



# Fact Book

## 2015

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## Disclaimer

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All statements with regard to markets or market position(s) of Continental or any of its competitors are estimates of Continental based on data available to Continental. Such data are neither comprehensive nor independently verified. Consequently, the data used are not adequate for and the statements based on such data are not meant to be an accurate or proper definition of regional and/or product markets or market shares of Continental and any of the participants in any market.

Unless otherwise stated, all amounts are shown in millions of Euro. Please note that differences may arise as a result of the use of rounded amounts and percentages.

1

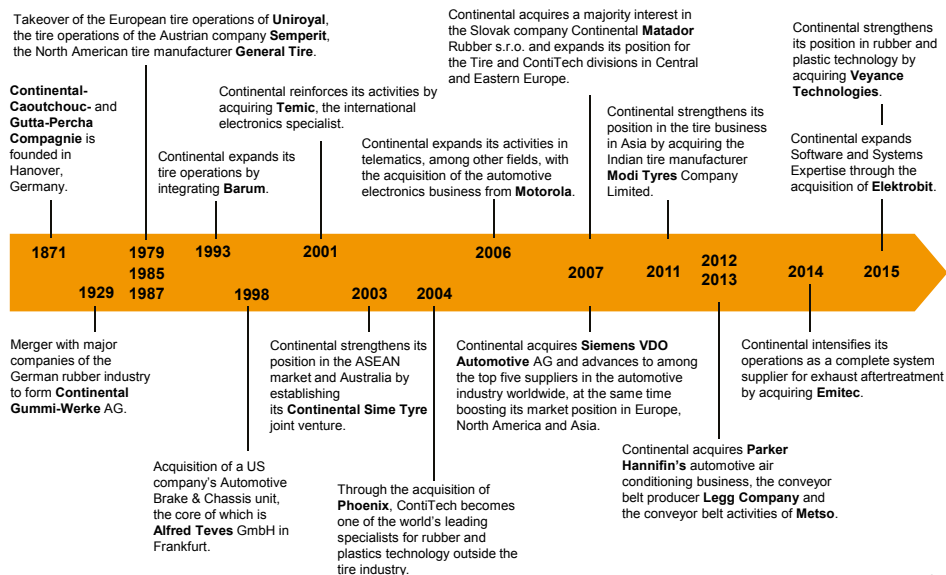
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## I. Continental at a Glance

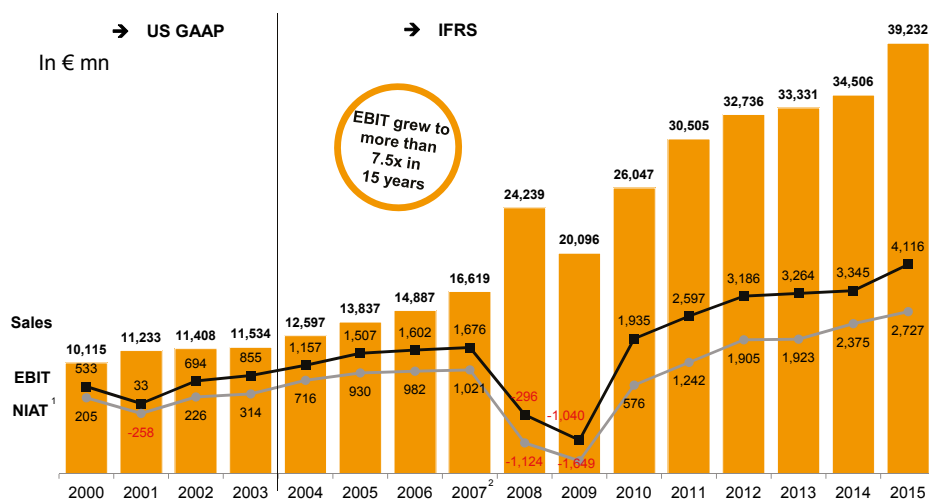
### 145 Years of Progress and Achievement



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## I. Continental at a Glance

### Continental Corporation – Sales, EBIT & Net Income (NIAT<sup>1</sup>)



<sup>1</sup> Net income attributable to the shareholders of the parent, from 1998 until 2003 US GAAP / from 2004 onwards IFRS.

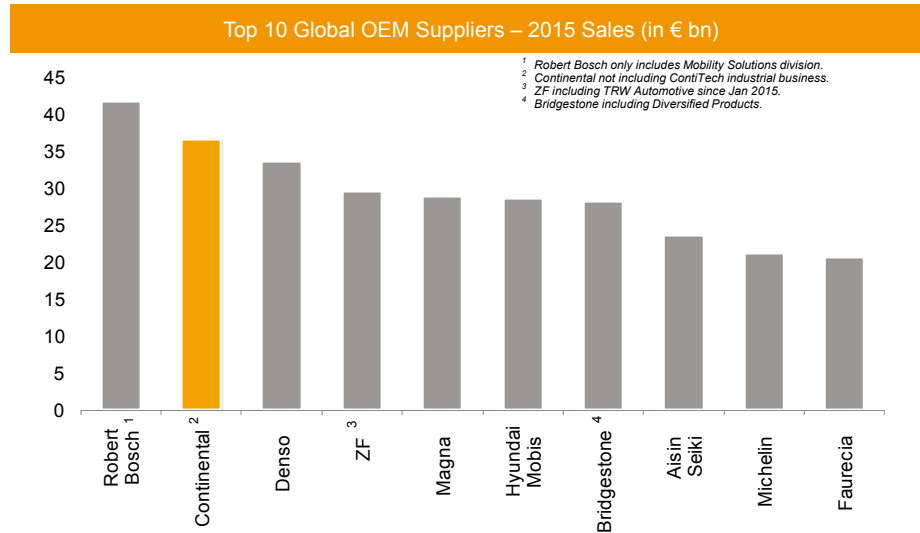
<sup>2</sup> Siemens VDO incorporated starting December 1, 2007.

IAS 19 (rev. 2011) applied starting 2013. The 2012 figures have been restated accordingly.

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## I. Continental at a Glance

### Continental Ranks No. 2 in Worldwide Supplier Ranking



Source: Company filings. Calendarized to December year end. Based on average currency exchange rates 2015.

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## I. Continental at a Glance

### Executive Board



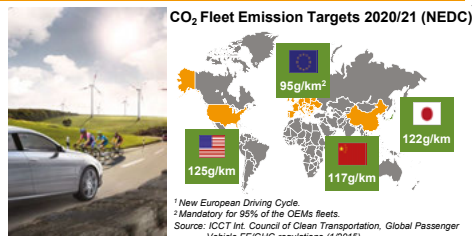
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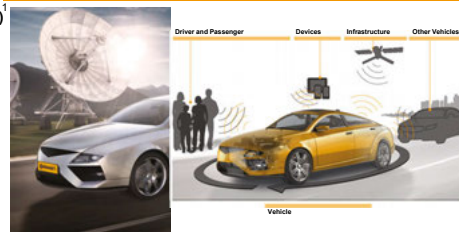
## I. Continental at a Glance

### Megatrends in the Automobile Industry

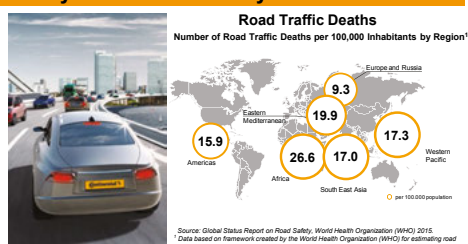
#### Environment – For Clean Power



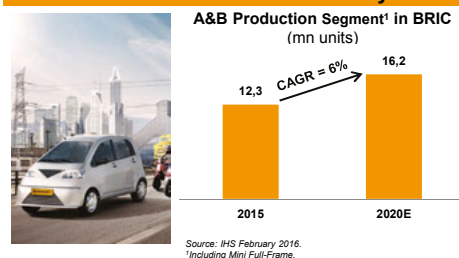
#### Information – For Intelligent Driving



#### Safety – For Safe Mobility



#### Affordable Cars – For Global Mobility



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## I. Continental at a Glance

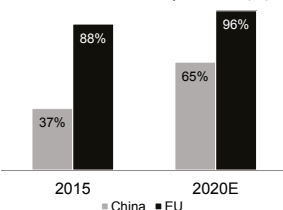
### A Leading Global Supplier for Key Automotive Electronics Applications

#### Chassis & Safety

- › Actuation
- › Advanced driver assistance systems (ADAS)
- › Airbag electronics
- › Electronic brake systems (EBS)
- › Foundation brake systems

Sales 2015	€8,450 mn
% of total	21%
Adj. EBIT <sup>1</sup>	€817 mn
Adj. EBIT margin	9.7%

ESC<sup>2</sup> installation rate by markets (%)

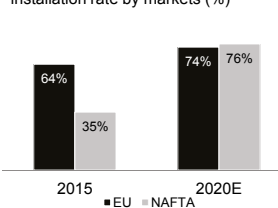


#### Powertrain

- › Diesel injection systems
- › Gasoline injection systems
- › Transmission control units
- › Turbochargers
- › 48 V and Plug-In Hybrid
- › Full Electric Vehicle

Sales 2015	€7,069 mn
% of total	18%
Adj. EBIT <sup>1</sup>	€425 mn
Adj. EBIT margin	6.1%

Gasoline direct injection systems  
 installation rate by markets (%)

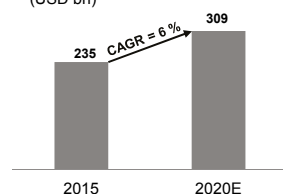


#### Interior

- › Body and security products
- › Commercial vehicle interiors
- › Device connectivity and telematics units
- › Instrumentation, displays and human machine interfaces
- › Intelligent Transport Systems

Sales 2015	€8,155 mn
% of total	21%
Adj. EBIT <sup>1</sup>	€824 mn
Adj. EBIT margin	10.2%

Market for Automotive Electronics<sup>3</sup>  
 (USD bn)



<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.

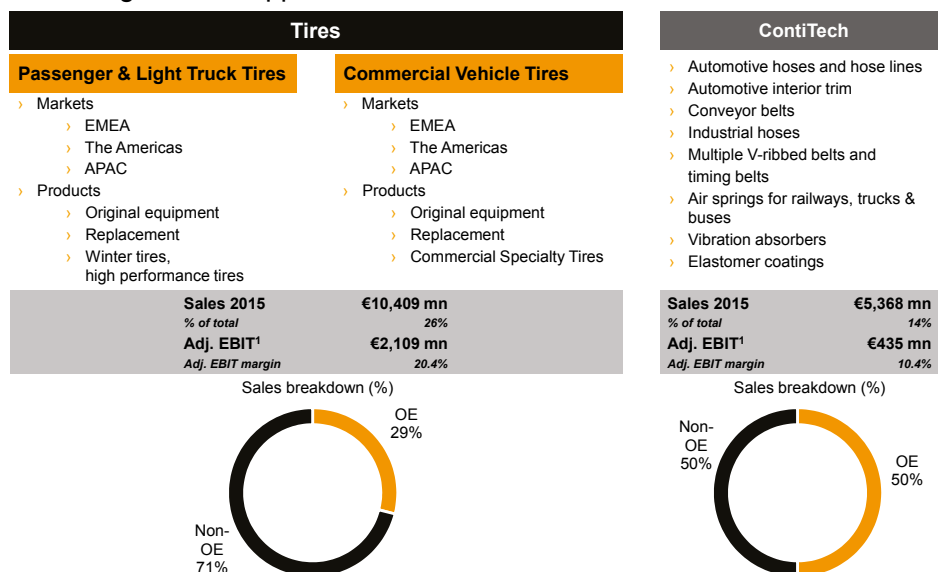
<sup>2</sup> ESC: Electronic Stability Control is a type of electronic brake system.

<sup>3</sup> Source: Strategy Analytics: Automotive Electronics System Demand Forecast 2012 to 2021, Jan 2015.

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## I. Continental at a Glance

### A Leading Global Supplier of Tire and Non-Tire Rubber Products

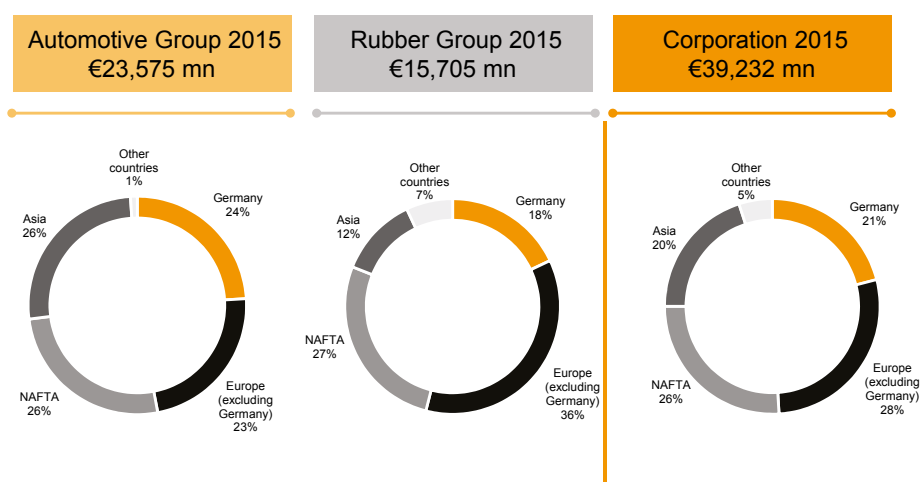


<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.

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## I. Continental at a Glance

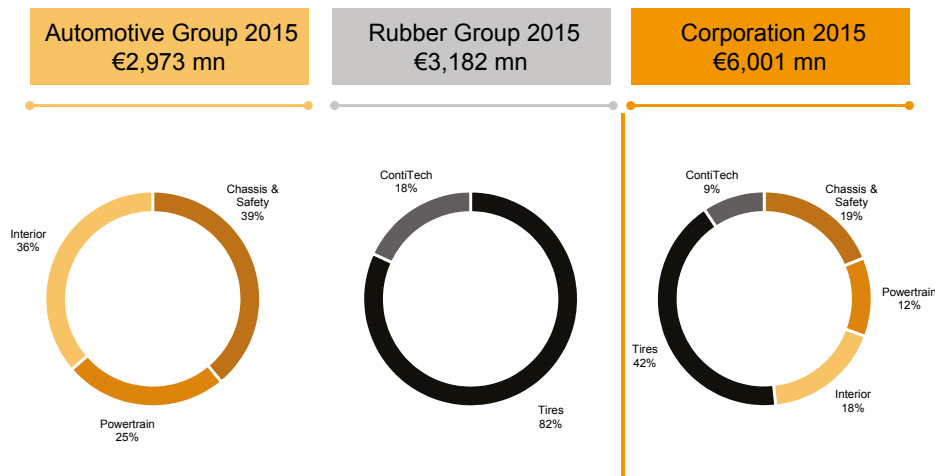
### Sales by Market



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## I. Continental at a Glance

### EBITDA by Group and Corporation



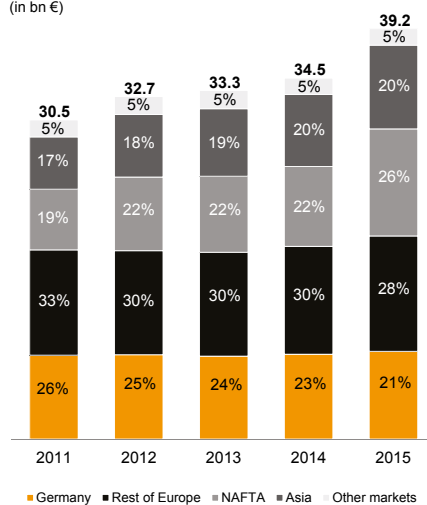
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## I. Continental at a Glance

### Consolidated Sales

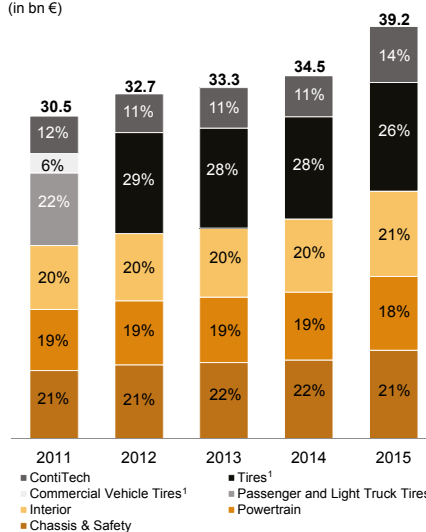
#### by Market

(in bn €)



#### by Division

(in bn €)

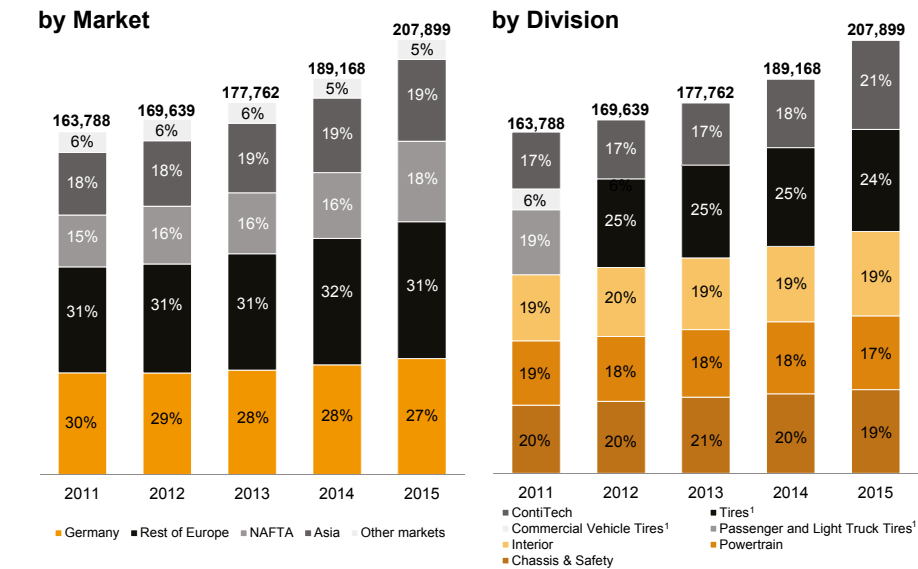


<sup>1</sup> Since 2012 reported as Tires.

