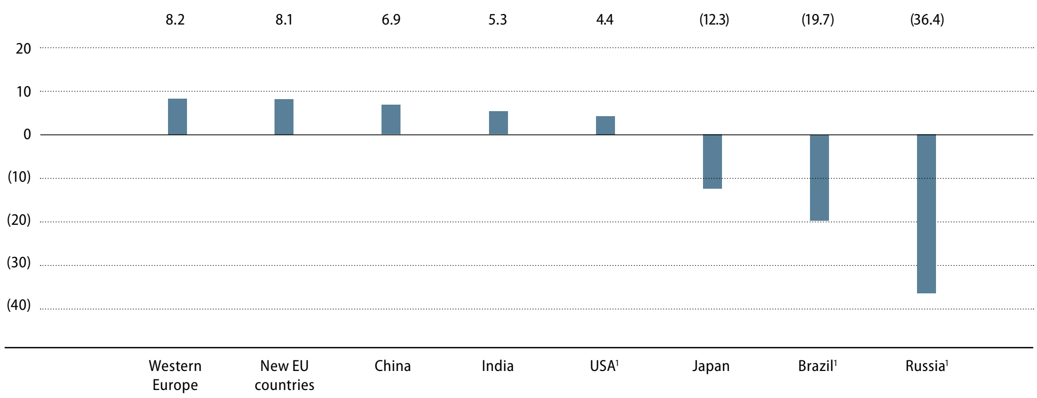
Differing and partly opposing effects characterised the global economy in the first half of 2015. For example, the steep drop in the price of oil gave many industrialised countries a boost, but it curbed the economies of commodity-exporting emerging countries. In the eurozone, the economy also benefited from the weak common currency and proved to be robust despite the Greek crisis. The US economy suffered in the first quarter from the hard winter as well as the fallout from strikes, but is likely to have recovered again as early as in the second quarter. Growth in the Chinese economy was likewise below par in the first quarter.

In Germany, sentiment was down somewhat in June and in contrast to the recently favourable output, export and industrial order figures: the Ifo business climate index dropped for the second time in succession, which economic experts attribute to the uncertainty among many businesspeople because of the Greek crisis.

Business by sector

The trend among the customer industries of importance to LEONI has been mostly favourable so far in 2015. According to the German Association of the Automotive Industry (VDA), the international **motor vehicle industry** was underpinned by the good state of the three major automotive markets of China, the United States and Western Europe in the first half, even though the Chinese market dipped somewhat in June. The VDA says that the emerging countries of Brazil and Russia continued to raise concern with significant sales decreases. Overall, the IHS Automotive market research institute estimates that global output of passenger cars and light commercial vehicles rose by about 1 percent year on year in the period from January to June 2015. More vehicles were manufactured than in the same period of the previous year in both North America and Europe, but especially so in China. Output in Japan and South America dropped, on the other hand.

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



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

Based on our observations, the trend in the market for **heavy commercial vehicles** was on the whole also solid. Here the good demand for trucks in Europe and North America offset the decline in the South American heavy truck business as well as the generally weak agricultural machinery sector.

The companies in the German **electrical engineering and electronics industry** also increased both their order receipts and sales in the year to date. The German Electrical and Electronic Manufacturers' Association (ZVEI) says that new orders to the end of May 2015 were up by 3.7 percent and that sales rose by 2.9 percent. The sector's output, on the other hand, was down slightly by 0.7 percent.

The German Engineering Federation (VDMA) reported that orders in the domestic **machinery and plant engineering sector** were flat at the previous year's level in the first five months of 2015. This involves domestic orders still down from the previous year's level, namely by about 3 percent, while orders from export markets were up by around 2 percent. Overall, the sector's output fell short of the 2014 level by 2.5 percent.

Sentiment in the German **digital economy** remained upbeat. According to a recent economic survey conducted by the German Association for Information Technology, Telecommunications and New Media (BITKOM), medium-sized IT companies, and particularly so service and software providers, continue to anticipate increasing sales.

Overview of LEONI AG's business performance

LEONI benefited again in the second quarter of 2015 from the consistently good automotive business worldwide as well as from favourable currency translation effects and increased its consolidated sales by more than 13 percent on the same period in 2014, to € 1,155.7 million. In the first half as a whole, the Company generated an 11 percent gain to € 2,264.5 million. This growth covered both business divisions and was above the original projection due also to exchange-rate effects.

The earnings before interest and taxes (EBIT) of the LEONI Group for the first six months of 2015 were, at € 85.5 million, a little below expectations and about 13 percent down from the corresponding pre-year figure of € 97.9 million. Following the weak first quarter EBIT did, however, improve as planned between April and June 2015 and in this period rose by more than 6 percent year on year to € 50.4 million. In this respect, the good performance in the Wiring Systems Division offset the weaker performance in the Wire & Cable Solutions Division, which was affected by a partly subdued industrial business and non-recurring expenses.

From today's perspective, the new projects and a decrease in start-up costs in the Wiring Systems Division as well as two new automotive cables plants will contribute to further improvement in earnings quality in the second half of the year. In addition, there will be efficiency gains in both divisions.

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

12 percent sales growth to the end of June

In the second quarter of 2015, the Wiring Systems Division (WSD) increased its external sales by more than 14 percent year on year to € 683.8 million and, over the whole of the first half, by nearly 12 percent to € 1,337.7 million. On a currency-adjusted basis, the amount of business for the six month period was up by about 6 percent on the previous year.

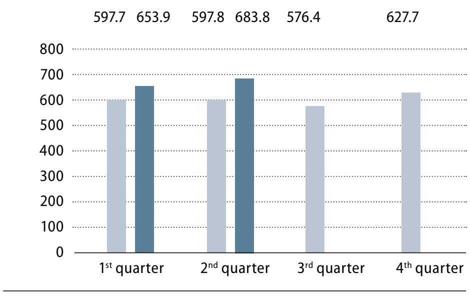
We generated most of the sales with cable harnesses and wiring systems for the cars of various German, other European and American automotive companies. This included growth particularly in business involving the mass-market models of the export-heavyweight German carmakers. There were in each case slight increases in shipments to other European, American and Asian motor vehicle manufacturers as well as the systems & components sector. We also recorded strong growth in sales of engine cable harnesses to the international commercial vehicle industry.

New product start-ups fully on target

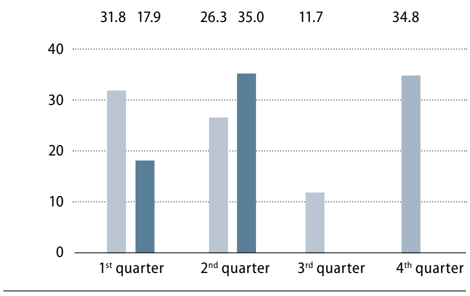
The numerous new projects started during the six-month reporting period progressed as planned and already made initial contributions to sales. In the second quarter, we began shipping, among other things, wiring systems and cable harnesses for several new mass-market models and some premium vehicles of various German, French and American manufacturers. We also started production of cable harnesses and components for various electric vehicles of German premium carmakers. Furthermore, there were numerous new, smaller-scale project start-ups for the international component supply industry.

2014 2015

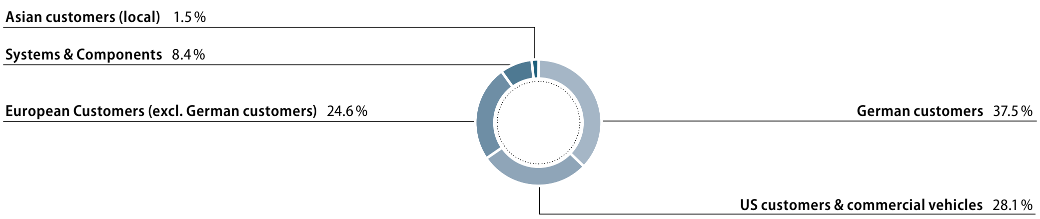
Wiring Systems external sales € million



Wiring Systems EBIT € million



Sales breakdown of Wiring Systems H1/2015



Strong rise in EBIT to € 35.0 million in the second quarter
Compared with the same quarter in 2014, the Wiring Systems Division's earnings before interest and taxes increased by about one third to € 35.0 million in the second quarter of 2015, with the June result having been especially strong. As expected, the new projects are gradually exerting a positive effect on earnings. EBIT for the whole of the first half came to € 52.8 million and was thus still 9 percent below the previous year's level.