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## I. Continental at a Glance

### Number of Employees



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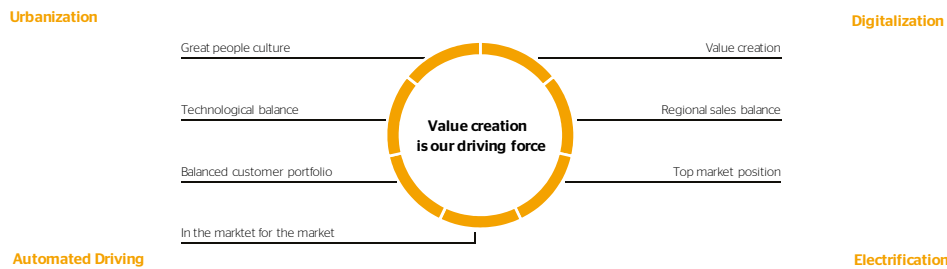
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## II. Continental Strategy

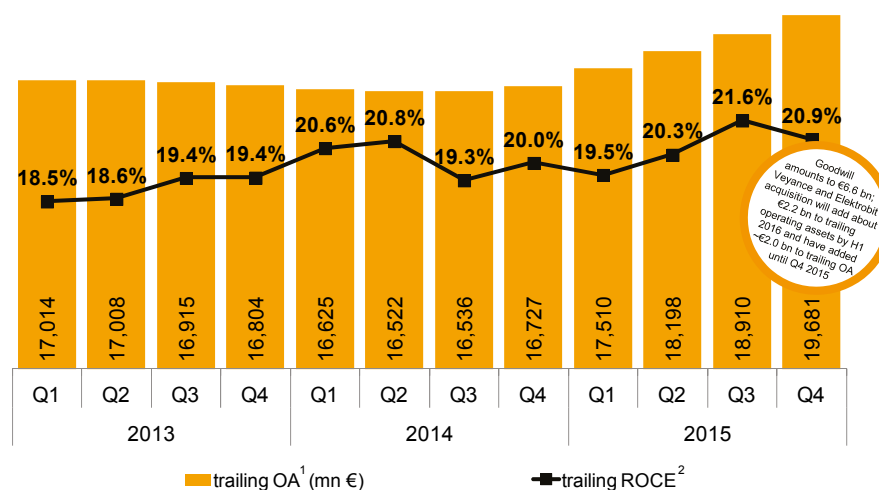
### Corporate Strategy at a Glance



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## II. Continental Strategy – Value Creation

### Sustainable Value Creation



<sup>1</sup> Trailing operating assets are calculated as assets for the last twelve months (LTM).

<sup>2</sup> Trailing ROCE is calculated as reported EBIT for the last twelve months (LTM) divided by trailing operating assets.

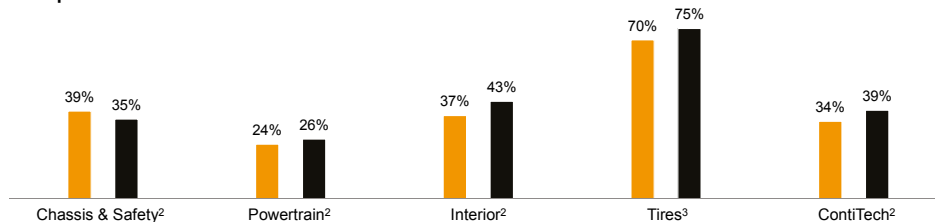
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## II. Continental Strategy – Value Creation

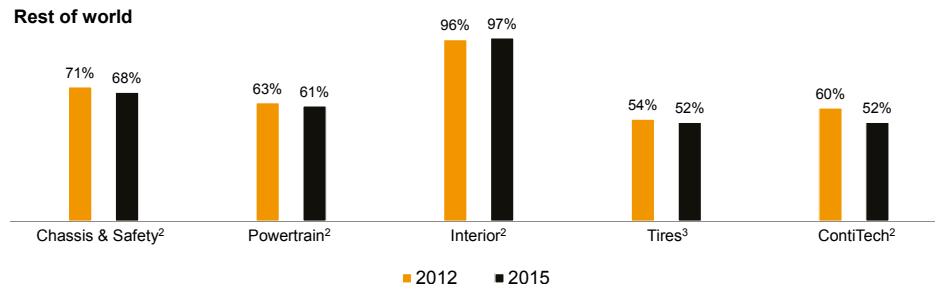
### Cost Consciousness – Production in Best-Cost Countries<sup>1</sup>



#### Europe



#### Rest of world

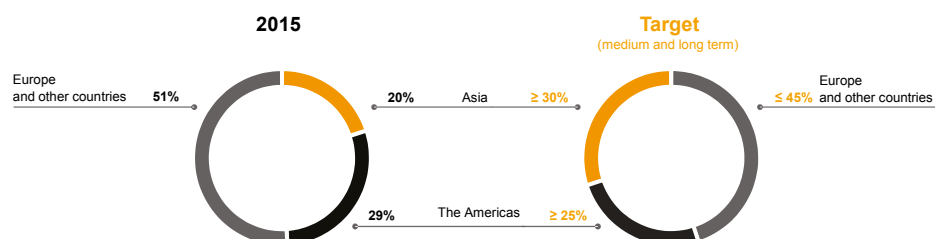


<sup>1</sup> All years restated based on new definition of best-cost countries.  
<sup>2</sup> Based on sales.  
<sup>3</sup> Based on units.

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## II. Continental Strategy – Regional Sales Balance

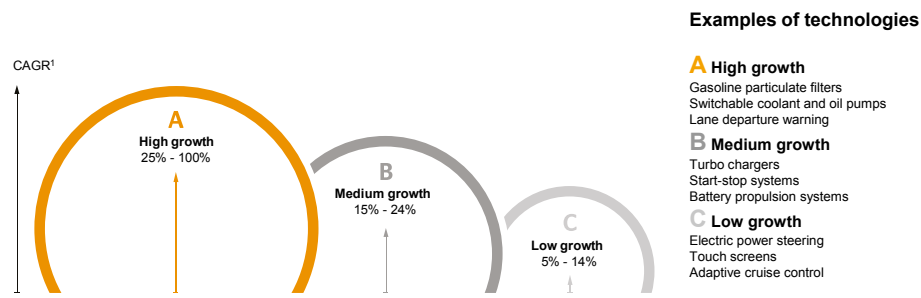
### Balanced Distribution of Sales



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## II. Continental Strategy – Top Market Position

Top Position for the 20 Fastest Growing Automotive Technologies through 2020



¹Compound annual growth rate (CAGR).  
Source: Frost & Sullivan, November 2013 based on 2012 data – forecast of growth rates up to 2020.

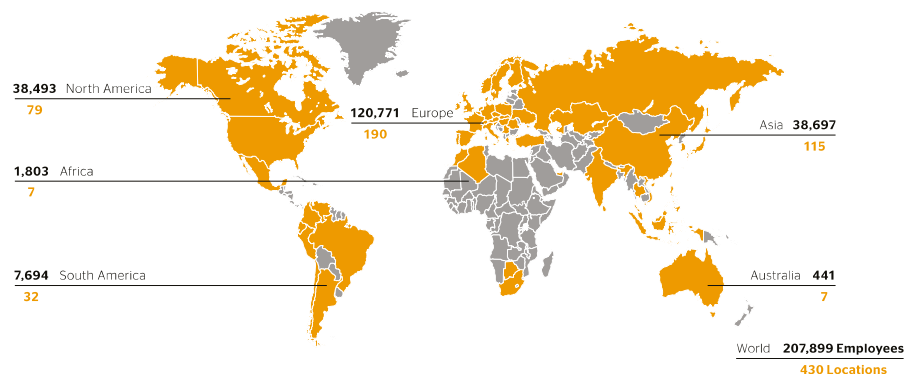
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## II. Continental Strategy – In the Market for the Market

Continental Corporation Worldwide



Global presence: 430 locations in 55 countries

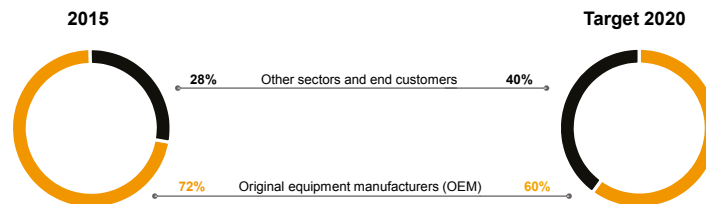


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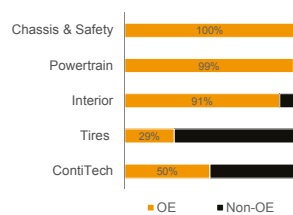


## II. Continental Strategy – Balanced Customer Portfolio

### Sales OE Automotive/Non-OE Automotive



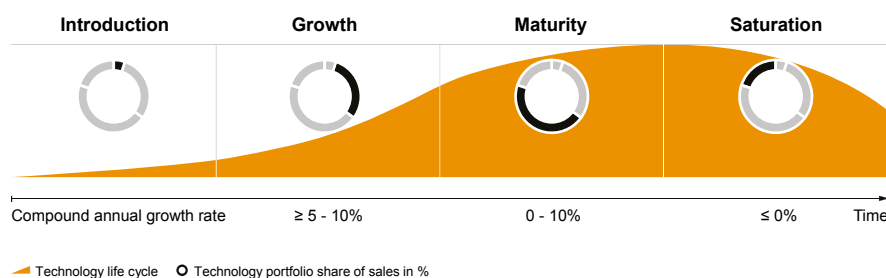
2015: Sales OE Automotive/Non-OE Automotive by Division



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## II. Continental Strategy – Technological Balance

### Technological Balance



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## II. Continental Strategy – Great People Culture

The Same Values Worldwide for a Shared Corporate Culture



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### III. Automobile Megatrends

We Shape the Megatrends in the Automobile Industry



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### III. Automobile Megatrend: Environment

Initiatives in EU, USA and Japan – Towards Lower CO<sub>2</sub> Emissions

EU <sup>1</sup>	USA <sup>3,4</sup>	Japan <sup>8</sup>
<p>EU aims to reduce CO<sub>2</sub> emissions by improvements in vehicle technology:</p> <ul style="list-style-type: none"> <li>Average CO<sub>2</sub> emission target for new <b>passenger car</b> registrations: <ul style="list-style-type: none"> <li>130 g/km* from 2015</li> <li>95 g/km from 2020<sup>2</sup></li> </ul> </li> <li>Average CO<sub>2</sub> emission target for new <b>light commercial vehicle</b> registrations: <ul style="list-style-type: none"> <li>175 g/km from 2017</li> <li>147 g/km from 2020</li> </ul> </li> <li>Excess emissions premium for non compliance with fleet targets is defined</li> </ul> <p>Test cycle: NEDC (New European Driving Cycle)</p> <p>* Gram per kilometer</p>	<p>NHTSA<sup>5</sup> and EPA<sup>6</sup> to establish a National Fuel Efficiency Policy (NFEP):</p> <ul style="list-style-type: none"> <li>For <b>passenger cars and light trucks combined</b>, CAFE<sup>7</sup> targets to improve overall fleet average to: <ul style="list-style-type: none"> <li>35.5 mpg* by 2016</li> <li>54.5 mpg by 2025</li> </ul> </li> <li>For non compliance with CAFE<sup>7</sup> targets penalties are defined</li> </ul> <p>Test cycle: Federal test procedure/Highway Fuel Economy Test)</p> <p>* Miles per gallon</p>	<p>ECCJ<sup>9</sup> aims to improve fuel efficiency standards by 23.5% 2015 vs. 2004:</p> <ul style="list-style-type: none"> <li>For <b>passenger cars and light duty trucks (GVW&lt;3.5 t)</b>, the aim is to increase average fuel efficiency to: <ul style="list-style-type: none"> <li>16.8 km/l* by 2015</li> <li>20.3 km/l* by 2020</li> </ul> </li> <li>For <b>medium / heavy-duty vehicles (GVW&gt;3.5t)</b>, the aim is to increase average fuel efficiency to: <ul style="list-style-type: none"> <li>Trucks 7.09 km/l by 2015</li> <li>Buses 6.30 km/l by 2015</li> </ul> </li> </ul> <p>Test cycle: JC08 (Japanese Cycle)</p> <p>* Kilometers per liter</p>
Emerging Markets likely to Follow Europe/USA/Japan on Fuel Efficiency Standards		

<sup>1</sup> Regulations (EC) No. 443/2009 and (EU) No. 510/2011.

<sup>2</sup> 2020: 95% of fleet; 2021: 100% of fleet.

<sup>3</sup> US Federal Register (May 7th, 2010): Light-Duty Vehicle Greenhouse "Gas Emission" Standards and Corporate Average Fuel Economy Standards; Final Rule.

<sup>4</sup> US Federal Register (Oct. 15th, 2012): 2017 and Later Model Year Light-Duty Vehicle Greenhouse Gas Emissions and Corporate Average Fuel Economy Standards; Final Rule.

<sup>5</sup> NHTSA: National Highway Traffic Safety Administration.

<sup>6</sup> EPA: Environmental Protection Agency.

<sup>7</sup> CAFE: Corporate Average Fuel Economy.

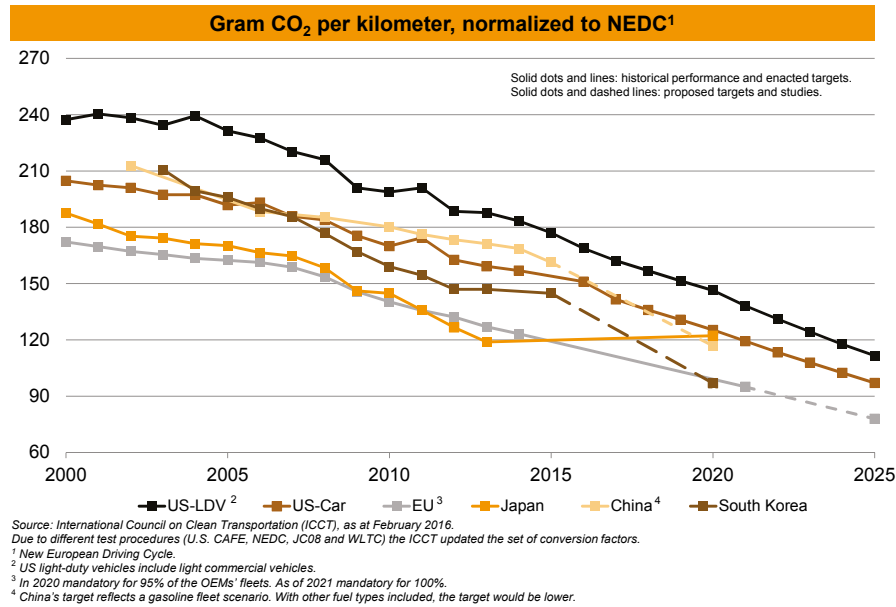
<sup>8</sup> Refers to "Act on the Rational Use of Energy" of the Ministry of Economics, Trade and Industry (METI), Ministry of Land, Infrastructure, Transport and Tourism (MLIT).

<sup>9</sup> ECCJ: Energy Conservation Center Japan.

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### III. Automobile Megatrend: Environment

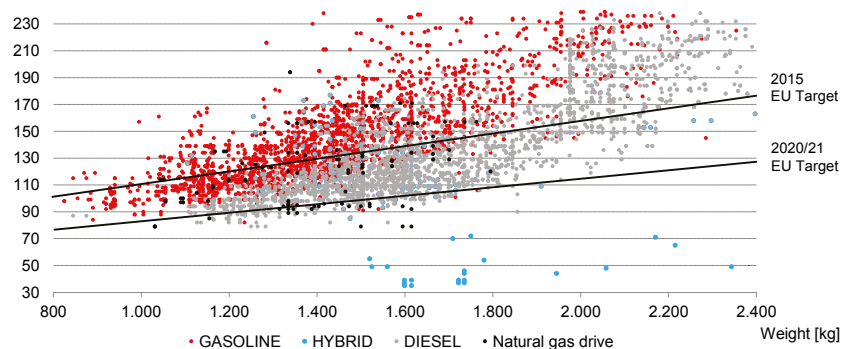
#### Initiatives for Cleaner Mobility in Various Markets



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### III. Automobile Megatrend: Environment

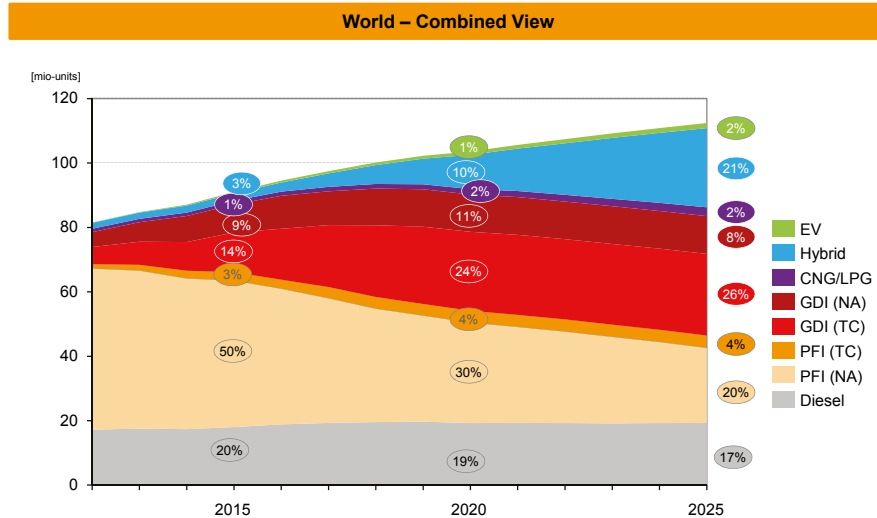
#### Today's Vehicle Emissions vs. Future Targets

Emissions [g CO<sub>2</sub>/km]Source: DAT Group, <https://www.dat.de/leitfaden/LeitfadenCO2.pdf>, as of January 14, 2016.

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### III. Automobile Megatrend: Environment

#### Engine Development Roadmap

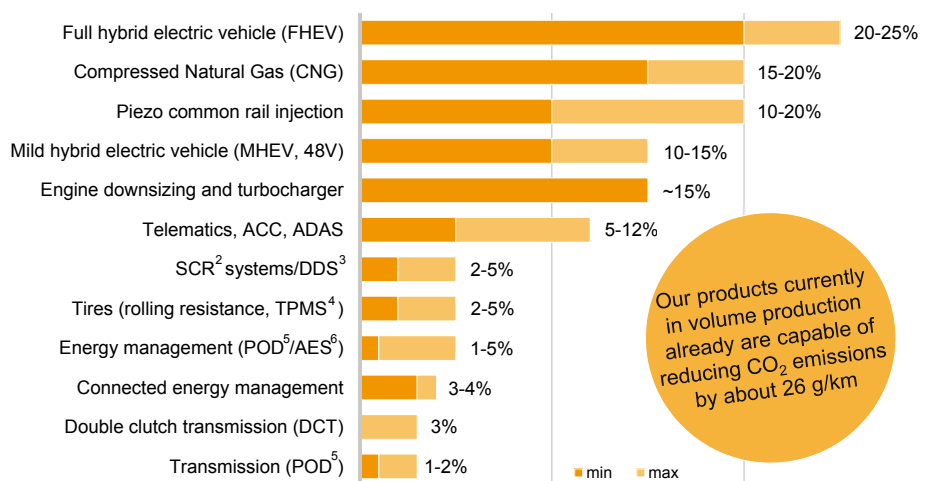


Source = IHS and Continental estimates.  
 EV = Electric Vehicle; Hybrid = Plug In Hybrid Electric Vehicle, 48 V and Full/Mild Hybrid Electric Vehicle;  
 CNG/LPG = Compressed Naturally Gas/Liquefied Petroleum Gas; GDI = Gasoline Direct Injection;  
 NA = Natural Aspirated; TC = Turbo Charged; PFI = Port Fuel Injection.

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### III. Automobile Megatrend: Environment

#### Reduction of CO<sub>2</sub> Emissions<sup>1</sup>: Solutions by Continental



<sup>1</sup> Saving potential compared with gasoline direct injection Euro 5 / NEDC.

<sup>2</sup> SCR = Selective Catalytic Reduction.

<sup>3</sup> DDS = DEKA injector for diesel dosing into exhaust gas.

<sup>4</sup> TPMS = Tire Pressure Monitoring System.

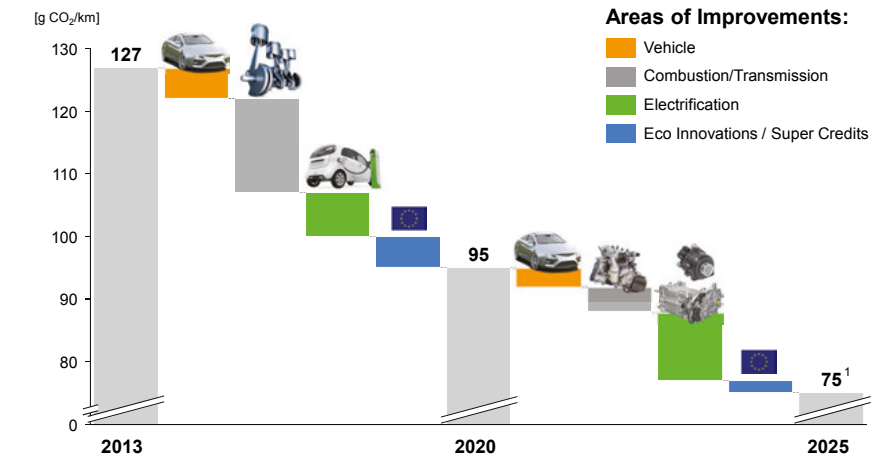
<sup>5</sup> POD = Power-On-Demand.

<sup>6</sup> AES = Advanced Energy Supply.

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### III. Automobile Megatrend: Environment

How to Reach the European CO<sub>2</sub> Target of 75g/km



<sup>1</sup> Assumptions for CO<sub>2</sub> target in the EU by 2025.

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### III. Automobile Megatrend: Information

Interior: Examples of Market-Specific Initiatives and Projects

Environment	Safety	Information
<ul style="list-style-type: none"> <li>› Tire pressure monitoring system (TPMS)<sup>1,2,3,4,5,6</sup></li> <li>› Electric vehicle market push<sup>7,8</sup></li> </ul>	<ul style="list-style-type: none"> <li>› eCall<sup>7,9,10,11</sup></li> <li>› Hands-free telephony<sup>12</sup></li> <li>› Stolen vehicle tracking<sup>13</sup></li> <li>› Rear detection system<sup>14</sup></li> </ul>	<ul style="list-style-type: none"> <li>› Digital tachograph (DTCO)<sup>15</sup></li> <li>› Electronic onboard recorder (EOBR)<sup>16</sup></li> <li>› Intelligent transport systems (ITS)<sup>7,8</sup></li> </ul>

<sup>1</sup> Regulation (EC) No. 661/2009 for Passenger Vehicles.

<sup>2</sup> Federal Motor Vehicle Safety Standard No. 138 of NHTSA for passenger vehicles.

<sup>3</sup> Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT) in Japan.

<sup>4</sup> Korean Motor Vehicle Safety Standard (KMVSS) - MLTM Notification 2010-631.

<sup>5</sup> House Bill for Commercial Vehicle Safety - H.R. 4348 29.06.2012 TPMS for Motorcoaches.

<sup>6</sup> DG CLIMA 2013 study on TPMS Cost / Benefit for Commercial Vehicles.

<sup>7</sup> Directive 2010/40/EU of the European Parliament and of the Council of July 2010.

<sup>8</sup> COM(2011) 144 final.

<sup>9</sup> Russia ERA specifications - no final rule in place

<sup>10</sup> European Commission Brussels, C(2012) 8509 final.

<sup>11</sup> Recommendation adopted by the European Commission, September 2011.

<sup>12</sup> Several national laws and regulations in Asia/ Europe/ NAFTA/ Africa.

<sup>13</sup> CONTRAN 245/2007 - no final rule in place.

<sup>14</sup> For single-unit trucks. FMVSS 111 - no final rule in place.

<sup>15</sup> Proposed revision of Regulation (EEC) No. 3821/85.

<sup>16</sup> FMCSA Proposed rule 395 January 2011 / President signed legislation MAP21 in July 2012.

European Projects:

ELVIRE = Electric vehicle communication to infrastructure, road services and energy supply.

ID4EV = Intelligent dynamics for fully electric vehicles.

HeERO = Harmonized eCall European pilot.

ERTICO = European road transport telematics implementation coordination organisation.

Sim-TD = Safe and intelligent mobility – field test Germany.

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### III. Automobile Megatrend: Information

#### Interior: Information Management – in the Vehicle and Beyond

Our intuitive and ergonomic human-machine interface (HMI) captures commands, prioritizes and presents information.

##### Driver & Passengers

We add new functions by providing multiple connections to the outside world as well as value-added services.

##### Devices

##### Infrastructure

##### Other Vehicles



**Our Mission: Information management in the vehicle and beyond – a key to realize “Clean Power” and “Zero Accidents”.**

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### III. Automobile Megatrend: Information

#### Interior: Product Highlights for Intelligent Mobility

**We inform you well**



**We connect**



**All at lower cost**



##### Existing solutions:

- › Freely programmable clusters
- › Head-up displays
- › Multimedia and telematics platforms
- › Tachographs and fleet management systems
- › Tire information systems

##### Innovations:

- › Augmented-reality head-up displays
- › Intelligent antenna modules
- › Connected gateways
- › Virtual keys, NFC
- › eHorizon
- › Electronic control units for LED lighting
- › Services and apps for Intelligent Transportation Systems (ITS)

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### III. Automobile Megatrend: Safety

#### Market-Specific Initiatives – Towards Safer Mobility

EU	USA	Japan
<ul style="list-style-type: none"> <li>Electronic stability control (ESC) <ul style="list-style-type: none"> <li>mandatory as of Nov. 2011 for all new types of vehicles</li> <li>mandatory as of Nov. 2014 for all new vehicles<sup>1</sup></li> </ul> </li> <li>Tire pressure monitoring system (TPMS) <ul style="list-style-type: none"> <li>mandatory as of Nov. 2012 for all new types of passenger cars</li> <li>mandatory as of Nov. 2014 for all new passenger cars<sup>2</sup></li> </ul> </li> <li>Advanced emergency braking system and lane departure warning <ul style="list-style-type: none"> <li>mandatory as of Nov. 2013 for all new types of heavy commercial vehicles and buses</li> <li>mandatory as of Nov. 2015 for all new heavy commercial vehicles and buses<sup>3</sup></li> </ul> </li> <li>Brake assist system <ul style="list-style-type: none"> <li>mandatory as of Nov. 2009 for all new types of passenger cars</li> <li>mandatory as of Nov. 2011 for all new passenger cars<sup>3</sup></li> </ul> </li> <li>Motorcycle anti-lock brake system (ABS) <ul style="list-style-type: none"> <li>mandatory as of Jan. 2016 for all new types of vehicles</li> <li>mandatory as of Jan. 2017 for all new vehicles<sup>4</sup></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Electronic stability control (ESC) <ul style="list-style-type: none"> <li>mandatory since 2011 for all new light vehicles<sup>5</sup></li> </ul> </li> <li>Tire pressure monitoring system (TPMS) <ul style="list-style-type: none"> <li>mandatory as of Sept. 2007 for all new light vehicles<sup>6</sup></li> </ul> </li> <li>Rear Visibility <ul style="list-style-type: none"> <li>mandatory as of May 1, 2016 with a phase in schedule for all vehicles and low-speed vehicles with a gross vehicle weight rating (GVWR) of 10,000 pounds or less<sup>12</sup></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Electronic stability control (ESC) <ul style="list-style-type: none"> <li>mandatory as of Oct. 2012 for all new types of passenger cars</li> <li>mandatory as of Oct. 2014 for all new passenger cars<sup>9</sup></li> </ul> </li> <li>Advanced emergency braking system and lane departure warning <ul style="list-style-type: none"> <li>expected to be mandatory for all new heavy commercial vehicles and buses following the EU decision<sup>10</sup></li> </ul> </li> </ul>
	Russia	Brazil
	<ul style="list-style-type: none"> <li>Electronic stability control (ESC) <ul style="list-style-type: none"> <li>mandatory as of Jan. 2014 for all new types of light vehicles</li> <li>mandatory as of Jan. 2016 for all new light vehicles<sup>8</sup></li> </ul> </li> <li>Tire pressure monitoring system (TPMS) <ul style="list-style-type: none"> <li>mandatory as of Jan. 2016 for all new types of light vehicles<sup>8</sup></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Anti-lock brake system (ABS) <ul style="list-style-type: none"> <li>mandatory as of Jan. 2014 for all new passenger cars, after phase-in which began in 2010<sup>7</sup></li> </ul> </li> </ul>
		South Korea
		<ul style="list-style-type: none"> <li>Electronic stability control (ESC) <ul style="list-style-type: none"> <li>mandatory as of Jan. 2012 for all new light vehicles<sup>11</sup></li> </ul> </li> <li>Tire pressure monitoring system (TPMS) <ul style="list-style-type: none"> <li>mandatory as of Jan. 2013 for all new passenger cars<sup>11</sup></li> </ul> </li> </ul>
Other emerging markets likely to follow EU/USA on ESC regulation		

<sup>1</sup> Regulation (EC) No. 661/2009; refers to all vehicles of category M and N.

<sup>2</sup> Commission Implementation Regulations for (EC) No. 661/2009: 347/2012 (Advanced Emergency Braking Systems); 351/2012 (Lane Departure Warning).

<sup>3</sup> Regulation (EC) No. 78/2009; refers to passenger cars for maximum 8 passengers plus driver.

<sup>4</sup> COM(2010) 542 from Oct. 2010. ABS mandatory for motorcycles with engine capacity of > 125 ccm. ABS or combined brake system (CBS) mandatory for engine capacity of ≤ 125 ccm.

<sup>5</sup> Federal Motor Vehicle Safety Standard (FMVSS) No. 126 of the National Highway Traffic Safety Administration (NHTSA); refers to vehicles with a gross vehicle weight of ≤ 4.536 t.

<sup>6</sup> Federal Motor Vehicle Safety Standard (FMVSS) No. 138 of the National Highway Traffic Safety Administration (NHTSA); refers to vehicles with a gross vehicle weight of ≤ 4.536 t.

<sup>7</sup> CONTRAN 312/2009.

<sup>8</sup> Russia Decree 720/2009; refers to passenger cars, buses with a weight of ≤ 5 t and light trucks with a weight of ≤ 3.5 t.

<sup>9</sup> Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT) in Japan.

<sup>10</sup> Japan expected to adopt EU regulation. Final decision on timing pending.

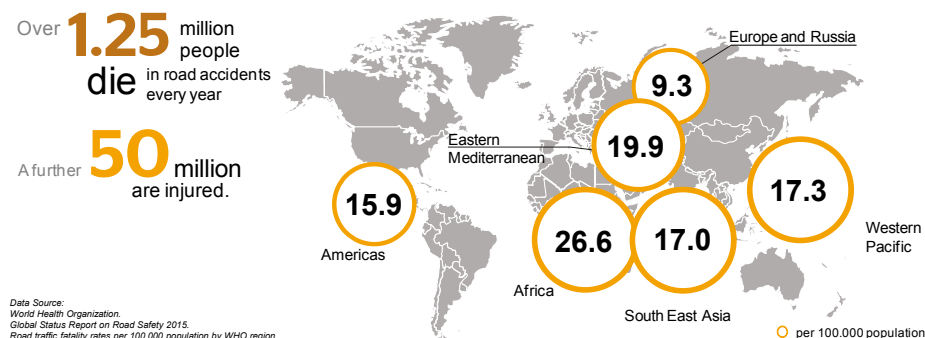
<sup>11</sup> G/TBT/KOR/286 and MLTM Notification 2010-631 (Ministry of Land, Transport and Maritime Affairs).

<sup>12</sup> Federal Motor Vehicle Safety Standards; Rear Visibility; Final Rule; 49 CFR Part 571.

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### III. Automobile Megatrend: Safety

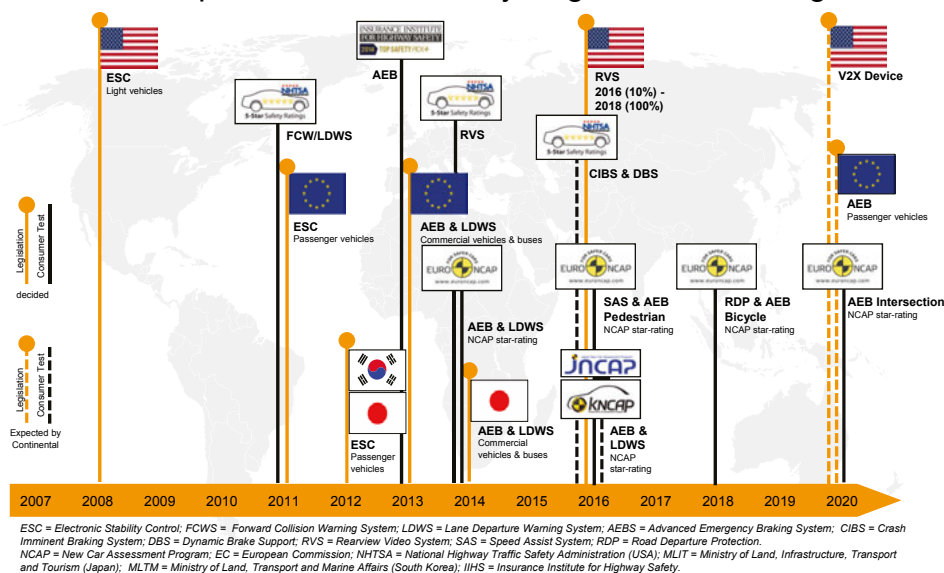
#### Road Traffic Deaths per 100,000 Inhabitants by Region<sup>1</sup>



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### III. Automobile Megatrend: Safety

## Global Development of Active Safety Regulations & Ratings



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### III. Automobile Megatrend: Safety

## Euro NCAP 5-Star Rating Requirements

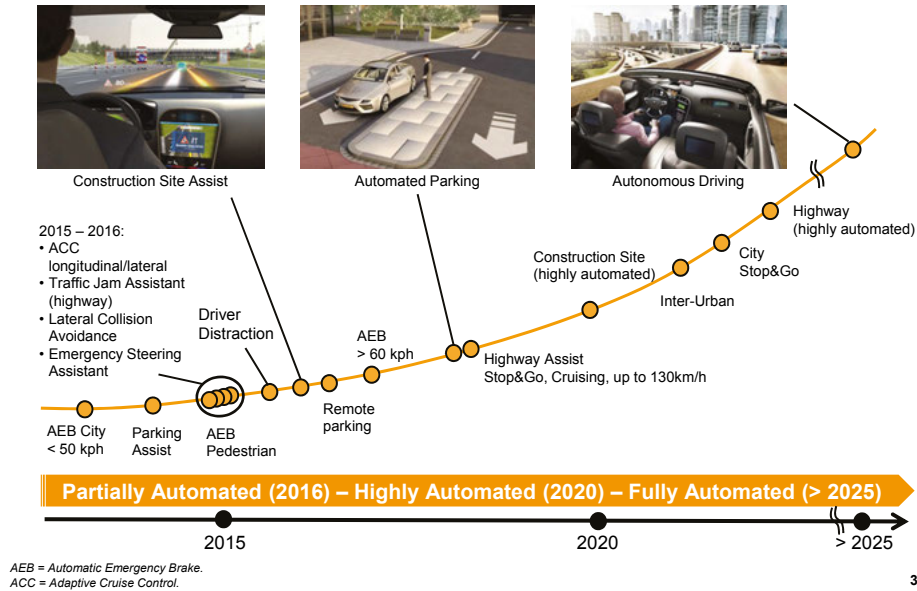


AEB: Autonomous Emergency Braking; NCAP: New Car Assessment Program; VRU: Vulnerable Road Users.  
Source: NCAP. <http://www.euroncap.com>, as of January 26, 2016.