Multifaceted new contracts continue to underpin the order book
The Wiring Systems Division booked numerous new orders in the period from April to June 2015; especially so from the international commercial vehicle and component supply industries, but also from various carmakers. Alongside cable harnesses, these orders also comprise electrical components. In the still new Power Sports (leisure and sport vehicles) unit, we gained a German motorcycle manufacturer as a new customer in the second quarter. At the end of June the Wiring Systems Division had an order backlog for the next five years of about € 12 billion and therefore a solid foundation for further growth. The precise amount and timing of the shipments will depend on what our customers actually call forward.

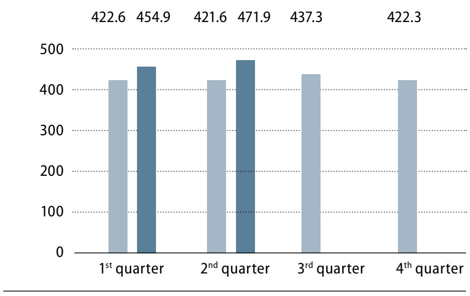
Wire & Cable Solutions Division

10 percent more sales in the first half
The Wire & Cable Solutions Division (WCS) increased its external sales by 12 percent to € 471.9 million in the second quarter of 2015. In total over the first half of 2015, the amount of business was up by about 10 percent or € 82.7 million to € 926.8 million. The WCS Division grew by € 31.2 million, or approximately 4 percent, from its own resources. Changes in exchange rates exerted a positive effect of € 73.4 million and the lower price of copper had a negative effect of € 22.0 million. The sales growth was spread across all regions, although the strong rates of gain in the Americas and Asia were due mainly to currency translation effects. The division generated a slight increase in the EMEA (Europe, Middle East and Africa) area.

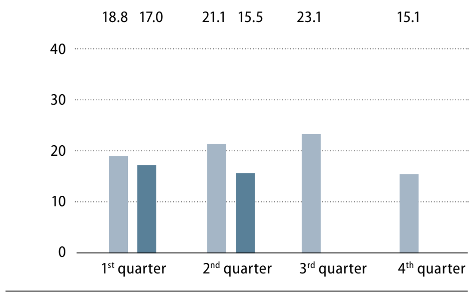
Solid demand for automotive cables; mixed industrial business
Sales in Business Group Automotive Cables were up by 13 percent in the first six months of 2015. The solid demand from the automotive industry for standard and special cables persisted worldwide. Overall, the amount of business in the industrial sectors rose by 7 percent. Business Group Industry & Healthcare benefiting from unabatedly strong demand for cables and cable systems for robotic and medical technology applications as well as for high-speed cables. On the other hand, the gains in Business Groups Communication & Infrastructure, Conductors & Copper Solutions as well as Electrical Appliance Assemblies stemmed exclusively from favourable currency translation effects. Particularly the segments covering data cables and cables for infrastructure projects as well as petrochemical plants performed more poorly than expected.

2014 2015

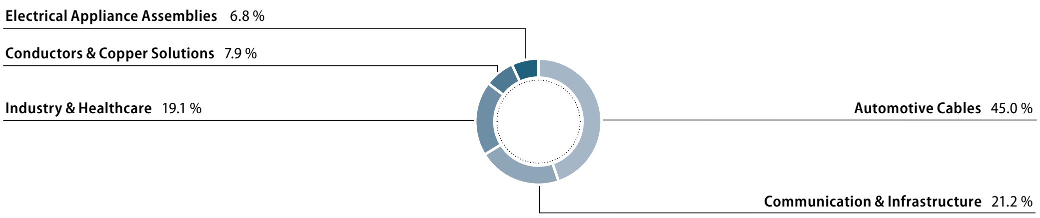
Wire & Cable Solutions external sales € million



Wire & Cable Solutions EBIT € million



Wire & Cable Solutions sales breakdown by business group H1/2015



New automotive plant in Mexico goes into operation

We extended our capacity in Mexico to forge ahead with the planned expansion of the Wire & Cable Solutions Division in the region Americas and set up a second automotive cables plant in Celaya. At the end of the first half of the year, the plant started producing single-core automotive cables, most of which will be used in cars and light commercial vehicles for the US market. We are currently also setting up a new automotive cables plant in China, which will go into operation in the second half.

Earnings before interest and taxes of € 32.5 million

The earnings before interest and taxes of the WCS Division amounted to € 32.5 million in the first half of 2015, down from € 39.9 million for the same period of the previous year. The second quarter accounted for € 15.5 million of this total (previous year: € 21.1 million). The decrease versus 2014 is due on the one hand to an unfavourable product mix in the automotive cables business, which grew relatively strongly: here we recorded especially heavy demand for less profitable standard cables in the first six months. Secondly, the weak performance of business in some industrial sectors exerted an adverse effect. In addition, there were the costs of a pilot project to launch new software at the facility in Roth, Germany. Furthermore, the preparations for and start-up of the new plants as well as advance spending on the 'WCS ON Excellence' performance programme incurred non-recurring costs; however, this can be expected to generate positive effects in the months ahead.

New orders worth € 927.9 million

The Wire & Cable Solutions Division booked new orders worth € 927.9 million in the first six months of 2015. That took order receipts above the amount for the same period in 2014 of € 878.8 million and put the figure slightly above the current half-year sales. Order receipts were, however, influenced by favourable currency translation effects just like the amount of business.

Business Group Automotive Cables booked a significant new order: it covers the supply of special and battery cables for various applications in vehicles and comes from a major wiring systems manufacturer. In addition, we gained strategically important projects involving the increasing digitalisation in vehicles. And, among other business, a German carmaker ordered the data wiring for its administration areas and a development centre in China from Business Group Communication & Infrastructure. Business Group Electrical Appliance Assemblies obtained various orders for cables and cable systems for the household appliances of international premium manufacturers – for the American market, for example – and has thereby strengthened its position as a systems provider.

Group sales and earnings

Consolidated sales rise to nearly € 2.3 billion between January and June

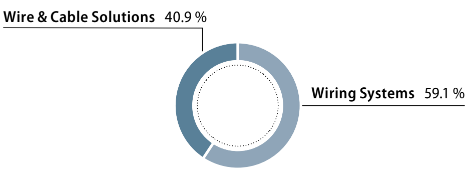
The consolidated sales of LEONI AG rose by more than 13 percent to € 1,155.7 million in the second quarter of 2015. In total over the first half, the amount of business was up by 11 percent or € 224.9 million to € 2,264.5 million. Organically, LEONI grew by € 104.1 million or about 5 percent in the first six months. Exchange rates exerted a positive effect of € 144.0 million, whereas the lower price of copper reduced sales by € 23.2 million.

H1/2015 sales growth

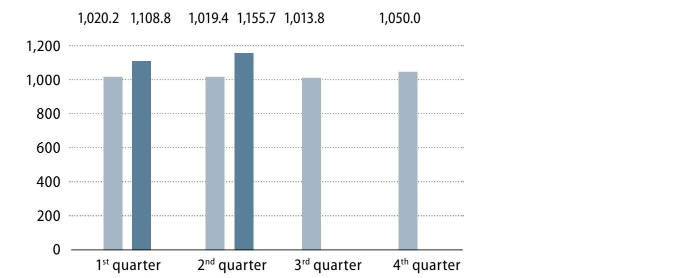
	€ million	in %
H1/2014 sales	**2,039.6**	
Organic growth	104.1	+ 5.0
Currency effects	144.0	+ 7.1
Copper price effects	(23.2)	(1.1)
H1/2015 sales	**2,264.5**	+ 11.0

The amount of business increased in all regions, although a significant proportion of these gains in Asia and the Americas are attributable to positive effects of translating into the euro reporting currency. In the EMEA area, sales rose by 5 percent to € 1,470.2 million; in the Americas by 31 percent to € 378.4 million and in Asia by just over 18 percent to € 415.9 million.

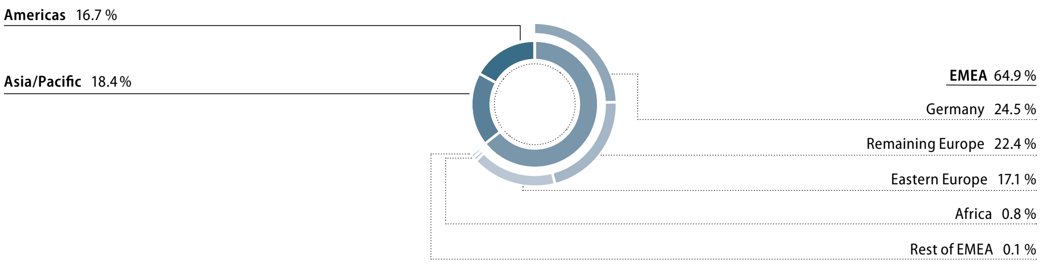
H1/2015 consolidated sales by division



Consolidated sales € million



H1/2015 consolidated sales by region



EBIT still down in the first half, but already up on previous year in the second quarter

The LEONI Group's cost of sales in the first six months of 2015 was up by about 12 percent year on year to € 1,886.6 million and thus proportionately by slightly more than the amount of business. In particular, this reflected the additional recruitment and other pre-production spending on the new wiring system projects as well as new cable production facilities. Gross profit on sales increased by about 6 percent to € 377.8 million in the first half, which equated to a **gross margin** of 16.7 percent (previous year: 17.5 percent).

Selling expenses increased by about 10 percent to € 115.8 million. Pay scale rises as well as non-recurring expenses involving efficiency enhancement measures and strategic IT projects were reflected in general administrative costs, which in total were up by about 18 percent to € 116.5 million. Research and development costs rose by about 12 percent to € 60.9 million due mainly to pre-production spending on new customer projects in the Wiring Systems Division.

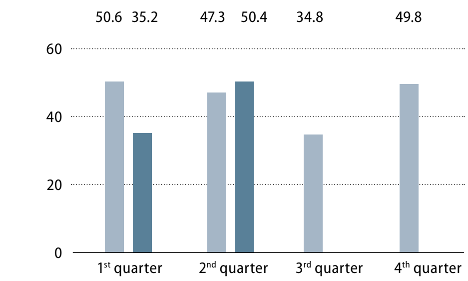
The balance of other operating income and expenses improved from expenses of € 1.0 million in the first six months of the previous year to income of € 0.8 million this year. This involved significantly increased income from grants for a facility in Eastern Europe more than offsetting heavier exchange losses and a write-down on a site held for sale in Morocco.

In total, **consolidated earnings** before interest and taxes came to € 85.5 million in the first half of 2015 and thus to about 13 percent less than the comparable 2014 figure. EBIT adjusted for the impact of allocating purchase prices, restructuring charges and divestment amounted to € 92.5 million (previous year: € 103.8 million). The **financial result** including other investment income improved slightly from a negative balance of € 14.6 million to negative € 13.9 million. In the first quarter, the more favourable borrowing terms as a result of refinancing borrower's note loans were still offset by non-recurring expenses related to premature repayment of some of these loans. **Earnings before taxes** dipped from € 83.4 million to € 71.6 million in the period from January to June 2015. Less taxes, the Company reported **consolidated net income** of € 51.8 million (previous year: € 61.4 million).

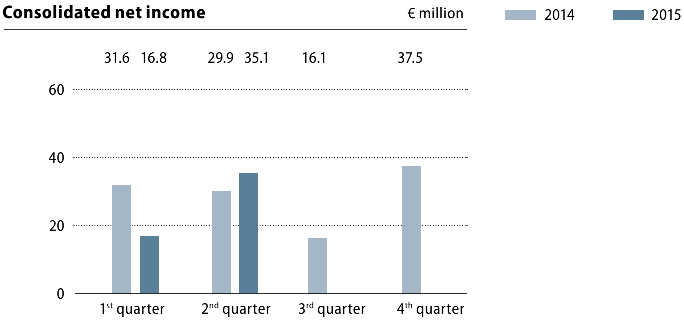
» Financial situation page 13

When looked at in isolation, there was already the expected, considerable increase in earnings in the **second quarter** of 2015: EBIT rose by more than 6 percent year on year to € 50.4 million and consolidated net income was up, thanks to a lower tax rate, by more than 17 percent to € 35.1 million.

Group EBIT € million



Consolidated net income € million



Financial situation

Better terms for funding growth

Group-wide, cash provided by operating activities in the first six months of 2015 rose from € 10.8 million to € 17.5 million despite the lower half-year earnings. The addition to funds tied up in working capital was significantly lower during the period under report than it was in the same period of the previous year.

» Capital expenditure page 14

Cash amounting to € 108.8 million (previous year: € 105.5 million) was used for capital investment activity because of the extensive capacity expansion measures in both divisions. **Free cash flow** for the period from January to June 2015 thus improved slightly versus the same period in 2014, i.e. to negative € 91.3 million (previous year: negative € 94.7 million).

Financing activity was characterised to a significant extent by having placed new borrower's note loans and the partially premature repayment of existing liabilities to take long-term advantage of the favourable conditions on the capital market and to fund our growth. In total, the Company placed new borrower's note loans in the amount of € 222.1 million and repaid existing loans in an overall amount of € 177.0 million. Including further, smaller-scale changes in foreign currency borrowings and payout of the dividend, this meant cash provided by financing activity in the first six months of 2015 of € 2.9 million (previous year: € 55.4 million).

Overall, the LEONI Group's cash and cash equivalents as at the end of June 2015 were down to € 152.7 million (previous year: 157.9).

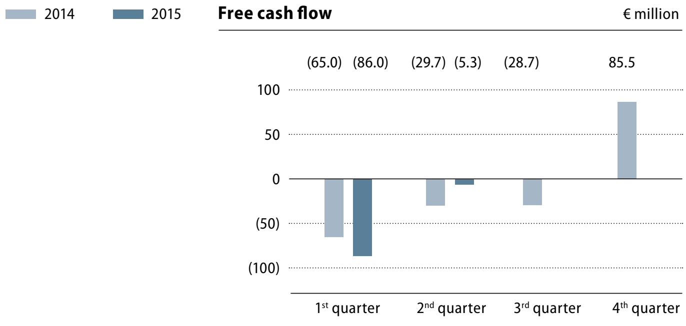
Consolidated statement of cash flows *(abridged version)*

	1st half	
€ million	**2015**	**2014**
Cash flows from operating activities	17.5	10.8
Cash flows from capital investment activities	(108.8)	(105.5)
Cash flows from financing activities	2.9	55.4
Change of cash and cash equivalents	(88.4)	(39.3)
Cash and cash equivalents at period end	**152.7**	**157.9**

Calculation of free cash flow

	1st half	
€ million	**2015**	**2014**
Cash flows from operating activities	17.5	10.8
Cash flows from capital investment activities	(108.8)	(105.5)
Free cash flow	**(91.3)**	**(94.7)**

Free cash flow € million



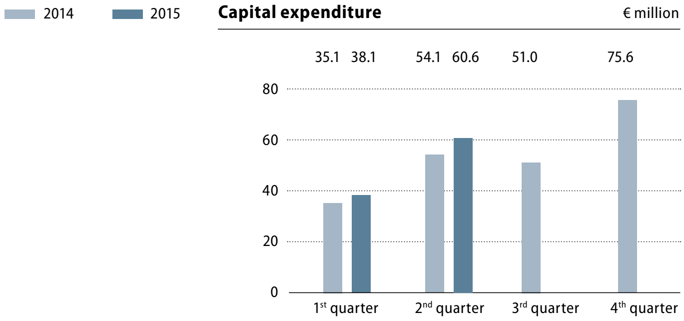
Capital investment of almost € 100 million

The LEONI Group invested € 98.7 million in the first half of 2015, about 11 percent more than in the same period in 2014. This was almost exclusively spent on property, plant and equipment and intangible assets.