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### III. Automobile Megatrend: Safety

#### History and Roadmap for Accident-Free Driving



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### III. Automobile Megatrend: Safety

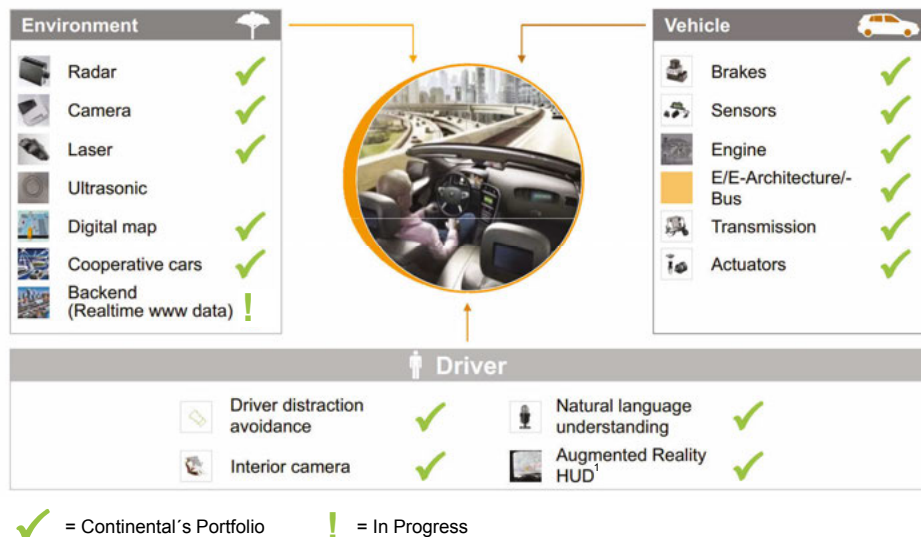
#### Future Automotive Trends



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### III. Automobile Megatrend: Safety

From Basic to Complex Scenarios; from Single to Networked Systems

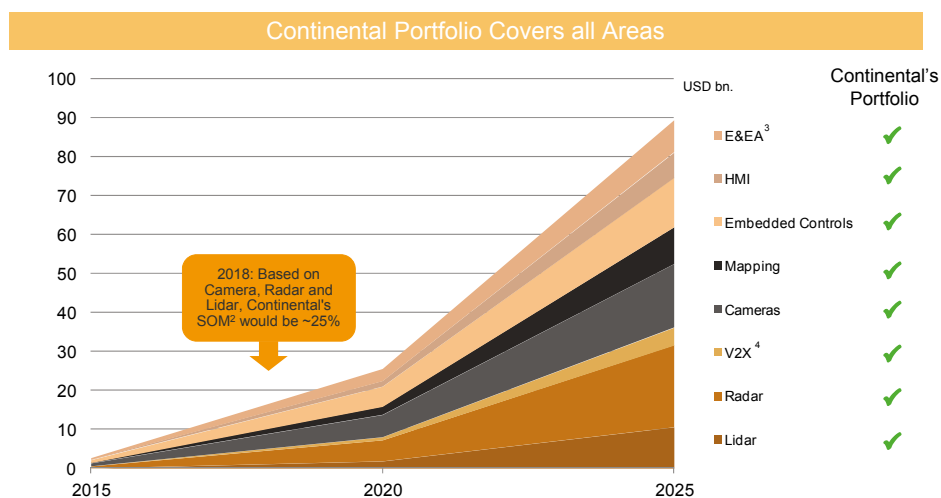


<sup>1</sup> Head-Up Display

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### III. Automobile Megatrend: Safety

World Market Forecast<sup>1</sup> for Driver Assistance Systems



<sup>1</sup> Goldman Sachs Report, Cars 2025, Vol. 3; Monetizing the rise of Autonomous Vehicles; September 17, 2015.

<sup>2</sup> Share Of Market.

<sup>3</sup> Electrical & Electronic Architecture.

<sup>4</sup> Vehicle to everything communication.

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### III. Automobile Megatrend: Safety

#### Winter Tire Regulations<sup>1</sup>

##### Europe: Winter Tires Mandatory or Situationally Mandatory

November 1 to April 15 when winter weather conditions prevail	November 15 to April 1	December 1 to 28 February
November 15 to April 15 when winter weather conditions prevail	December 1 to end of February	November 1 to April 1
Mandatory when winter weather conditions prevail	November 1 to April 1	November 15 to March 31 when roads are snowy/icy
November 1 to March 31	Mandatory when winter weather conditions prevail	November 15 to March 15 when winter weather conditions prevail
December 1 to end of February	November 15 to March 15 when winter weather conditions prevail	December 1 to March 31 when winter weather conditions prevail
December 1 to end of February	Mandatory when winter weather conditions prevail; November 15 to March 31 for trucks	December 1 to April 1 for commercially used vehicles
Mandatory when winter weather conditions prevail	November 1 to March 31	November 1 to March 31

##### Europe: Winter Tires Partly Mandatory

Mandatory on certain roads, marked with signs	Drivers may be held liable, if they cause an accident with summer tires mounted when winter weather conditions prevail
---	--

##### Canada: Winter Tires Partly Mandatory

Mandatory in Québec December 15 to March 15; mandatory on certain roads in the mountains of Canada when winter weather conditions prevail
---



The snowflake symbol: A tire can be marked with this symbol (in addition to the M+S<sup>2</sup> marking), if its braking or traction performance on snow exceeds that of a standard reference tire by a certain margin.

<sup>1</sup> Source: Continental AG and websites of country ministries, automobile associations and ETRMA (European Tyre and Rubber Manufacturers' Association).

<sup>2</sup> Mud + snow. The M+S marking is given by the manufacturer and is not linked to a performance definition.

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### III. Automobile Megatrend: Safety and Environment

#### Tire Labeling Initiatives in Europe, USA, Japan, South Korea and Brazil

EU <sup>1</sup>	USA <sup>2</sup>	Japan <sup>3</sup>	South Korea <sup>4</sup>	Brazil <sup>5</sup>
<ul style="list-style-type: none"> <li>Mandatory since November 2012</li> <li>Applies to all tires sold.</li> <li>Information to be shown: <ul style="list-style-type: none"> <li><b>rolling resistance</b> (fuel efficiency),</li> <li><b>wet grip</b> (braking performance on wet roads) and</li> <li><b>noise performance</b> (external rolling noise).</li> </ul> </li> <li>Either directly on the tire by means of a label or in some other way</li> <li>Self-certification policy</li> <li>EU member states are responsible for market surveillance</li> </ul>	<p>Label proposed by NHTSA<sup>3</sup></p> <ul style="list-style-type: none"> <li>Final decision pending</li> <li>The NHTSA Tire Fuel Efficiency Consumer Information Program proposes to inform consumers about the effect of tires on <b>fuel efficiency, safety, and durability</b></li> <li>The program aims to implement a national tire fuel efficiency rating system for replacement tires, with the information provided to consumers at the point of sale and online</li> </ul>	<ul style="list-style-type: none"> <li>Voluntary since 2010</li> <li>Introduced by JATMA<sup>4</sup></li> <li>Applies to replacement summer tires for passenger cars; includes information on <b>rolling resistance</b> and <b>wet grip</b> performance</li> <li>Tires with a grading of A and above for rolling resistance performance are defined as "fuel efficient tires" and are marked with an additional symbol (the lower of the symbols above)</li> </ul>	<ul style="list-style-type: none"> <li>Mandatory since November 2012</li> <li>Introduced by MKE<sup>5</sup></li> <li>Applies to all tires sold in South Korea (OE and replacement) for passenger cars and light trucks; includes information on <b>rolling resistance</b> and <b>wet grip</b> performance</li> <li>The label has to be attached to the tread of each tire; for OE tires the information has to be provided in the car manual</li> <li>Registration of all products required</li> </ul>	<ul style="list-style-type: none"> <li>Available as of April 2015</li> <li>Mandatory as of October 2016</li> <li>Introduced by INMETRO<sup>6</sup></li> <li>Applies to all tires sold (with certain exceptions). Includes information on <b>rolling resistance, wet grip and noise</b> performance</li> <li>Certification to be carried out by a product certification body accredited by INMETRO</li> </ul>

<sup>1</sup> Regulation (EC) No. 1222/2009 of the European Parliament and of the Council and Commission Regulations (EU) No. 228/2011 and (EU) No. 1235/2011. Also implemented in Norway, Switzerland, Turkey, Israel.

<sup>2</sup> Source: National Highway Traffic Safety Administration (NHTSA).

<sup>3</sup> Source: Japan Automobile Tyre Manufacturers Association (JATMA).

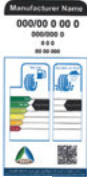

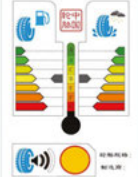
<sup>4</sup> Source: South Korean Ministry of Knowledge Economy (MKE).

<sup>5</sup> Source: National Institute of Metrology, Quality and Technology (INMETRO).

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### III. Automobile Megatrend: Safety and Environment

#### Tire Labeling Initiatives in Gulf Countries and China

SASO <sup>1</sup>	GSO <sup>2</sup>	China
		
<ul style="list-style-type: none"> <li>› Mandatory since November 2015 (truck tires as of Nov 2016).</li> <li>› Applies to all replacement tires.</li> <li>› Information to be shown: <b>rolling resistance</b> (fuel efficiency) and <b>wet grip</b> (braking performance on wet roads).</li> <li>› Directly on the tire by means of a label.</li> <li>› Registration of all products required</li> </ul>	<ul style="list-style-type: none"> <li>› Mandatory since January 2016 (light truck and truck tires as of Jan 2017).</li> <li>› Applies to all replacement tires</li> <li>› Information to be shown: <b>rolling resistance</b> (fuel efficiency) and <b>wet grip</b> (braking performance on wet roads).</li> <li>› Directly on the tire by means of a label.</li> <li>› Registration of all products required</li> </ul>	<ul style="list-style-type: none"> <li>› Voluntary as of 2017</li> <li>› Introduced by CRIA<sup>3</sup></li> <li>› Applies to all replacement tires for passenger cars</li> <li>› Information to be shown: <b>rolling resistance</b> (fuel efficiency), <b>wet grip</b> (braking performance on wet roads) and <b>noise performance</b> (external rolling noise).</li> </ul>

Source:

<sup>1</sup> Saudi Standards, Metrology and Quality Organization Standard 2857/2015.

<sup>2</sup> Standardization Organization of the Gulf Cooperation Council Countries.

<sup>3</sup> Chinese Rubber Industry Association (CRIA).

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## Topics

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## IV. Sustainability at Continental

### Our Policies and Guidelines

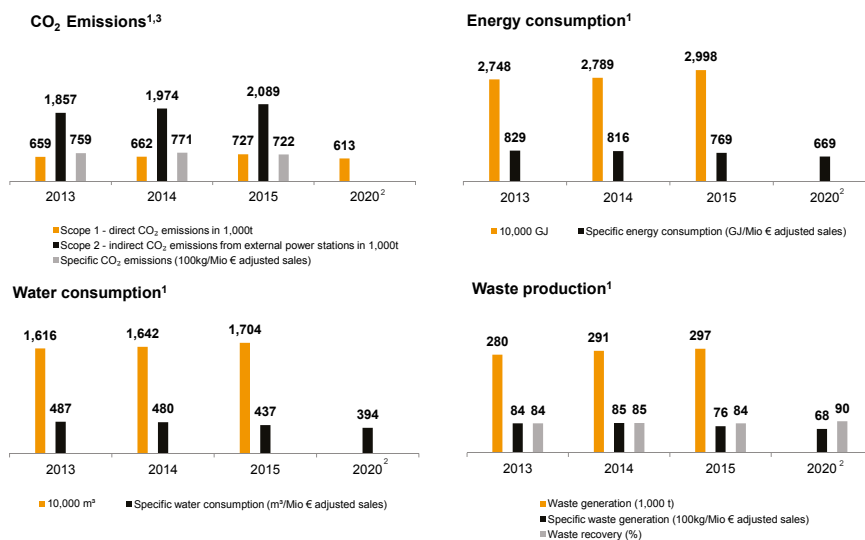


<sup>1</sup> "Environment", "Security, Safety" and "Health".

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## IV. Environmental Responsibility

### Corporate Environmental Key Performance Indicators



<sup>1</sup> Changes to previous figures are due to changed in the data collection.

<sup>2</sup> Continental targets.

<sup>3</sup> Independently verified by KPMG.

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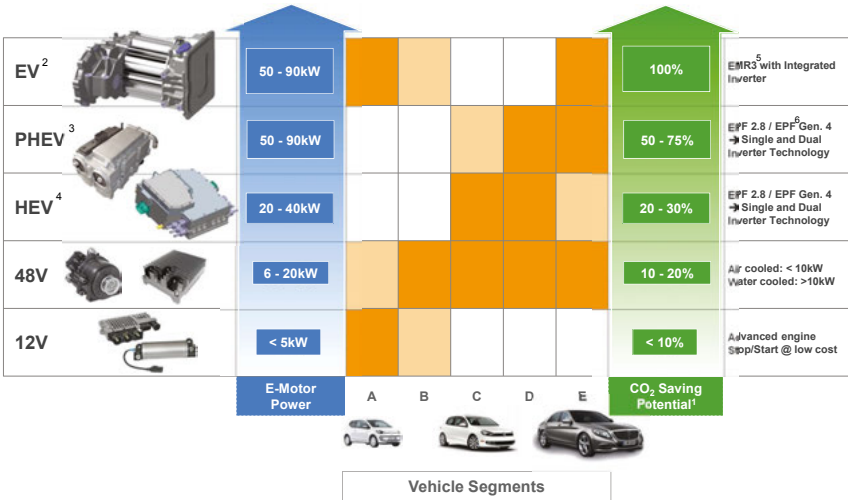


IV. Environmental Responsibility  
Emission Reduction - Electrification Tailored to Fit (48-Volt Eco Drive)



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IV. Environmental Responsibility  
Emission Reduction – Electrification Tailored to Fit



<sup>1</sup> Saving Potential Tank-to-Wheel in New European Driving Cycle.  
<sup>2</sup> Electric Vehicle.  
<sup>3</sup> Plug-in-Hybrid Electric Vehicle.  
<sup>4</sup> Hybrid Electric Vehicle.  
<sup>5</sup> Electric Machine Reducer.  
<sup>6</sup> Electronics Platform Fluid.

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## IV. Environmental Responsibility



### Research in Alternative Raw Materials for Tire Production

- › Development project in collaboration with the Fraunhofer Institute to cultivate a Russian dandelion variety with latex sap rich in natural rubber. This natural rubber has at least the same quality and performance characteristics as conventional rubber from rubber trees.
- › Benefits:
  - › Reduction in dependency on harvest situation in subtropical regions
  - › Lower requirements on the fertility of the soil
  - › Lower environmental impact due to reduced logistic requirements
- › Joint development project with the Fraunhofer Institute awarded Europe's most important environmental and economic prize in the category "Automobility".
- › Taraxagum brand established for dandelion rubber. Serial production expected within 10 years.



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## IV. Social Responsibility – Responsible Employer



### Workforce Diversity

The Continental team is made up of people with different backgrounds, cultures, religions, genders and ages. The diversity of different mindsets and points of views, skills and experiences makes us strong.