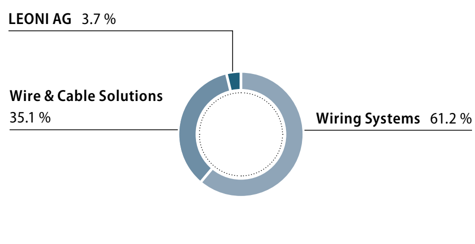
Capital investment in the Wiring Systems Division increased to € 60.4 million (previous year: € 53.4 million). This included construction of a new plant in China and increase of production capacities in Serbia. Furthermore, we expanded facilities in Eastern Europe as well as North Africa to cover additional orders from customers and enlarged as well as modernised our divisional headquarter in Kitzingen.

The Wire & Cable Solutions Division invested € 34.7 million (previous year: € 31.9 million), most of which was spent on the two new automotive cables plants in Mexico and China. Other focal areas were Eastern Europe – with a special cables production line for Business Group Industry & Healthcare – as well as Germany with expansion of the high-speed cables production line at the facility in Friesoythe and purchase of the land for the 'Factory of the Future' in Roth.

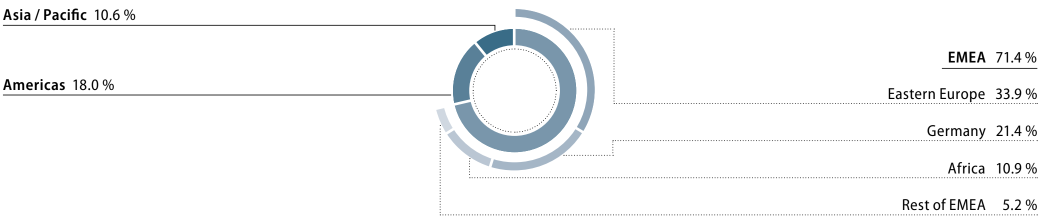
Capital expenditure € million



H1/2015 capital expenditure by segment



H1/2015 capital expenditure by region



Asset situation

Equity ratio at 34.5 percent

The total assets of the LEONI Group as at 30 June 2015 were up by nearly 8 percent from 31 December 2014 to € 2,876.4 million. This was due mainly to exchange rates involving the weaker euro. **Current assets** thus rose by almost 10 percent to € 1,613.4 million. Trade receivables, which rose by about 23 percent to € 672.1 million, furthermore reflected the increasing globalisation of our activity and the changed customer base. Inventories accumulated by nearly 11 percent to € 623.9 million, due also to building up stock in connection with the numerous new projects. Higher value added tax receivables furthermore boosted other assets by about 28 percent to € 118.7 million. On the other hand, cash and cash equivalents were down from € 232.0 million to € 152.7 million.

The only larger-scale changes in **non-current assets**, which in total increased by almost 6 percent to € 1,263.0 million, involved the item property, plant and equipment, which rose by nearly 8 percent to € 873.2 million as a result of the necessary capacity expansion in both divisions.

On the **liabilities** side, current liabilities rose by about 3 percent to € 1,102.6 million. Trade liabilities were up by approximately 12 percent to € 788.3 million due to the expansion of business and exchange rate effects. Other current liabilities increased by around 13 percent to € 170.7 million due mainly to greater holiday pay provisions. This was opposed primarily by a reduction in current financial liabilities as a result of the repayment upon maturity of borrower's note loans and other loans.

Non-current liabilities accumulated by around 14 percent to € 782.3 million. The main reason for this was the placement of new borrower's note loans, which increased non-current financial liabilities from € 448.4 million to € 540.9 million. With a total of € 159.3 million, pension provisions were up only slightly on the figure of € 157.2 million at the turn of the year. There was a turnaround in this item in the second quarter after it had to be continually topped up in the preceding quarters because of the decline in the level of market interest rates.

» Financial situation page 13

Our **equity** at the end of June was up by 8 percent to € 991.5 million, meaning that the **equity ratio** rose slightly to 34.5 percent (31 December 2014: 34.4 percent). Retained earnings increased by about 2 percent to € 631.7 million because of the half-year result. There was, furthermore, a significant improvement in accumulated other comprehensive income, namely from a negative figure of € 26.6 million to a positive one of € 34.4 million. Above all, this reflected the major differences arising from translating foreign currencies into the euro reporting currency.

Net financial liabilities amounted to € 446.2 million at the end of the first half, up from € 316.2 million at the turn of the year.

Asset and capital breakdown

€ million	30/06/2015	31/12/2014
Current assets	1,613.4	1,471.7
Non-current assets	1,263.0	1,195.5
Total assets	**2,876.4**	**2,667.2**
Current liabilities	1,102.6	1,065.8
Non-current liabilities	782.3	683.7
Equity	991.5	917.8
Total equity and liabilities	**2,876.4**	**2,667.2**

Calculation of net financial liabilities

€ million	30/06/2015	31/12/2014
Cash and cash equivalents	152.7	232.0
Current financial liabilities	(58.0)	(99.8)
Non-current financial liabilities	(540.9)	(448.4)
Calculation of net financial liabilities	(446.2)	(316.2)

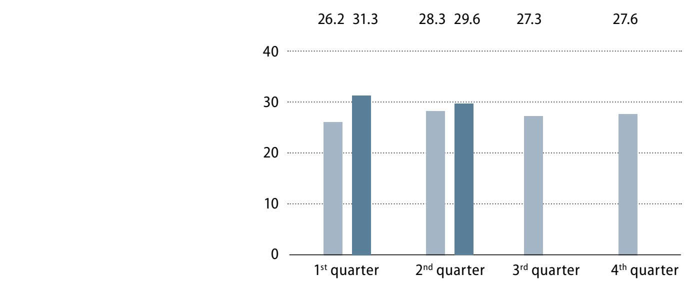
Research & Development

The LEONI Group spent € 60.9 million, or about 12 percent more than in the same period of 2014, on research and development in the first six months of 2015. One of the focal areas of this work continued to be lightweight construction applications for the automotive industry to minimise vehicle weight and thereby fuel consumption and CO_2 emissions. We will be presenting corresponding solutions at this year's International Motor Show (IAA) in Frankfurt: for example a new generation of FLUY cables, a copper conductor with an ultrathin plastic jacket, and a large variety of aluminium conductors.

The current Annual Report contains further information on our ongoing R & D work.

» Annual Report 2014 page 89 et seq.

R & D expense € million



Employees

Almost 72,000 employees Group wide

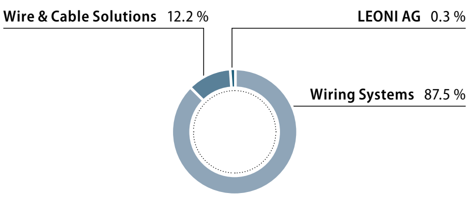
At the 2015 mid-year mark, the LEONI Group had 71,987 employees and thus 3,999 more than at the beginning of the year. The number of employees in Germany was up by 17 people to 4,325, while outside Germany it was up by 3,982 to 67,662 staff. The foreign proportion thus comes to 94 percent. On the other hand, the total number of temporary employees, most of whom work for LEONI in China, decreased by 650 to 5,716 people.