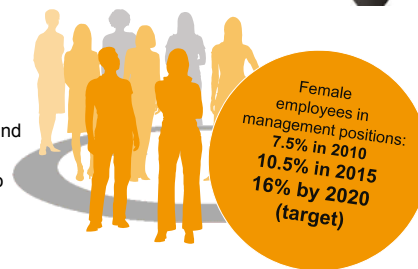
To promote diversity within the company, we focus on two key areas:

- › A balanced mix of men and women
- › Internationality

### Demographics Program

A comprehensive concept designed to address the far-reaching changes as a result of the expected demographic trend focuses on four topics:

- › Workplace design
- › Health maintenance for longer employment
- › Targeted qualification measures
- › Motivation for a longer working life



Award of the Apriori-business solution AG for the Continental "Demography-Management"

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## IV. Social Responsibility – Social Commitment

### UERÈ Project in Rio de Janeiro, Brazil



- › Since 2012 Continental has committed itself to the UERÈ education project for children and young people aged 4 to 18 from the slum district (known as 'Favelas') of Baixa do Sapateiro in Rio de Janeiro.
- › It is funding an e-learning module to raise the profile of the UERÈ de Mello method and also providing teaching staff and equipment for a children's football project.
- › UERÈ founder and principal Yvonne Bezerra de Mello explains the UERÈ de Mello method in her own words: "We tailored our concept quite specifically to the abilities and needs of our children. For example, we almost exclusively offer interactive learning modules with a duration of 20 minutes so that children who suffer from learning blocks as the result of some lasting trauma can also take in the content. We help all UERÈ children to become responsible citizens and our aim is to give them prospects so that they can lead worthwhile lives".
- › The Brazilian Government has awarded Bezerra de Mello the "Medaille Tiradentes" in June 2013 for her great achievements with this project.



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## IV. Social Responsibility

### Corporate Memberships (1)



- › Continental is a participant of the **United Nations Global Compact**. We have thus committed ourselves to its ten principles in the areas of human rights, labor, environment and anti-corruption.
- › The **Charter of Diversity** recognizes diversity as an opportunity. The signatory companies commit to diversity, fairness and mutual respect. The aim is to create a working environment that is free of prejudice and discrimination.
- › The **Luxembourg Declaration on Workplace Health Promotion (WHP)** promotes health and occupational safety in the companies of the member states of ENWHP<sup>1</sup>. The declaration encourages members to attach greater importance to WHP.

Source:  
[www.charta-der-vielfalt.de](http://www.charta-der-vielfalt.de) (German Federal Government Commissioner for Migration, Refugees and Integration); [www.luxemburger-deklaration.de](http://www.luxemburger-deklaration.de); [www.globalcompact.de](http://www.globalcompact.de).  
<sup>1</sup> European Network for Workplace Health Promotion.



charta der vielfalt



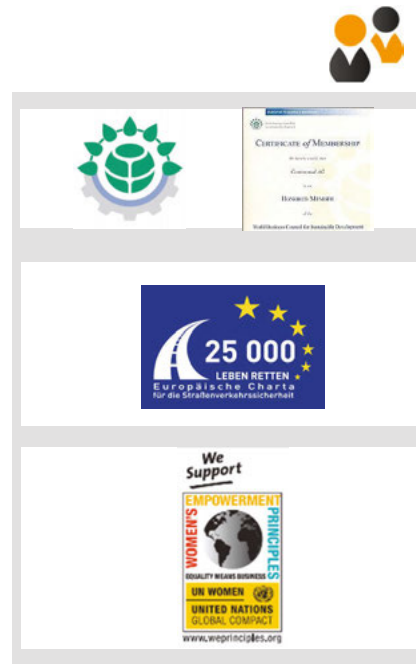
54

## IV. Social Responsibility

### Corporate Memberships (2)

- › The **World Business Council for Sustainable Development** (WBCSD), founded in 1995, is a frontrunner and catalyst on the path to sustainable development.
- › The **European Road Safety Charter** is an appeal and impetus for all groups in society to make a concrete contribution to improving traffic safety in Europe. The goal is to reduce the number of fatalities on the roads of the European Union (EU) by 2020.
- › Continental has endorsed the "**Women's Empowerment Principles**" since March 2015. The seven principles offer guidance to business on how to empower women in the workplace, marketplace and community.

Source: <http://www.wbcsd.org>; <http://www.erscharter.eu>; <http://www.weprinciples.org>.



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## IV. Social Responsibility

### Ratings and Indices

- › **ECPI** has been a leading rating and index company dedicated to ESG Research since 1997. Continental is a constituent of the ECPI Ethical EMU Equity<sup>1</sup> as one of the Global Equity Indices.
- › Since June 2013 Continental has been rated 'Prime' by **oekom research**. Based on the oekom ratings, more than €500 bn is invested by sustainability-oriented investors worldwide.
- › The **Carbon Disclosure Project (CDP)** is a non-profit organization that aims to create more transparency regarding environmentally damaging emissions. Continental has been answering CDP's extensive questionnaire since 2009. In 2012, we were included in the Carbon Disclosure Leadership Index and in 2015 we achieved 94 out of 100 points.
- › **Sustainalytics** is an independent ESG research and analysis firm supporting investors around the world with the development and implementation of responsible investment strategies. Continental is listed both in **STOXX® Global ESG Leaders** and **STOXX® Europe ESG Leaders**.

<sup>1</sup> 150 top capitalized companies in the European Economic and Monetary Union market which are eligible investments.



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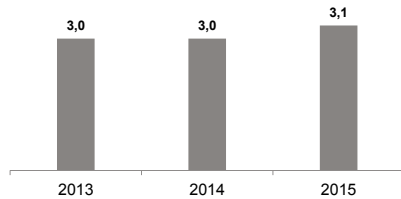
## IV. Social Responsibility

### Health and Occupational Safety

Our specialist department **HISS** ("Health, Industrial Hygiene, Safety & Security") sets protection standards, which apply across the entire Corporation.

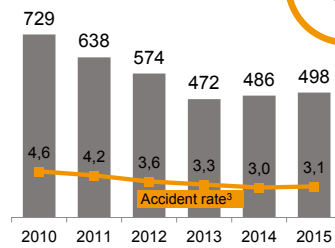
Standards are the foundation for safety at work, secure production plants and processes, and reflect our responsibility to our employees and to the environment.

#### Absences due to sickness<sup>1</sup>



<sup>1</sup> Paid and unpaid absences due to sickness in relation to the contractual working hours in percent (for the corporation).

#### Hours lost due to accidents<sup>2</sup>



<sup>2</sup> Number of accident-related hours lost worldwide per million hours worked.

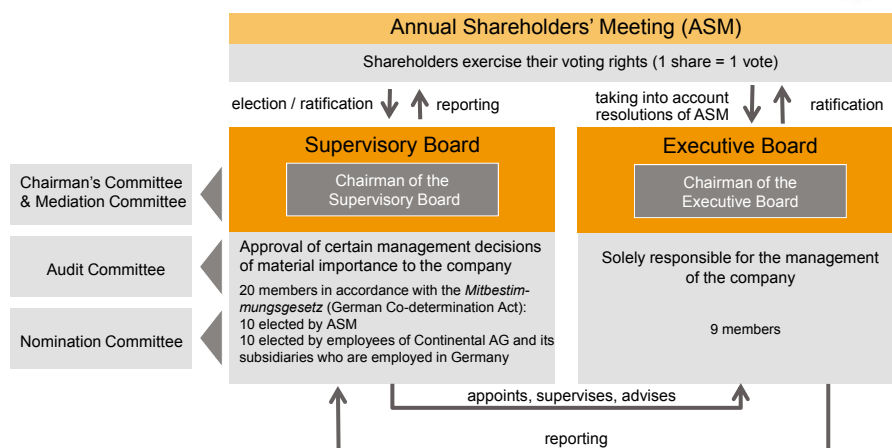
<sup>3</sup> Number of work-related accidents worldwide with one or more days lost per million hours worked.

Accidents:  
- 32%  
since 2010

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## IV. Corporate Governance

### Corporate Bodies



Corporate Governance is the responsibility of the company's corporate bodies. Continental AG's Corporate Governance Principles are closely modeled on the recommendations and suggestions of the German Corporate Governance Code.

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## Topics

<b>I.</b>	<b>Continental at a Glance</b>	<b>3</b>
<b>II.</b>	<b>Continental Strategy</b>	<b>15</b>
<b>III.</b>	<b>Automobile Megatrends</b>	<b>25</b>
<b>IV.</b>	<b>Sustainability at Continental</b>	<b>47</b>
<b>V.</b>	<b>Continental Corporation</b>	<b>60</b>
<b>VI.</b>	<b>Market Data</b>	<b>69</b>
<b>VII.</b>	<b>Automotive Group</b>	<b>82</b>
<b>VIII.</b>	<b>Rubber Group</b>	<b>131</b>
<b>IX.</b>	<b>Share and Bond Information</b>	<b>161</b>
<b>X.</b>	<b>Glossary</b>	<b>170</b>

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## V. Continental Corporation

### Key Consolidated Figures

(in mn €)	2013	2014	2015
Sales	33,331.0	34,505.7	39,232.0
EBITDA	5,095.0	5,133.8	6,001.4
in % of sales	15.3	14.9	15.3
EBIT	3,263.7	3,344.8	4,115.6
in % of sales	9.8	9.7	10.5
EBIT adjusted <sup>1</sup>		3,865.9	4,455.5
in % of sales <sup>1</sup>		11.2	11.8
Operating assets (average)	16,804.0	16,726.5	19,680.7
ROCE	19.4	20.0	20.9
R, D & E expenses	1,878.4	2,137.7	2,449.6
in % of sales	5.6	6.2	6.2
Capex <sup>2</sup>	1,981.1	2,045.4	2,178.8
in % of sales	5.9	5.9	5.6
Depreciation & amortization <sup>3</sup>	1,831.3	1,789.0	1,885.8
in % of sales	5.5	5.2	4.8
thereof impairment <sup>4</sup>	126.7	178.9	93.6

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment, and software.

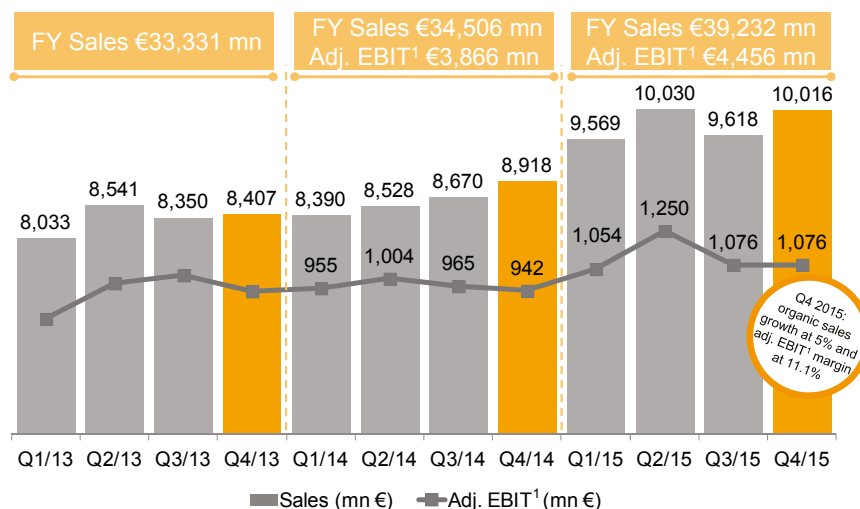
<sup>3</sup> Excluding impairment on financial investments.

<sup>4</sup> Impairment also includes necessary reversals of impairment losses.

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## V. Continental Corporation

### Sales and Adjusted EBIT<sup>1</sup> by Quarter



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## V. Continental Corporation

### Key Historical Financials and Credit Metrics – IAS 19 (rev. 2011) applied<sup>6</sup>

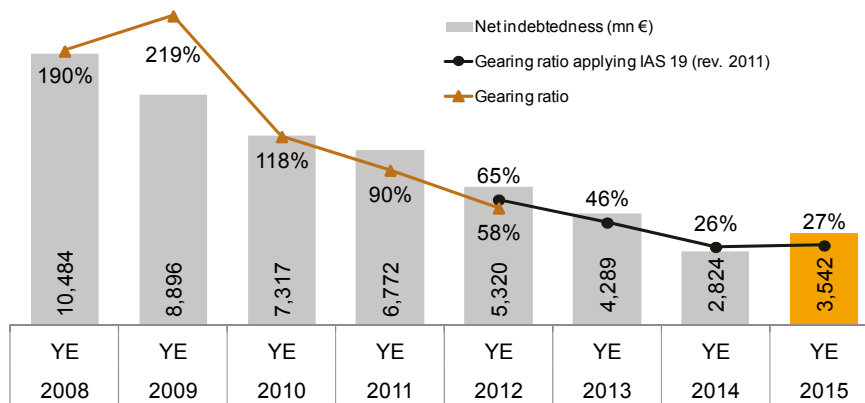
(mn €) <sup>1</sup>	2010	2011	2012	2013	2014	2015
<b>Cash flow statement</b>						
Adjusted EBITDA <sup>2</sup>	3,662	4,247	4,822	5,094	5,318	6,094
Reported EBITDA	3,588	4,228	4,967	5,095	5,134	6,001
Net cash interest paid	-703	-662	-575	-534	-158	-174
Tax paid	-493	-466	-684	-805	-775	-1,015
Change in net working capital <sup>3</sup>	-497	-556	564	-4	-207	-107
Other <sup>4</sup>	-46	-256	-488	-30	175	210
<b>Cash flow arising from operating activities</b>	<b>1,849</b>	<b>2,289</b>	<b>3,785</b>	<b>3,722</b>	<b>4,168</b>	<b>4,916</b>
<b>Cash flow arising from investing activities</b>	<b>-1,282</b>	<b>-1,798</b>	<b>-2,132</b>	<b>-1,904</b>	<b>-2,153</b>	<b>-3,472</b>
- thereof capex in PPE and intangibles	-1,324	-1,813	-2,081	-2,024	-2,110	-2,265
<b>Cash flow before financing activities</b>	<b>567</b>	<b>491</b>	<b>1,653</b>	<b>1,818</b>	<b>2,015</b>	<b>1,444</b>
<b>Balance sheet</b>						
Cash and cash equivalents	1,471	1,541	2,397	2,045	3,244	1,622
Derivative instruments and interest-bearing investments	202	249	536	303	364	81
Total indebtedness	8,991	8,562	8,253	6,638	6,432	5,245
<b>Net indebtedness</b>	<b>7,317</b>	<b>6,772</b>	<b>5,320</b>	<b>4,289</b>	<b>2,824</b>	<b>3,542</b>
<b>Credit ratios</b>						
<b>Net indebtedness / adj. EBITDA<sup>2</sup></b>	<b>2.0x</b>	<b>1.6x</b>	<b>1.1x</b>	<b>0.8x</b>	<b>0.5x</b>	<b>0.6x</b>
<b>Net cash interest paid coverage (Ratio)<sup>5</sup></b>	<b>5.2x</b>	<b>6.4x</b>	<b>8.4x</b>	<b>9.5x</b>	<b>33.7x</b>	<b>35.1x</b>

<sup>1</sup> Amounts shown may contain rounding differences.<sup>2</sup> Adjusted EBITDA starting 2010 as defined in syndicated loan but IAS 19 (rev. 2011) not applied in 2012.<sup>3</sup> Includes changes in inventories, trade accounts receivable, trade accounts payable and discounted notes.<sup>4</sup> Includes dividends received, income from at-equity accounted and other investments incl. impairments, gains and losses from disposals, other non-cash items as well as changes in pension and similar obligations and in other assets and liabilities.<sup>5</sup> Adj. EBITDA to net cash interest paid.<sup>6</sup> Since 2012.

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## V. Continental Corporation

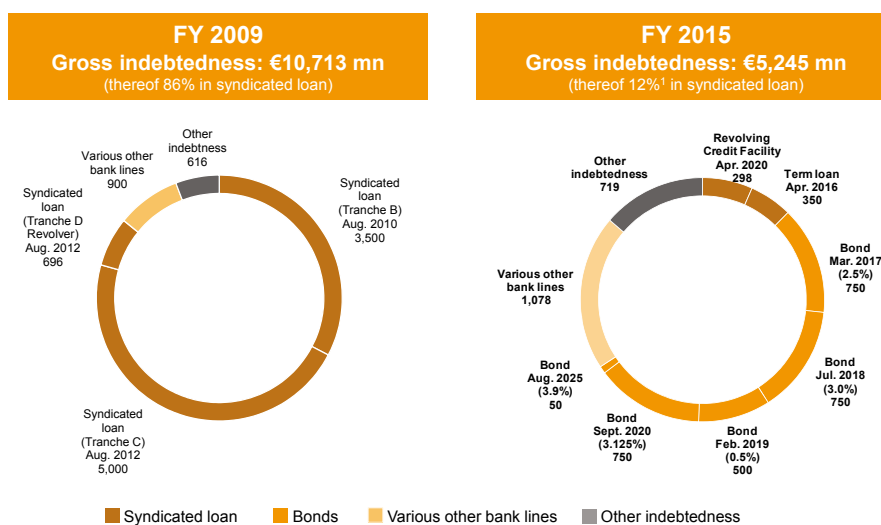
### Net Indebtedness and Gearing Ratio



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## V. Continental Corporation

### Gross Indebtedness by Source



<sup>1</sup> Percentages are calculated as share of gross indebtedness; bond values and the values for the syndicated loan are nominal values, all others book values.