In the Wiring Systems Division, the number of employees increased by 3,915 to 62,971 people in the first six months of 2015. We enlarged the workforce particularly for new customer projects at facilities in Eastern Europe and North Africa. On the other hand, the number of temporary staff in China was down significantly due to the on-schedule end of projects.

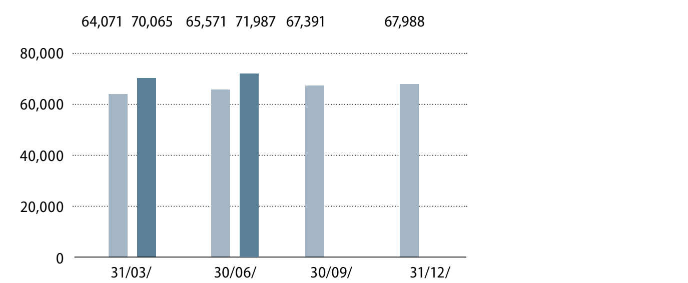
The Wire & Cable Solutions Division had 8,762 employees at the midyear mark, 83 more than at the end of 2014. We recruited people especially at our automotive cables facilities in Asia and the Americas.

The LEONI AG holding company increased its workforce by 1 to 254 employees.

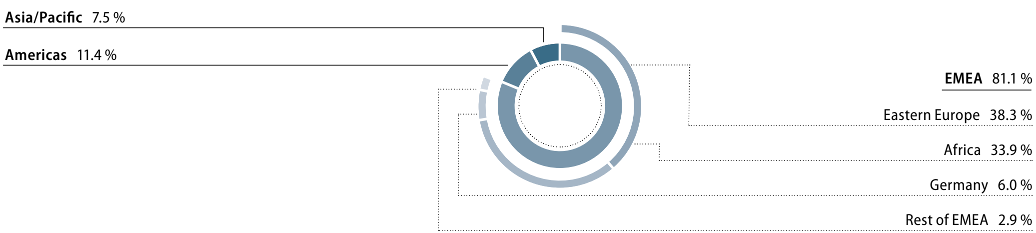
Employees by segment as of 30 June 2015



Employees



Employees by region as of 30 June 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

» Annual Report 2014 page 93 et seq.

» www.leoni.com

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 2015, which is also accessible on our website, provide extensive information on our activity with respect to corporate responsibility.

Risk and opportunity report

» Annual Report 2014 page 98 et seq.

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.

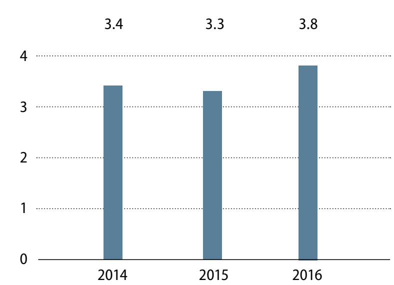
Forecast

Business and underlying conditions

Macroeconomic setting

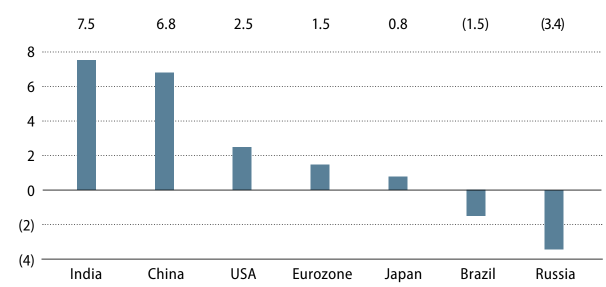
At the beginning of July the International Monetary Fund (IMF) revised its forecast for 2015 global economic growth downward slightly from 3.5 percent to 3.3 percent. The IMF gave the main reason for this as being the poorer-than-expected performance of the US economy in the first quarter, which is why projections for its growth were scaled back from 3.1 percent to 2.5 percent and the prospects for some other American countries were similarly affected. The forecasts for the other key regions hardly changed, on the other hand. The risk factors continue to be the uncertain economic situation in China and the numerous geopolitical risks. Overall, the economies of the developing and emerging countries are likely to expand somewhat less than last year, while the industrialised countries should grow a little more. Economic growth of 1.6 percent is still forecast for Germany.

Global economic growth 2014 to 2016 %



Source: IMF (2015/2016 estimate)

2015 economic growth in selected regions compared to 2014 %



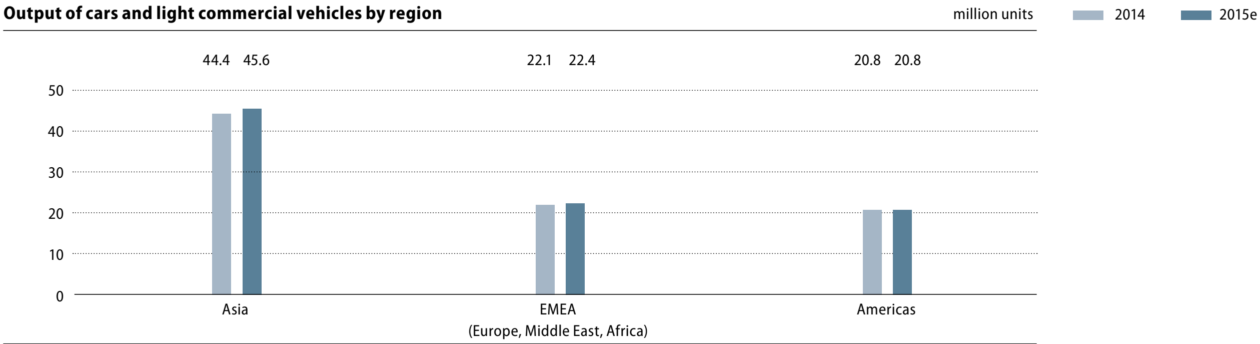
Source: IMF (estimate)

Sector trend

Most of the customer sectors of significance to LEONI are likely to generate moderate growth over the whole of 2015. The VDA estimates that the **global automotive market** will grow by 1 percent this year. The strong demand in Western Europe, the United States and China is being offset by poor performance in the Mercosur region, Russia and Japan. According to the latest IHS Automotive projections, overall global motor vehicle output in 2015 will increase by about 2 percent to nearly 89 million passenger cars and light commercial vehicles. This involved a slight increase in estimates for Europe, but in return a slight reduction for Asia and a significant one for South America.

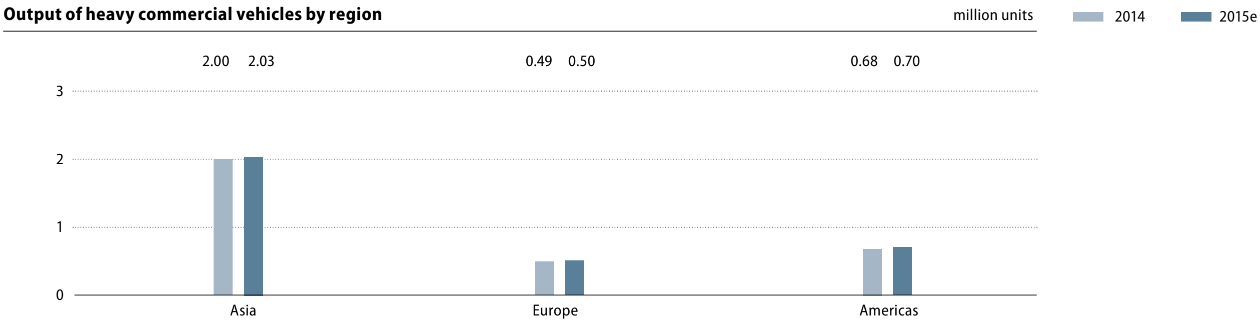
IHS Automotive says that the international **commercial vehicle industry** will probably increase its output by just under 2 percent this year and thus a little less strongly than assumed at the beginning of the year. With the exceptions of China and South America, increases are to be expected in all of the major production regions.

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** can be expected, according to its ZVEI association, to record a 1.5 percent increase in output in 2015. The sector's business climate did cool off somewhat in June, however.

German **machinery and plant engineering companie**s have scaled back their forecast for this year following the weak first half and now project that output will grow at the previous year's level rather than at a rate of 2 percent.

By contrast, the prospects for the **information and communication** (ICT) industry are meanwhile somewhat more favourable than at the beginning of the year: the sector's BITKOM association has raised its projection for ICT sales growth in Germany from 0.6 percent to 1.5 percent. The driver of this growth is information technology, whereas the telecommunications segment is expected to be flat and consumer electronics is forecast to contract.

Although the Spectaris **medical technology sector** association does not anticipate any significant year on year improvement in 2015, it does expect the industry to return to a growth trajectory in the medium term.

The LEONI Group's business performance

Based on the considerable sales and earnings growth in the second quarter, the Management Board of LEONI AG regards the Company as still being on course for the set targets. For 2015 as a whole, we still project increases in consolidated sales to about € 4.3 billion (previous year: € 4.1 billion) and in consolidated EBIT to more than € 200 million (previous year: € 182.5 million). From today's perspective, there will be another surge in earnings particularly in the fourth quarter – after the normally slower summer months because of the plant holiday shutdowns in the automotive industry. Efficiency gains in both divisions will also contribute to this result.

The external sales of the Wiring Systems Division are 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). Major project start-ups are also scheduled for the second half of the year. We are enlarging our capacity worldwide for this reason: following the opening in August of a new plant in Tieling, China, one further, additional facility in Paraguay and the plant in Serbia will go into production by the end of this year. In the medium term, growth opportunities for the Wiring Systems Division will also stem from strengthening of its car business in the Americas as well as stepping up work with its new customer Hyundai and with local manufacturers in Asia. We furthermore aim to increase 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 to about € 1.85 billion this year (previous year: € 1.7 billion) and a rise in EBIT to more than € 85 million (previous year: € 78.1 million). From today's perspective, earnings will improve significantly in the second half of the year thanks to the absence of adverse, non-recurring factors and positive effects from the 'WCS ON Excellence' performance programme. The two new automotive cables plants in China and Mexico as well as the persistently good demand from the medical technology and capital good industries will also contribute to that performance. In the medium term, we furthermore anticipate a recovery in the currently subdued business involving data and infrastructure cables as well as projects for the petrochemical industry.

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

Condensed interim consolidated financial statements 30 June 2015

Consolidated income statement

	2nd quarter			1st half		
€ '000 (except information to shares)	**2015**	**2014**	**Change**	**2015**	**2014**	**Change**
Sales	1,155,686	1,019,387	13.4 %	2,264,495	2,039,616	11.0 %
Cost of sales	(959,911)	(841,183)	14.1 %	(1,886,648)	(1,682,259)	12.2 %
Gross profit on sales	**195,775**	**178,204**	**9.9 %**	**377,847**	**357,357**	**5.7 %**
Selling expenses	(59,036)	(53,817)	9.7 %	(115,830)	(105,404)	9.9 %
General and administration expenses	(57,188)	(49,281)	16.0 %	(116,499)	(98,617)	18.1 %
Research and development expenses	(29,599)	(28,269)	4.7 %	(60,856)	(54,451)	11.8 %
Other operating income	5,831	2,440	> 100.0 %	9,733	4,286	> 100.0 %
Other operating expenses	(5,463)	(1,944)	> 100.0 %	(8,912)	(5,250)	69.8 %
Result from associated companies and joint ventures	33	15	> 100.0 %	45	14	> 100.0 %
EBIT	**50,353**	**47,348**	**6.4 %**	**85,528**	**97,935**	**(12.7) %**
Finance revenue	497	249	99.6 %	1,014	608	66.8 %
Finance costs	(7,057)	(7,926)	(11.0) %	(15,037)	(15,321)	(1.9) %
Other income/expenses from share investments	0	0	100.0 %	100	144	(30.6) %
Income before taxes	**43,793**	**39,671**	**10.4 %**	**71,605**	**83,366**	(14.1) %
Income taxes	(8,742)	(9,800)	(10.8) %	(19,762)	(21,940)	(9.9) %
Net income	**35,051**	**29,871**	**17.3 %**	**51,843**	**61,426**	**(15.6) %**
attributable to: equity holders of the parent	34,957	29,794		51,645	61,238	
non-controlling interests	94	77		198	188	
Earnings per share (basic and diluted)	1.07	0.91		1.58	1.87	
Weighted average shares outstanding (basic and diluted)	32,669,000	32,669,000		32,669,000	32,669,000	

Consolidated statement of comprehensive income

	2nd quarter			1st half		
€ '000	**2015**	**2014**	**Change**	**2015**	**2014**	**Change**
Net income	**35,051**	**29,871**	**17.3%**	**51,843**	**61,426**	**(15.6)%**
Other comprehensive income						
Items that cannot be reclassified to the income statement:						
Actuarial gains or losses on defined benefit plans	28,457	(5,539)	> 100.0%	6,314	(14,921)	> 100.0%
Income taxes applying to items of other comprehensive income that are not reclassified	(7,054)	1,441	(> 100.0)%	(1,775)	3,726	(> 100.0)%
Items that can be reclassified to the income statement:						
Cumulative translation adjustments						
Gains and losses arising during the period	(16,842)	8,962	(> 100.0)%	56,121	3,389	> 100.0%
Less reclassification adjustments included in the income statement	(57)	29	(> 100.0)%	(57)	29	(> 100.0)%
Total cumulative translation adjustments	(16,899)	8,991	(> 100.0)%	56,064	3,418	> 100.0%
Cash flow hedges						
Losses and gains arising during the period	(484)	2,758	(> 100.0)%	(2,166)	3,800	(> 100.0)%
Less reclassification adjustments included in the income statement	570	76	> 100.0%	2,658	600	> 100.0%
Total cash flow hedges	86	2,834	(97.0)%	492	4,400	(88.8)%
Income taxes applying to items of other comprehensive income that are reclassified	(1,424)	(180)	(> 100.0)%	55	(480)	> 100.0%
Other comprehensive income (after taxes)	**3,166**	**7,547**	**(58.0)%**	**61,150**	**(3,857)**	**> 100.0%**
Total comprehensive income	**38,217**	**37,418**	**2.1%**	**112,993**	**57,569**	**96.3%**
attributable to: equity holders of the parent	38,064	37,325	2.0%	112,693	57,360	96.5%
non-controlling interests	153	93	64.5%	300	209	43.5%

Consolidated statement of cash flows

	2nd quarter		1st half	
€ '000	**2015**	**2014**	**2015**	**2014**
Net income	35,051	29,871	51,843	61,426
Adjustments to reconcile cash provided by operating activities:				
Income taxes	8,742	9,800	19,762	21,940
Net interest	6,578	7,733	14,308	14,341
Dividend income	0	0	(100)	(144)
Depreciation and amortisation	34,308	30,413	67,872	60,575
Gains on assets held for sale	1,000	0	1,000	0
Other non-cash expenses and income	(33)	(15)	(45)	(14)
Result of asset disposals	665	131	653	188
Change in operating assets and liabilities				
Change in receivables and other financial assets	(21,990)	(16,703)	(101,501)	(67,160)
Change in inventories	637	(26,986)	(35,051)	(74,938)
Change in other assets	(4,761)	(12,710)	(29,443)	(24,204)
Change in provisions	(984)	5,285	2,361	8,393
Change in liabilities	8,548	13,576	57,307	37,944
Income taxes paid	(17,249)	(18,613)	(25,385)	(21,747)
Interest paid	(1,595)	(2,134)	(6,804)	(6,098)
Interest received	411	54	617	131
Dividends received	0	0	100	144
Cash flows from operating activities	**49,328**	**19,702**	**17,494**	**10,777**
Capital expenditures for intangible assets and property, plant and equipment	(56,931)	(49,408)	(111,750)	(105,672)
Capital expenditures for other financial assets	(71)	(21)	(75)	(23)
Cash receipts from disposal of assets	2,316	100	3,006	244
Cash flows from capital investment activities	**(54,686)**	**(49,329)**	**(108,819)**	**(105,451)**
Cash receipts from acceptance of financial debts	15,205	47,378	250,969	90,534
Cash repayments of financial debts	(73,716)	(9)	(208,882)	(2,497)
Dividends paid by LEONI AG	(39,203)	(32,669)	(39,203)	(32,669)
Cash flows from financing activities	**(97,714)**	**14,700**	**2,884**	**55,368**
Change of cash and cash equivalents	(103,072)	(14,927)	(88,441)	(39,306)
Currency adjustment	(4,071)	505	9,199	(806)
Cash and cash equivalents at beginning of period	259,879	172,284	231,978	197,974
Cash and cash equivalents at end of period	152,736	157,862	152,736	157,862