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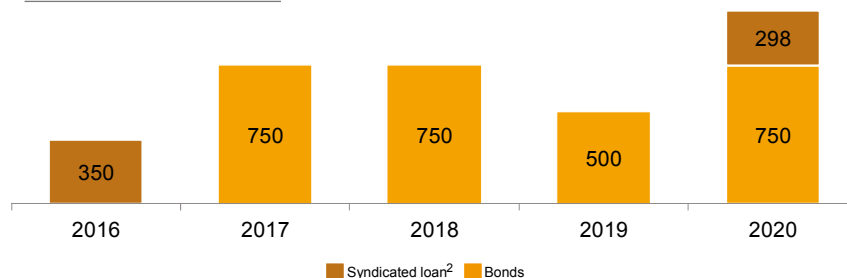


## V. Continental Corporation

### Maturities for Syndicated Loan and Bonds<sup>1</sup> (€ mn)

As at December 31, 2015

(€ mn)	FY 14	FY 15
Gross indebtedness	6,432	5,245
Cash	3,244	1,622
<b>Net indebtedness</b>	<b>2,824</b>	<b>3,542</b>
Available credit lines	4,032	3,612
Total liquidity	7,276	5,233



<sup>1</sup> All amounts shown are nominal values.

<sup>2</sup> Any utilization under the Revolving Credit Facility (RCF) has to be shown as short term debt acc. to IFRS although the RCF matures in 2020. It has a total volume of €3,000 mn.

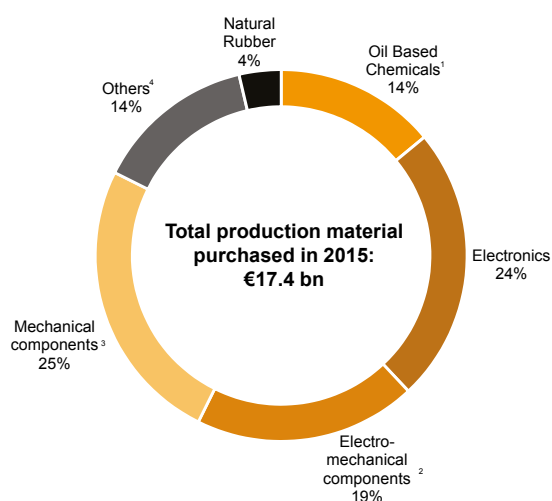
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## V. Continental Corporation

### Purchasing – Production Materials 2015

#### Purchasing Contracts

- › Continental has a wide range of sources for production materials worldwide.
- › A specific strategy for each production material group is set up and the appropriate supplier panel is selected. This way we ensure the competitiveness and availability of the materials.
- › For some materials, like certain oil based chemicals or natural rubber, prices might have a long lead time until they become fully reflected in the cost of our final products.



<sup>1</sup> E.g. synthetic rubber, carbon black.

<sup>2</sup> E.g. printed circuit boards, connectors, motors.

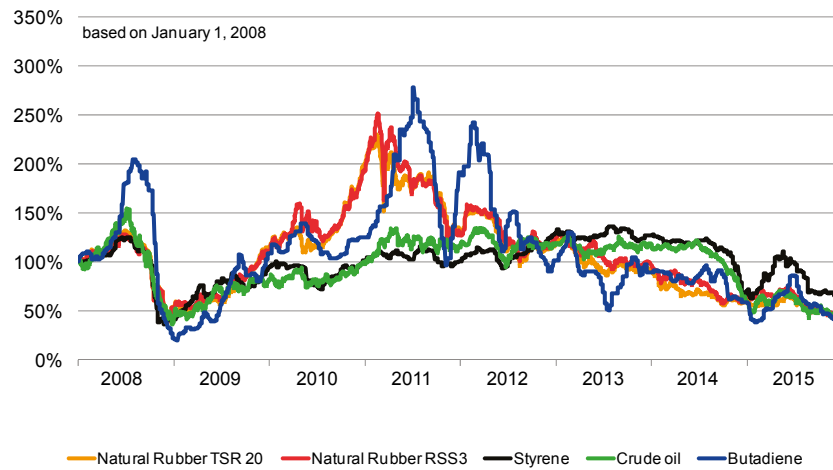
<sup>3</sup> E.g. stamped parts, turn parts, castings.

<sup>4</sup> E.g. textiles, plastics.

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## V. Continental Corporation

### Raw Material Prices



Sources:  
 Natural Rubber: Rolling one-month contracts from the Singapore Exchange (U.S. \$ cents per kg).  
 Crude oil: Europe Brent Forties Oseberg Ekofisk price from Bloomberg (U.S. \$ per barrel).  
 Butadiene, Styrene: South Korea export price (FOB) from PolymerUpdate.com (U.S. \$ per metric ton).

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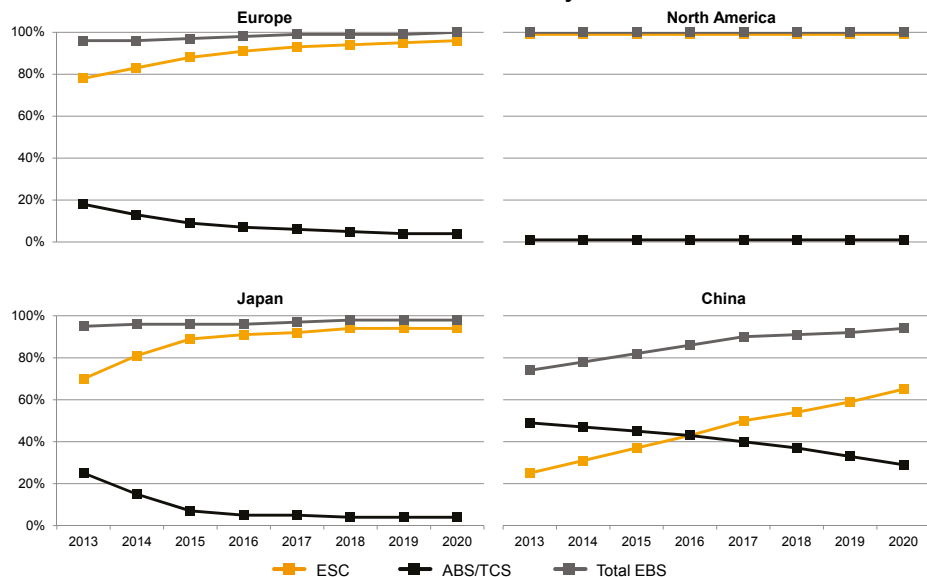
## Topics

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<b>IX.</b>	<b>Share and Bond Information</b>	<b>161</b>
<b>X.</b>	<b>Glossary</b>	<b>170</b>

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## VI. Market Data

### Installation Rates of Electronic Brake Systems

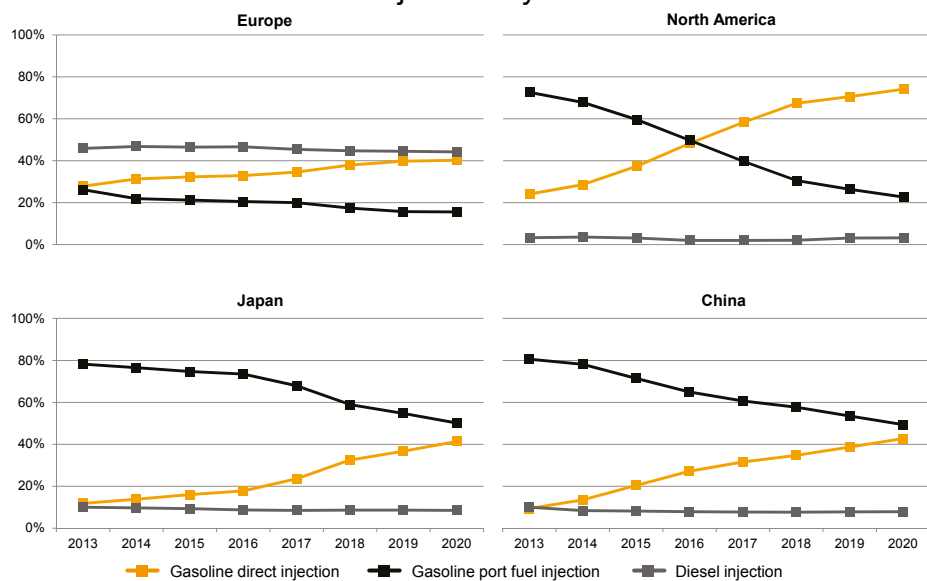


Source: Market Data and Continental estimates.

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## VI. Market Data

### Installation Rates of Fuel Injection Systems<sup>1</sup>



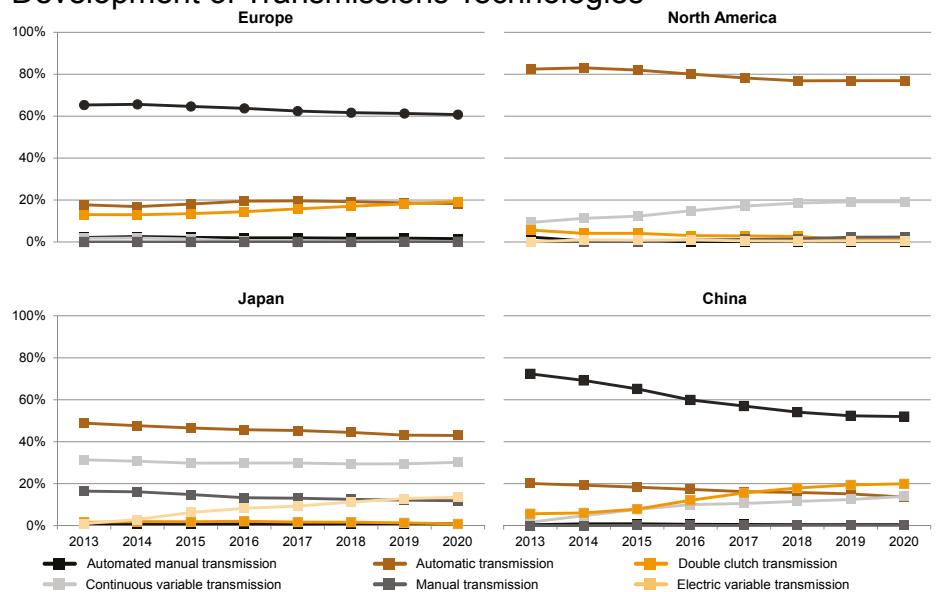
Source: Market Data and Continental estimates.

<sup>1</sup> Based on production of diesel and gasoline engines for passenger cars & light vehicles.

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## VI. Market Data

### Development of Transmissions Technologies<sup>1</sup>



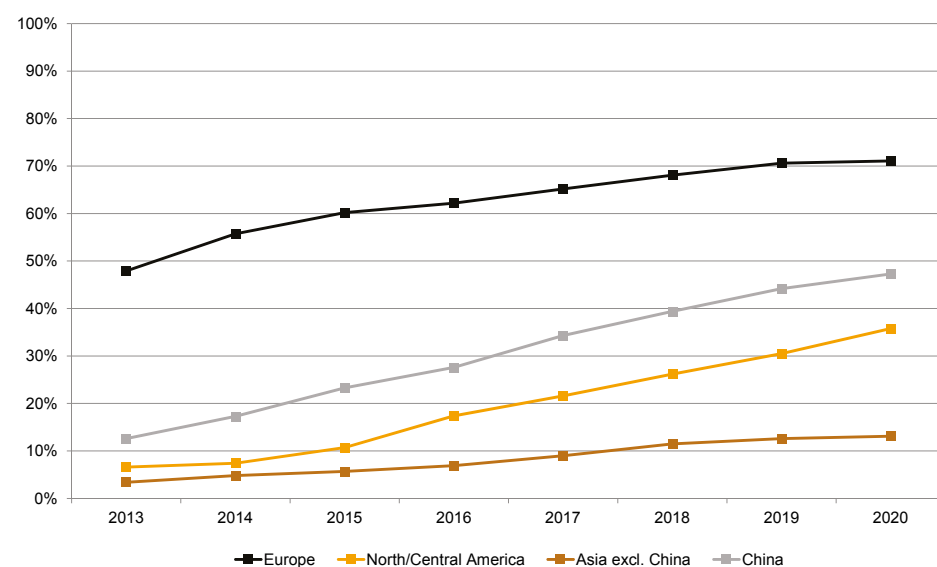
Source: Market Data and Continental estimates.

<sup>1</sup> Based on production of transmissions for passenger cars and light vehicles.

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## VI. Market Data

### Installation Rates of Turbochargers in Gasoline Engines

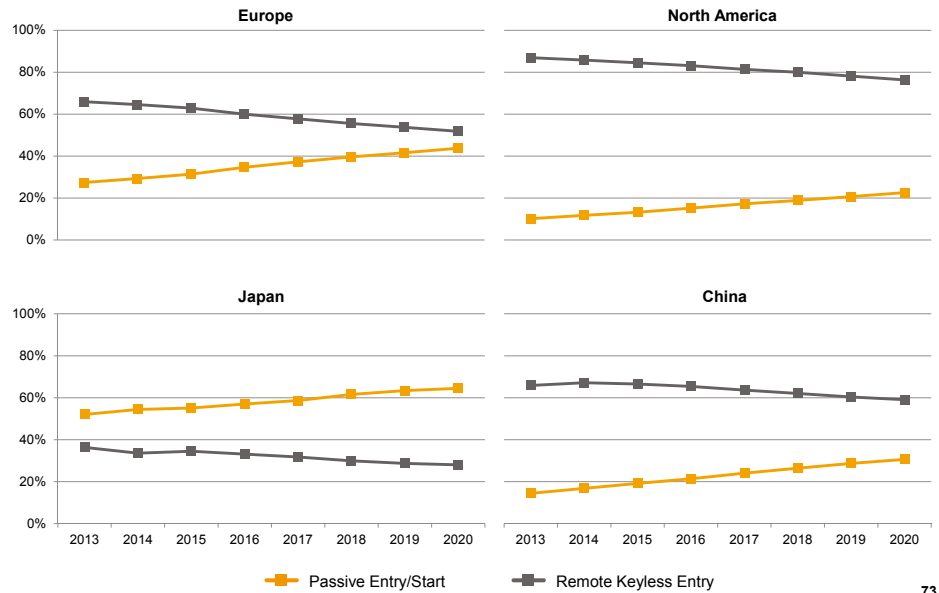


Source: IHS 01/2016.

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## VI. Market Data

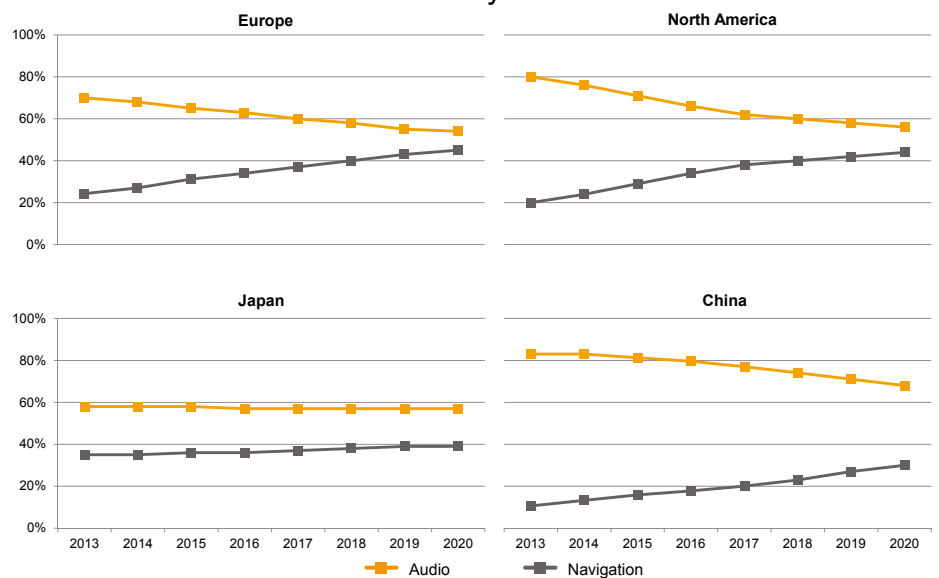
### Installation Rates of Keyless Entry Systems



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## VI. Market Data

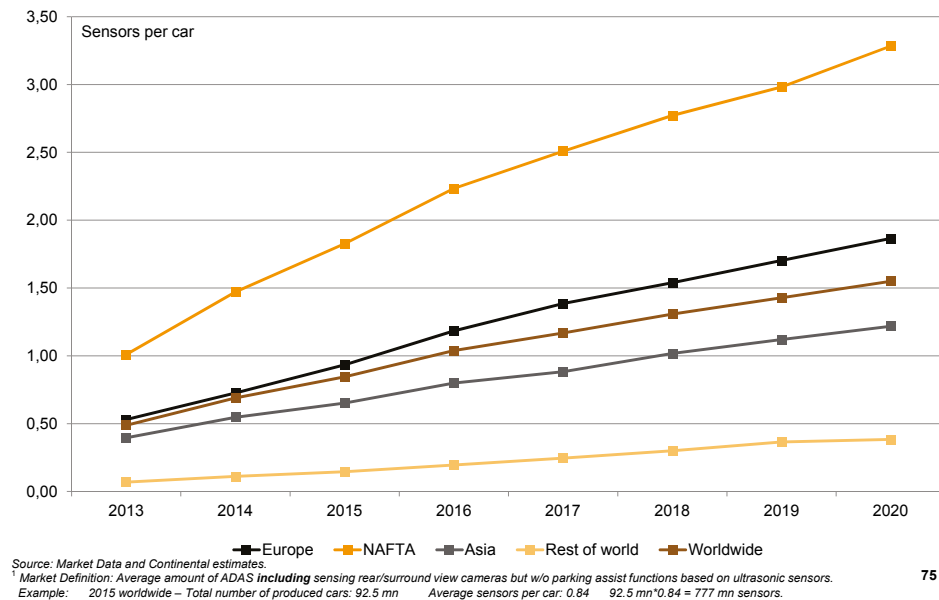
### Installation Rates of Multimedia Systems<sup>1</sup>