Consolidated statement of financial position

Assets

€ '000	30/06/2015	31/12/2014	30/06/2014
Cash and cash equivalents	152,736	231,978	157,862
Trade accounts receivable	672,125	544,936	563,690
Other financial assets	25,178	17,414	21,032
Other assets	118,722	92,630	106,695
Receivables from income taxes	13,831	10,919	9,543
Inventories	623,864	564,179	584,636
Assets held for sale	6,965	9,601	7,965
Total current assets	**1,613,421**	**1,471,657**	**1,451,423**
Property, plant and equipment	873,246	810,073	739,712
Intangible assets	82,010	82,661	80,861
Goodwill	151,283	147,676	147,894
Shares in associated companies and joint ventures	523	658	472
Trade receivables from long-term development contracts	57,002	55,146	51,674
Other financial assets	9,362	7,535	6,020
Deferred taxes	66,461	72,004	56,773
Other assets	23,122	19,771	17,392
Total non-current assets	**1,263,009**	**1,195,524**	**1,100,798**
Total assets	**2,876,430**	**2,667,181**	**2,552,221**

Equity and liabilities

€ '000	30/06/2015	31/12/2014	30/06/2014
Current financial debts and current proportion of long-term financial debts	58,024	99,776	88,223
Trade accounts payable	788,312	704,881	690,019
Other financial liabilities	35,733	39,338	26,707
Income taxes payable	25,947	42,454	33,137
Other current liabilities	170,736	150,985	161,971
Provisions	23,887	28,329	32,324
Total current liabilities	**1,102,639**	**1,065,763**	**1,032,381**
Long-term financial debts	540,866	448,402	459,527
Long-term financial liabilities	10,729	7,522	5,049
Other non-current liabilities	9,830	9,072	10,111
Pension provisions	159,341	157,183	127,424
Other provisions	24,611	23,961	24,017
Deferred taxes	36,940	37,523	41,176
Total non-current liabilities	**782,317**	**683,663**	**667,304**
Share capital	32,669	32,669	32,669
Additional paid-in capital	290,887	290,887	290,887
Retained earnings	631,694	619,252	565,816
Accumulated other comprehensive income	34,417	(26,631)	(38,419)
Equity holders of the parent	989,667	916,177	850,953
Non-controlling interests	1,807	1,578	1,583
Total equity	**991,474**	**917,755**	**852,536**
Total equity and liabilities	**2,876,430**	**2,667,181**	**2,552,221**

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			61,238				61,238	188	61,426
Other comprehensive income				3,397	3,920	(11,195)	(3,878)	21	(3,857)
Total comprehensive income							57,360	209	57,569
Dividend payment			(32,669)				(32,669)		(32,669)
Disposal of non-controlling interests							0	39	39
30 June 2014	**32,669**	**290,887**	**565,816**	**33,071**	**1,267**	**(72,757)**	**850,953**	**1,583**	**852,536**
1 January 2015	**32,669**	**290,887**	**619,252**	**68,599**	**(4,469)**	**(90,761)**	**916,177**	**1,578**	**917,755**
Net income			51,645				51,645	198	51,843
Other comprehensive income				55,962	547	4,539	61,048	102	61,150
Total comprehensive income							112,693	300	112,993
Dividend payment			(39,203)				(39,203)	0	(39,203)
Disposal of non-controlling interests								(71)	(71)
30 June 2015	**32,669**	**290,887**	**631,694**	**124,561**	**(3,922)**	**(86,222)**	**989,667**	**1,807**	**991,474**

Notes to the condensed interim consolidated financial statements for the period from 1 January to 30 June 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 consolidated financial statements and interim group management report as at 30 June 2015 were subjected to a review by the auditors. The Management Board of LEONI AG authorised their release on 28 July 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, 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 directly or indirectly holds the majority of the voting rights 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:

	2nd quarter		1st half		
€ '000 (employees excluded)	**2015**	**2014**	**2015**	**2014**	**Change**
Wiring Systems					
Sales	683,825	597,792	1,337,829	1,195,526	11.9%
Less intersegment sales	71	21	158	82	92.7%
External sales (sales to third parties)	683,754	597,771	1,337,671	1,195,444	11.9%
EBIT	34,951	26,256	52,841	58,039	(9.0)%
EBIT as a percentage of external sales	5.1%	4.4%	4.0%	4.9%	—
Employees (as at 30/06)	62,971	56,881	62,971	56,881	10.7%
Wire & Cable Solutions					
Sales	516,551	460,407	1,014,557	921,840	10.1%
Less intersegment sales	44,619	38,791	87,733	77,668	13.0%
External sales (sales to third parties)	471,932	421,616	926,824	844,172	9.8%
EBIT	15,531	21,079	32,488	39,866	(18.5)%
EBIT as a percentage of external sales	3.3%	5.0%	3.5%	4.7%	—
Employees (as at 30/06)	8,762	8,455	8,762	8,455	3.6%
Consolidation / LEONI AG					
Sales	(44,690)	(38,812)	(87,891)	(77,750)	(13.0)%
Less intersegment sales	44,690	38,812	87,891	77,750	13.0%
External sales (sales to third parties)	—	—	—	—	—
EBIT	(129)	13	199	30	—
Employees (as at 30/06)	254	235	254	235	8.1%
Group					
Sales	1,155,686	1,019,387	2,264,495	2,039,616	11.0%
Less intersegment sales	—	—	—	—	—
External sales (sales to third parties)	1,155,686	1,019,387	2,264,495	2,039,616	11.0%
EBIT	50,353	47,348	85,528	97,935	(12.7)%
EBIT as a percentage of external sales	4.4%	4.6%	3.8%	4.8%	—
Employees (as at 30/06)	71,987	65,571	71,987	65,571	9.8%

4 | Other operating expenses and income

The other operating income in the amount of € 9,733 k (previous year: € 4,286 k) included government grants of € 5,364 k (previous year: € 3,036 k). This year-on-year increase is due primarily to state subsidies for setting up the plant in Serbia.

There were other operating expenses of € 8,912 k in the first half (previous year: € 5,250 k). The exchange losses included therein amounted to € 3,124 k (previous year: € 1,143 k). Restructuring expenses totalling € 1,483 k (previous year: € 1,289 k) were furthermore recognised during the period under report. These were severance costs involving payments mostly to employees in Tunisia. This item also included expenses of € 1,000 k due to writing down a held-for-sale piece of land in Morocco to its current market value.

5 | Income taxes

The reported income taxes of € 19,762 k (previous year: € 21,940 k) comprised current tax expense of € 15,063 k (previous year: € 20,103 k) and deferred tax expense due to differences in balance sheet items and changes in loss carryforwards of € 4,699 k (previous year: € 1,837 k).

The tax rate was 27.6 percent (previous year: 26.3 percent).

6 | Comprehensive income

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

	2nd quarter						1st half					
	2015			2014			2015			2014		
€ '000	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Change in actuarial gains and losses	28,457	(7,054)	21,403	(5,539)	1,441	(4,098)	6,314	(1,775)	4,539	(14,921)	3,726	(11,195)
Foreign currency translation adjustments	(16,899)	0	(16,899)	8,991	0	8,991	56,064	0	56,064	3,418	0	3,418
Changes in unrealised gains/losses on cash flow hedges	86	(1,424)	(1,338)	2,834	(180)	2,654	492	55	547	4,400	(480)	3,920
Other comprehensive income	**11,644**	**(8,478)**	**3,166**	**6,286**	**1,261**	**7,547**	**62,870**	**(1,720)**	**61,150**	**(7,103)**	**3,246**	**(3,857)**

Currency translation differences of € 56,064 k (previous year: € 3,418 k) are included in other comprehensive income for the first half. These differences were attributable mainly to translation of the Chinese renminbi, the Swiss franc, the pound sterling as well as the US dollar into the euro reporting currency.

The significant, second-quarter increase in the discount rate on pension obligations in Germany, Switzerland and the United Kingdom resulted in actuarial gains amounting to € 6,314 k in the first half (previous year: losses of € 14,921 k).

Taking deferred taxes into account, the overall result was other comprehensive income of € 61,150 k (previous year: a negative amount of € 3,857 k).

7 | Financial liabilities

The sum of current and non-current financial liabilities was € 598,890 k on 30 June 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 refinance on improved terms. Among other action, LEONI issued borrower's note loans in the amount of € 222,100 k and repaid such loans in the amount of € 177,000 k.

8 | Financial instruments

The tables below show the carrying amounts and the fair values of the financial instruments held in the Group on 30 June 2015 and on 30 June 2014:

[€ '000]	Category in accordance with IAS 39	Amounts recognised in balance sheet according to IAS 39 **Carrying amount 30/06/2015**	Amortised cost	Cost	Fair Value recognised in equity	Fair Value recognised in profit or loss	**Fair Value 30/06/2015**
Assets							
Cash and cash equivalents	LaR	**152,736**	152,736				**152,736**
Trade receivables	LaR	**672,125**	672,125				**672,125**
Long-term trade receivables from development contracts	LaR	**57,002**	57,002				**57,002**
Other financial receivables	LaR	**22,678**	22,678				**22,678**
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	**5,524**				5,524	**5,524**
Derivatives with a hedging relationship	n/a	**5,273**			3,519	1,754	**5,273**
Total equity and liabilities							
Trade payables	FLAC	**788,312**	788,312				**788,312**
Liabilities to banks	FLAC	**200,040**	200,040				**202,992**
Borrower's note loans	FLAC	**398,588**	398,588				**405,800**
Other financial liabilities	FLAC	**26,459**	26,459				**26,459**
Derivative financial liabilities							
Derivatives without a hedging relationship	FLHfT	**10,430**				10,430	**10,430**
Derivatives with a hedging relationship	n/a	**9,835**			9,835		**9,835**
Of which aggregated by categories in accordance with IAS 39:							
Loans and Receivables (LaR)	LaR	**904,541**	904,541				**904,541**
Available-for-Sale Financial Assets (AfS)	AfS	**1,065**		1,065			**1,065**
Financial Assets Held for Trading (FAHfT)	FAHfT	**5,524**				5,524	**5,524**
Financial Liabilities measured at Amortised Cost (FLAC)	FLAC	**1,413,399**	1,413,399				**1,423,563**
Financial Liabilities Held for Trading (FLHfT)	FLHfT	**10,430**				10,430	**10,430**

[€ '000]	Category in accordance with IAS 39	Carrying amount 30/06/2014	Amortised cost	Cost	Fair Value recognised in equity	Fair Value recognised in profit or loss	Fair Value 30/06/2014
		Amounts recognised in balance sheet according to IAS 39					
Assets							
Cash and cash equivalents	LaR	**157,862**	157,862				**157,862**
Trade receivables	LaR	**563,690**	563,690				**563,690**
Long-term trade receivables from development contracts	LaR	**51,674**	51,674				**51,674**
Other financial receivables	LaR	**17,953**	17,953				**17,953**
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	**2,382**				2,382	**2,382**
Derivatives with a hedging relationship	n/a	**5,652**			4,280	1,372	**5,652**
Total equity and liabilities							
Trade payables	FLAC	**690,019**	690,019				**690,019**
Liabilities to banks	FLAC	**195,029**	195,029				**195,295**
Borrower's note loans	FLAC	**352,146**	352,146				**358,783**
Other financial liabilities	FLAC	**28,750**	28,750				**28,750**
Derivative financial liabilities							
Derivatives without a hedging relationship	FLHfT	**3,103**				3,103	**3,103**
Derivatives with a hedging relationship	n/a	**478**			478		**478**
Of which aggregated by categories in accordance with IAS 39:							
Loans and Receivables (LaR)	LaR	**791,179**	791,179				**791,179**
Available-for-Sale Financial Assets (AfS)	AfS	**1,065**		1,065			**1,065**
Financial Assets Held for Trading (FAHfT)	FAHfT	**2,382**				2,382	**2,382**
Financial Liabilities measured at Amortised Cost (FLAC)	FLAC	**1,265,944**	1,265,944				**1,272,847**
Financial Liabilities Held for Trading (FLHfT)	FLHfT	**3,103**				3,103	**3,103**

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 and the Group-specific margins. For this reason the fair values are to be allocated to hierarchy level 3.

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) were based on discounted future cash flows. The applicable market interest rates 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.

30/06/2015 [€ '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	0	5,524	0	**5,524**
Derivatives with a hedging relationship	0	5,273	0	**5,273**
Financial liabilities measured at fair value				
Derivative financial liabilities				
Derivatives without a hedging relationship	683	9,747	0	**10,430**
Derivatives with a hedging relationship	0	9,835	0	**9,835**

30/06/2014 [€ '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	646	1,736	0	**2,382**
Derivatives with a hedging relationship	0	5,652	0	**5,652**
Financial liabilities measured at fair value				
Derivative financial liabilities				
Derivatives without a hedging relationship	0	3,103	0	**3,103**
Derivatives with a hedging relationship	0	478	0	**478**

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

Other information

9 | 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 € 729 k (previous year: € 671 k) from the sale of products and services to members of the Supervisory Board and their companies and made purchases worth € 397 k (previous year: € 451 k) from them during the period under report. All supply and service transactions were concluded on standard market terms.

10 | Management Board and Supervisory Board

On 7 May 2015, Dieter Bellé assumed the role of President & CEO in addition to his function as Chief Financial Officer. Shareholders at the Annual General Meeting appointed Dr Ulrike Friese-Dormann as a member of the Supervisory Board.

Nuremberg, 28 July 2015

Dieter Bellé   Dr Andreas Brand   Dr Frank Hiller

Auditor’s certificate

Review report

Translation of the German review report concerning the review of the condensed interim consolidated financial statements and interim group management report prepared in German language:

We have reviewed the condensed consolidated interim financial statements, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of financial position, the consolidated statement of changes in equity and notes to the condensed interim consolidated financial statements, and the interim group management report of LEONI AG, Nürnberg, for the period from January 1, 2015 to June 30, 2015, which are part of the semi annual financial report pursuant to Sec. 37w WpHG [“Wertpapierhandelsgesetz”: German Securities Trading Act]. The preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company’s management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Nuremberg, 28 July 2015

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Schuberth	Schütz
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Responsibility statement

We hereby declare that to the best of our knowledge, and in accordance with the applicable principles for interim financial reporting, the consolidated financial statements based on observing the principles of proper accounting give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group during the remainder of the financial year.

Nuremberg, 28 July 2015

Dieter Bellé   Dr Andreas Brand   Dr Frank Hiller

Key dates

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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