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## VI. Market Data

### Sensors per car of Advanced Driver Assistance Systems<sup>1</sup>

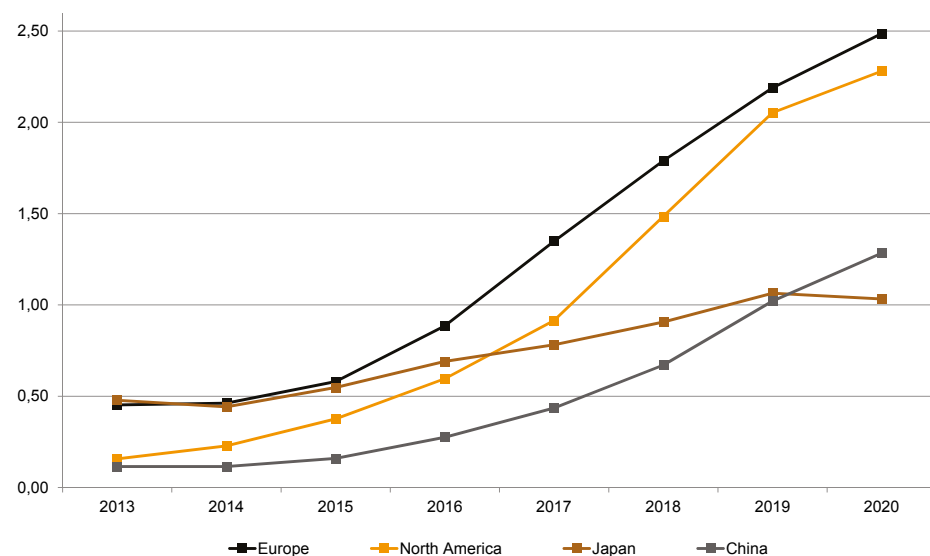


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## VI. Market Data

### Rising Volumes of Head-Up Displays

(in million units)



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## VI. Market Data

### Production of Passenger Cars and Light Commercial Vehicles (<6t)

(in millions of units)	2013	2014	2015	2016E
<b>Europe<sup>1</sup></b>	<b>19.2</b>	<b>19.9</b>	<b>20.7</b>	<b>21.1</b>
<b>NAFTA</b>	<b>16.2</b>	<b>17.0</b>	<b>17.5</b>	<b>17.5</b>
<b>South America</b>	<b>4.5</b>	<b>3.8</b>	<b>3.0</b>	<b>2.9</b>
<b>Asia<sup>2</sup></b>	<b>44.0</b>	<b>45.8</b>	<b>46.4</b>	<b>47.5</b>
<b>Other markets</b>	<b>0.8</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>
<b>Total</b>	<b>84.7</b>	<b>87.4</b>	<b>88.6</b>	<b>89.9</b>

Source: IHS and Continental estimates.

<sup>1</sup> West, Central and East incl. Russia and Turkey.

<sup>2</sup> Asia including Kazakhstan, Uzbekistan, Middle East and Oceania with Australia.

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## VI. Market Data

### Production of Medium and Heavy Commercial Vehicles (>6t)

(in thousand units)	2013	2014	2015	2016E
<b>Europe<sup>1</sup></b>	<b>574</b>	<b>541</b>	<b>569</b>	<b>590</b>
<b>NAFTA</b>	<b>464</b>	<b>546</b>	<b>585</b>	<b>528</b>
<b>South America</b>	<b>246</b>	<b>184</b>	<b>101</b>	<b>98</b>
<b>Asia<sup>2</sup></b>	<b>1,904</b>	<b>1,849</b>	<b>1,575</b>	<b>1,600</b>
<b>Other markets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>3,188</b>	<b>3,120</b>	<b>2,830</b>	<b>2,816</b>

Source: IHS and Continental estimates.

<sup>1</sup> West, Central and East incl. Russia and Turkey.

<sup>2</sup> Asia including Kazakhstan, Uzbekistan, Middle East and Oceania with Australia.

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## VI. Market Data

### Replacement Tires – Passenger Cars and Light Commercial Vehicles (<6t)

(in millions of units)	2013	2014	2015	2016E
<b>Europe</b>	313	324	324	329
<b>NAFTA</b>	264	276	278	283
<b>South America</b>	63	64	64	62
<b>Asia</b>	376	387	415	436
<b>Other markets</b>	39	41	42	41
<b>Total</b>	<b>1,055</b>	<b>1,102</b>	<b>1,123</b>	<b>1,151</b>

Source: LMC World Tyre Forecast Service and Continental estimates.

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## VI. Market Data

### Replacement Tires – Medium and Heavy Commercial Vehicles (>6t)

(in millions of units)	2013	2014	2015	2016E
<b>Europe</b>	22.7	23.5	23.5	24.2
<b>NAFTA</b>	20.0	22.0	22.8	23.2
<b>South America</b>	13.7	14.0	13.2	12.7
<b>Asia</b>	83.4	84.8	85.0	87.0
<b>Other markets</b>	6.3	6.9	7.3	7.3
<b>Total</b>	<b>146.2</b>	<b>151.4</b>	<b>151.8</b>	<b>154.4</b>

Source: LMC World Tyre Forecast Service and Continental estimates.

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## Topics

<b>I.</b>	<b>Continental at a Glance</b>	<b>3</b>
<b>II.</b>	<b>Continental Strategy</b>	<b>15</b>
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<b>IX.</b>	<b>Share and Bond Information</b>	<b>161</b>
<b>X.</b>	<b>Glossary</b>	<b>170</b>

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## VII. Automotive Group

### Key Figures

(in € millions)	2013	2014	2015
Sales	20,016.1	20,909.2	23,574.5
EBITDA	2,490.5	2,407.7	2,973.2
in % of sales	12.4	11.5	12.6
EBIT	1,158.9	1,189.3	2,014.4
in % of sales	5.8	5.7	8.5
EBIT adjusted <sup>1</sup>		1,679.3	2,066.1
in % of sales <sup>1</sup>		8.0	8.8
Operating assets (average)	10,958.9	10,504.0	11,237.5
ROCE	10.6	11.3	17.9
R, D & E expenses	1,589.1	1,835.5	2,097.2
in % of sales	7.9	8.8	8.9
Capex <sup>2</sup>	1,015.5	1,125.7	1,274.7
in % of sales	5.1	5.4	5.4
Depreciation & amortization <sup>3</sup>	1,331.6	1,218.4	958.8
in % of sales	6.7	5.8	4.1
thereof impairment <sup>4</sup>	127.8	178.9	0.7

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment, and software.

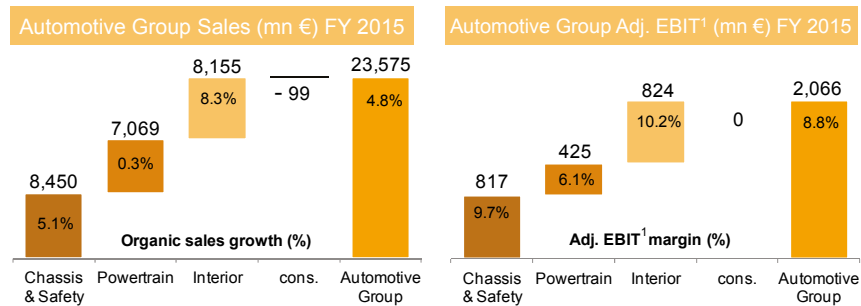
<sup>3</sup> Excluding impairment on financial investments.

<sup>4</sup> Impairment also includes necessary reversals of impairment losses.

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## VII. Automotive Group

### Sales and Adjusted EBIT<sup>1</sup> by Division

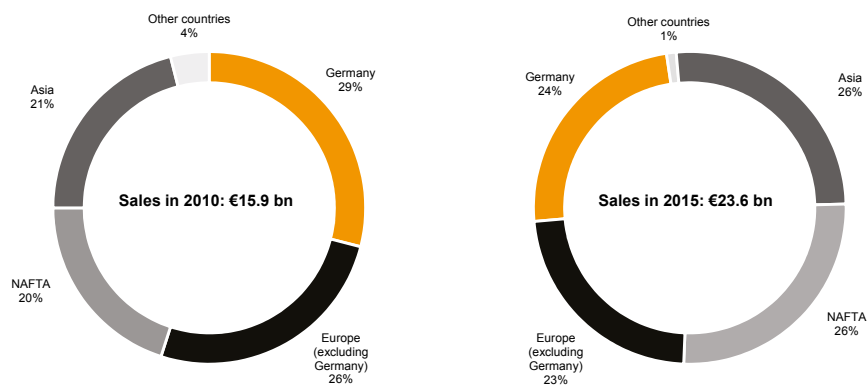


<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.

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## VII. Automotive Group

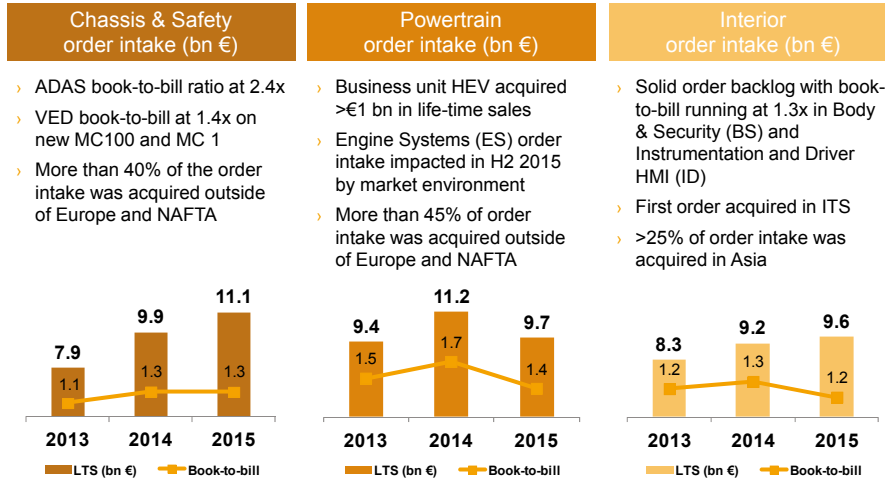
### Sales by Market



84

## VII. Automotive Group

### Order Intake (LTS<sup>1</sup>) in the Automotive Group €30 bn in 2015



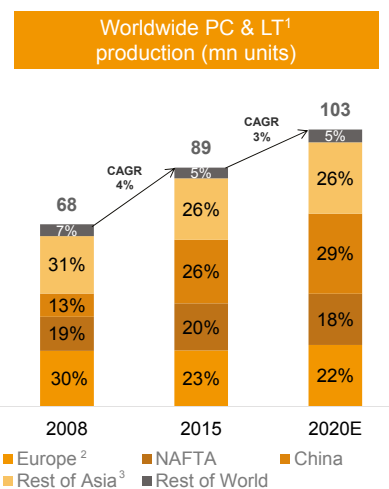
<sup>1</sup> Life-time sales.

85

## VII. Automotive Group

### Production of Passenger Cars and Light Trucks (<6t)

- Worldwide PC&LT production showed a CAGR 2008-2015 of 4%. It is forecasted by IHS to stay at 3% 2015-2020E
- European market not expected to reach pre-crisis level (2007: 22 mn) before 2018; CAGR to accelerate to 2% (2015-2020E)
- China is the largest market for PC&LT vehicles produced. CAGR to slow to 5% from 2015-2020E from 15% during 2008-2015 according to IHS
- NAFTA expected to reach up to 19 mn units by 2020E



<sup>1</sup> Passenger car & light truck (<6t); Source: IHS February 2016.

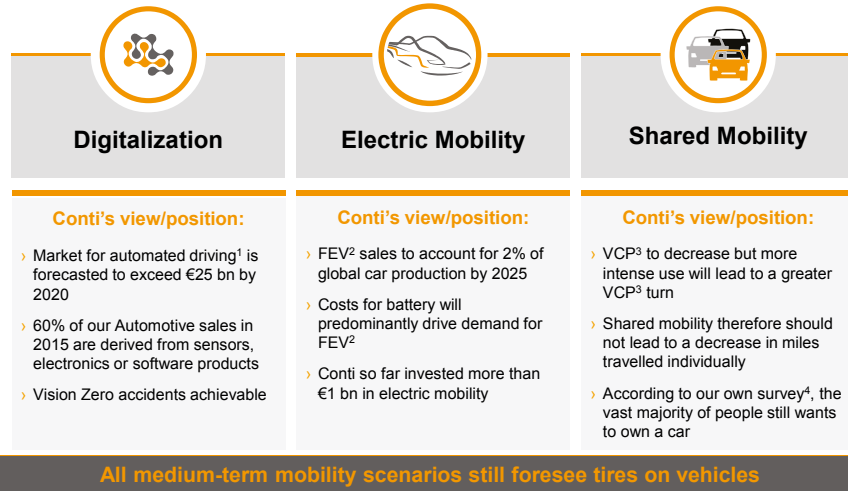
<sup>2</sup> West, Central and East incl. Russia and Turkey.

<sup>3</sup> Asia including Kazakhstan, Uzbekistan, Middle East and Oceania with Australia.

86

## VII. Automotive Group

### Opportunities and Challenges in the Medium Term

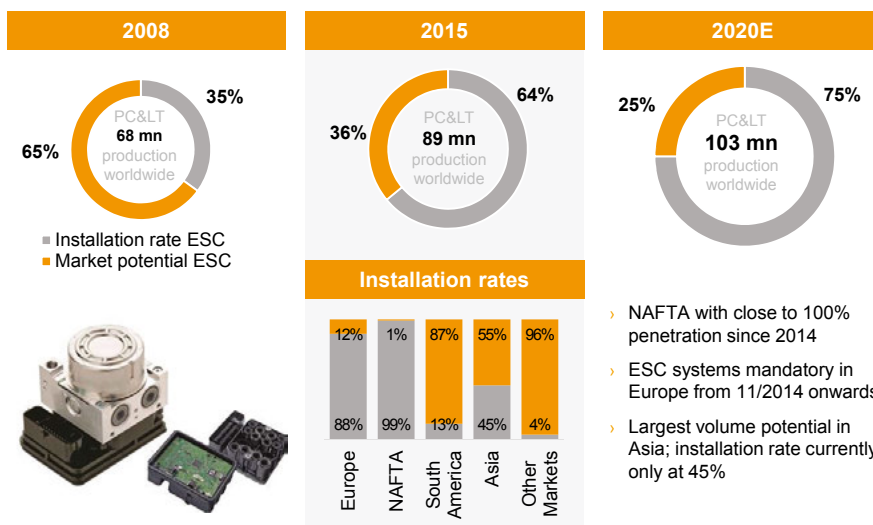


<sup>1</sup> Goldman Sachs Report, Cars 2025: Vol. 3 (Sept 2015).  
<sup>2</sup> FEV = Full Electric Vehicle.  
<sup>3</sup> VCP = Vehicle Car Park.  
<sup>4</sup> Continental Mobility Study 2015.

87

## VII. Automotive Group

### Growth Opportunities – Electronic Stability Control (ESC)

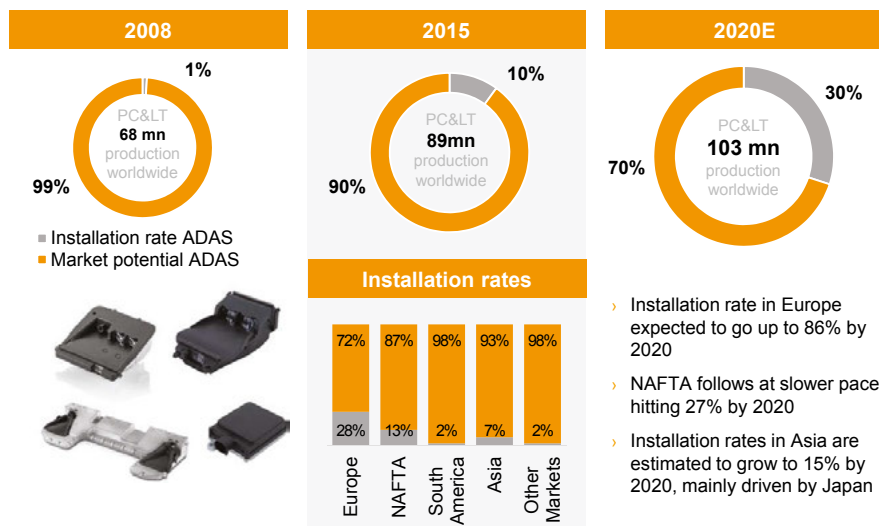


Source: IHS and own estimates.  
<sup>1</sup> Regulation (EC) No. 661/2009; refers to all vehicles of category M and N.

88

## VII. Automotive Group

### Growth Opportunities – Advanced Driver Assistance Systems (ADAS)



Source: IHS, Strategy Analytics and own estimates; ADAS w/o parking assist functions.

89

## VII. Automotive Group

### Growth Opportunities – Vehicle-to-X

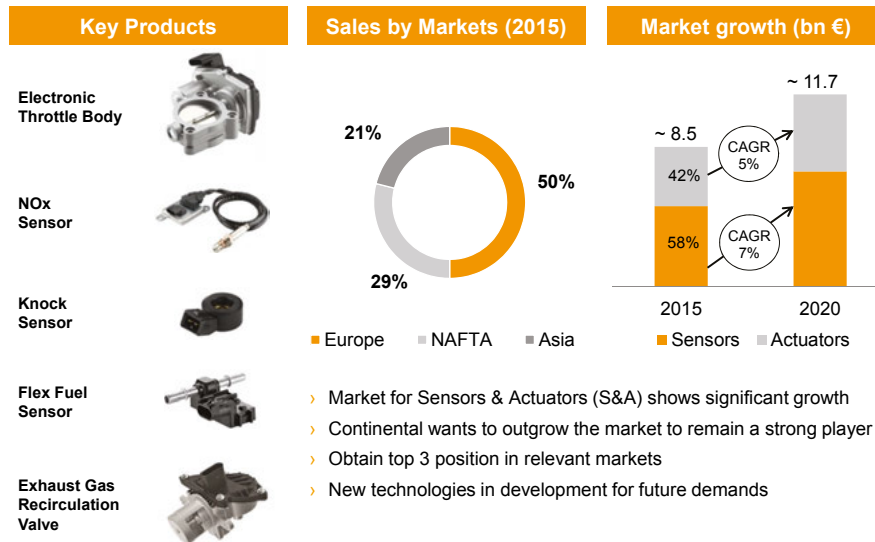


<sup>1</sup> i.e. no mobile phone network, no mobile network operator.

90

## VII. Automotive Group

### Growth Opportunities – Sensors and Actuators

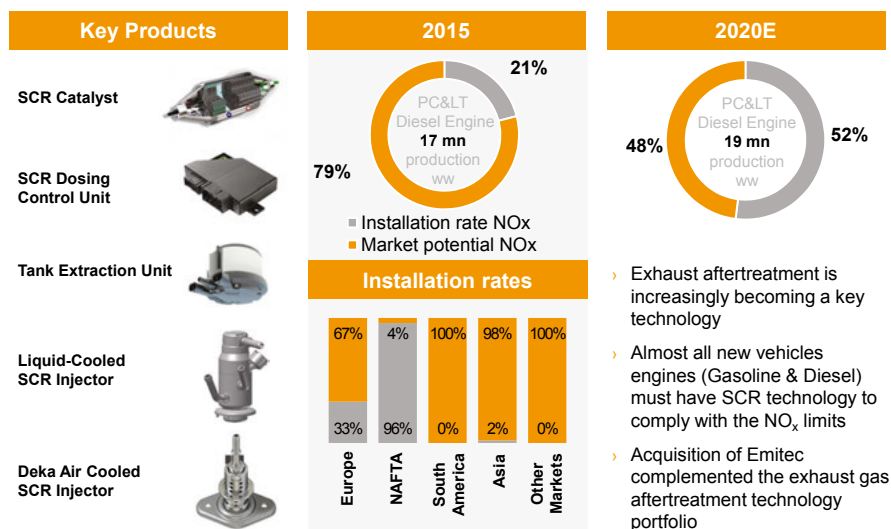


Source: Market Data and own estimates.

91

## VII. Automotive Group

### Growth Opportunities – Selective Catalytic Reduction

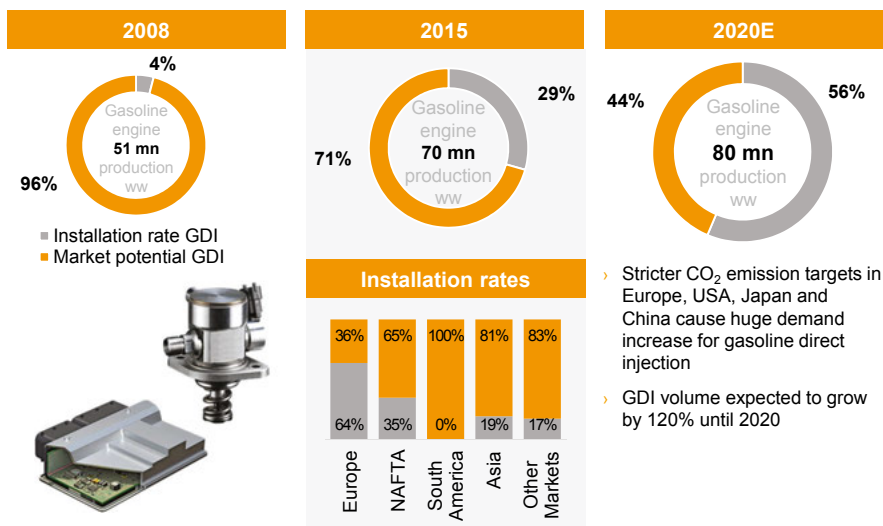


Source: Market Data and own estimates.

92

## VII. Automotive Group

### Growth Opportunities – Gasoline Direct Injection (GDI)

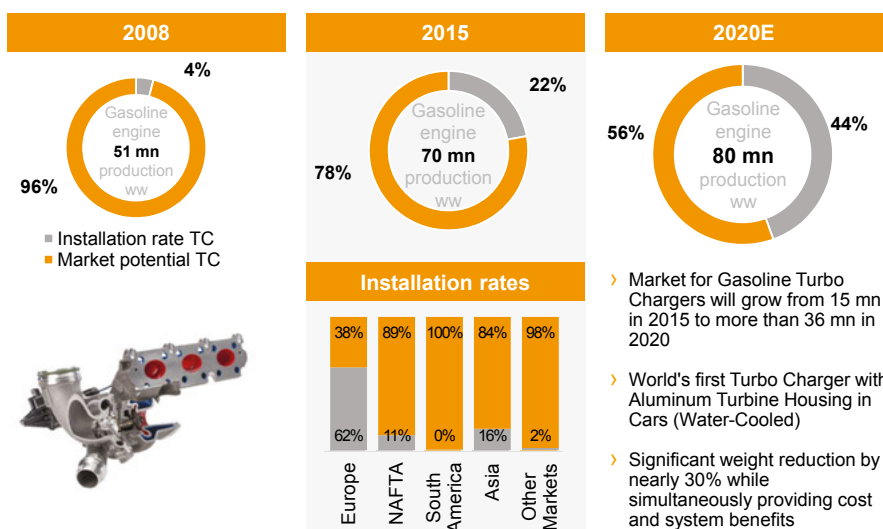


Source: IHS.

93

## VII. Automotive Group

### Growth Opportunities – Gasoline Turbo Chargers (TC)

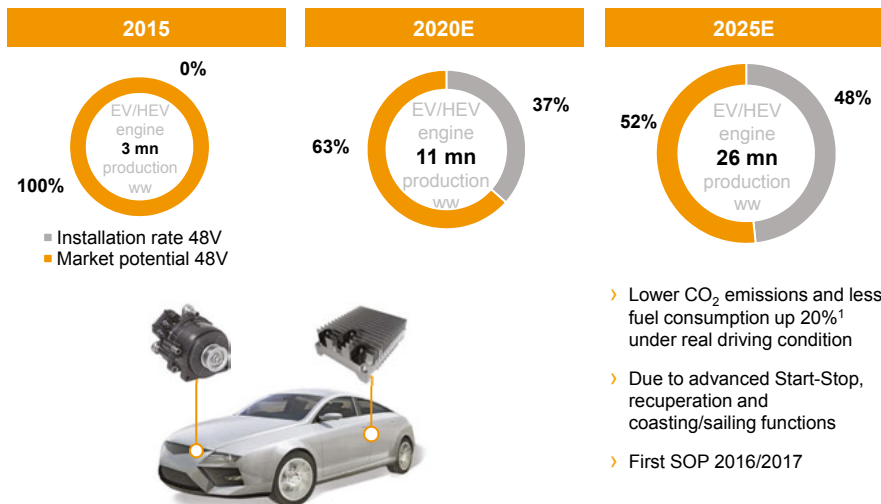


Source: IHS.

94

## VII. Automotive Group

### Growth Opportunities – 48V Technology

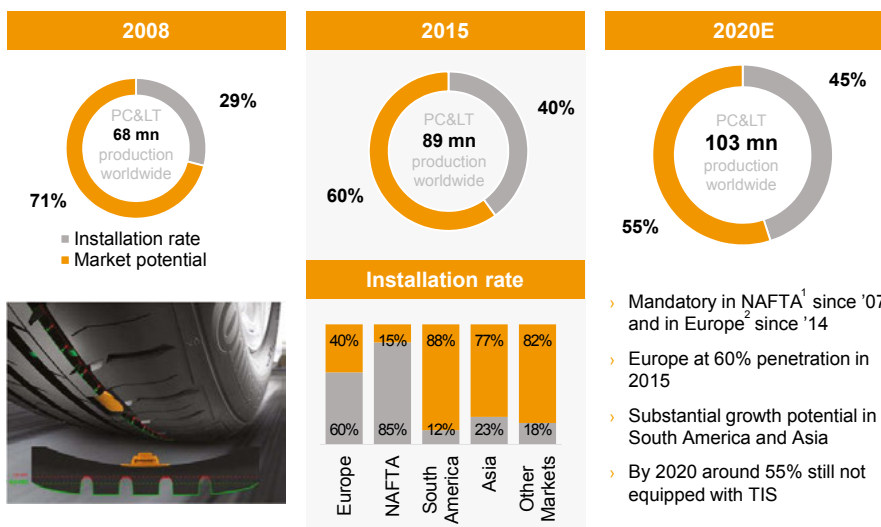


<sup>1</sup> TV magazine "auto mobil" broadcasted on VOX on November 16, 2014 at 5 PM.

95

## VII. Automotive Group

### Growth Opportunities – Tire Information Systems (TIS)



Source: Strategy Analytics, IHS and own estimates.

<sup>1</sup> Mandatory as of Sept. 2008 for all new light vehicles.

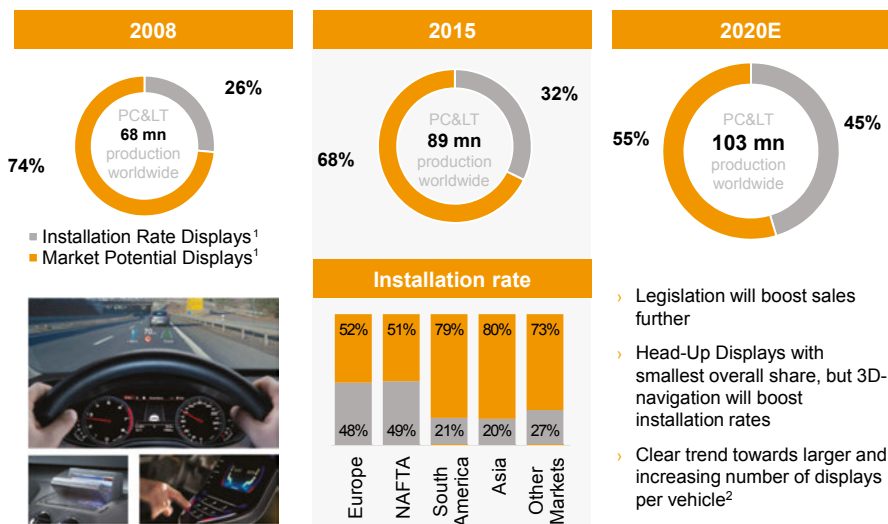
<sup>2</sup> Mandatory as of Nov. 2014 for all new passenger cars.

96



## VII. Automotive Group

### Growth Opportunities – Driver HMI Displays



Source: IHS and own estimates.

<sup>1</sup> Driver HMI Displays include Head Up Displays, Secondary Displays and Integrated Center Stacks, excludes Multimedia Displays.

<sup>2</sup> Market potential understated as up to five displays are feasible per vehicle.

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## VII. Automotive Group

### Growth Opportunities – Road Database



#### Road Database, an important step towards highly/fully automated driving

Built-in sensors in numerous vehicles deliver real-time road data

The backend continuously generates highly accurate road map data

#### Important for

- ADAS functions
- Dynamic eHorizon
- Highly/fully automated driving

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## VII. Automotive Group

### Growth Opportunities – Mirror Replacement



#### Mirror Replacement: unobstructed view without physical contortions

##### Information & safety enhancement

- › No blind spots
- › Better visibility
- › Connection to ADAS functions

##### Lower fuel consumption and improved interior acoustics

- › Lower  $c_d$ <sup>1</sup> value
- › Less wind flow noise

EU decision expected for 2016, start of production targeted for 2018

<sup>1</sup> Air drag coefficient.

## Topics

<b>I.</b>	<b>Continental at a Glance</b>	<b>3</b>
<b>II.</b>	<b>Continental Strategy</b>	<b>15</b>
<b>III.</b>	<b>Automobile Megatrends</b>	<b>25</b>
<b>IV.</b>	<b>Sustainability at Continental</b>	<b>47</b>
<b>V.</b>	<b>Continental Corporation</b>	<b>60</b>
<b>VI.</b>	<b>Market Data</b>	<b>69</b>
<b>VII.</b>	<b>Automotive Group – Chassis &amp; Safety Division</b>	<b>101</b>
<b>VIII.</b>	<b>Rubber Group</b>	<b>131</b>
<b>IX.</b>	<b>Share and Bond Information</b>	<b>161</b>
<b>X.</b>	<b>Glossary</b>	<b>170</b>

## VII. Chassis & Safety

### Business Units and Key Products

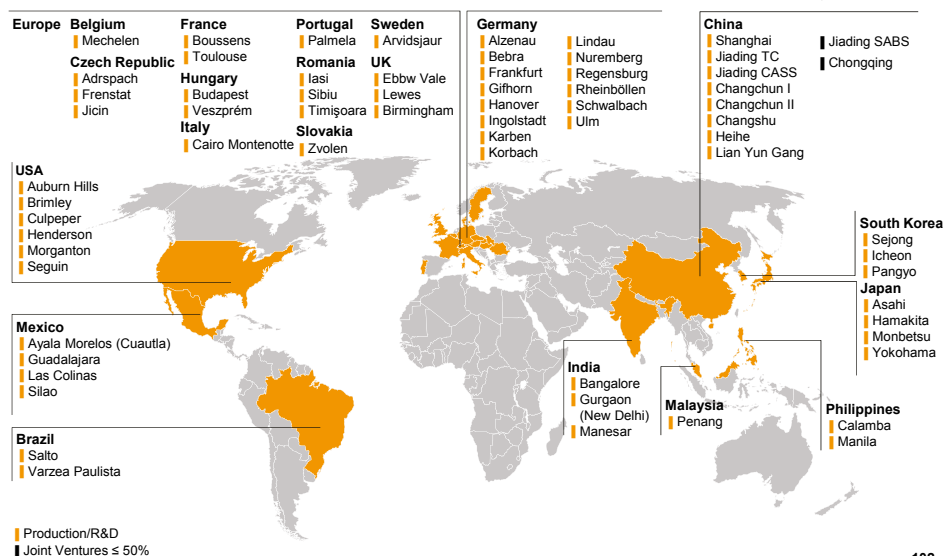
Vehicle Dynamics	Hydraulic Brake Systems	Passive Safety & Sensorics	Advanced Driver Assistance Systems
<ul style="list-style-type: none"> <li>Electronic Brake Systems               <ul style="list-style-type: none"> <li>Passenger Cars / Motorcycles</li> <li>ABS / ESC / OCB</li> </ul> </li> <li>Software functions               <ul style="list-style-type: none"> <li>Traction control</li> <li>Adaptive cruise control</li> <li>Regenerative brake system</li> <li>Active front steering</li> <li>Hill start assist</li> <li>Hydraulic brake assist</li> <li>Trailer stability assist</li> </ul> </li> <li>Chassis electronics</li> <li>Suspension systems</li> </ul>	<ul style="list-style-type: none"> <li>Calipers</li> <li>Drum brakes</li> <li>Brake hoses</li> <li>Boosters</li> <li>Tandem master cylinders</li> <li>Electric parking brakes</li> <li>Pedal modules</li> <li>Brake pressure regulators</li> <li>Washer systems</li> </ul>	<ul style="list-style-type: none"> <li>Integrated vehicle safety development, safety testing &amp; validation</li> <li>Airbag control units / safety (domain) control units</li> <li>Crash sensors</li> <li>Inertial measurement units</li> <li>Chassis and driver intention sensors</li> <li>Battery and energy monitoring sensors</li> <li>Electronic components (1st tier customer)</li> <li>Wheel, engine and transmission speed sensors</li> <li>Accelerator Force Feedback Pedal (AFFP®)</li> <li>V2X systems</li> </ul>	<ul style="list-style-type: none"> <li>Functions               <ul style="list-style-type: none"> <li>Adaptive cruise control</li> <li>Emergency brake assist</li> <li>Lane departure warning</li> <li>Lane change support</li> <li>Blind spot detection</li> <li>Traffic sign assist</li> <li>Intelligent head lamp control</li> <li>Rear cross traffic alert</li> <li>Surround View</li> </ul> </li> <li>Sensors               <ul style="list-style-type: none"> <li>Radar</li> <li>Camera</li> <li>Lidar</li> </ul> </li> </ul>

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## VII. Chassis & Safety

### Locations Worldwide

67 sites for production and R&D in 20 countries. Divisional headquarter in Frankfurt/Main, Germany.



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## VII. Chassis & Safety

### Key Figures

(in € millions)	2013	2014	2015
Sales	7,269.2	7,514.9	8,449.7
EBITDA	990.2	1,018.1	1,160.3
in % of sales	13.6	13.5	13.7
EBIT	598.9	680.2	814.3
in % of sales	8.2	9.1	9.6
EBIT adjusted <sup>1</sup>		710.4	817.2
in % of sales <sup>1</sup>		9.5	9.7
Operating assets (average)	4,032.6	3,956.5	4,277.7
ROCE	14.9	17.2	19.0
R, D & E expenses	535.3	629.5	691.2
in % of sales	7.4	8.4	8.2
Capex <sup>2</sup>	401.7	411.6	470.3
in % of sales	5.5	5.5	5.6
Depreciation & amortization <sup>3</sup>	391.3	337.9	346.0
in % of sales	5.4	4.5	4.1
thereof impairment <sup>4</sup>	41.4	4.7	-0.1

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment and software.

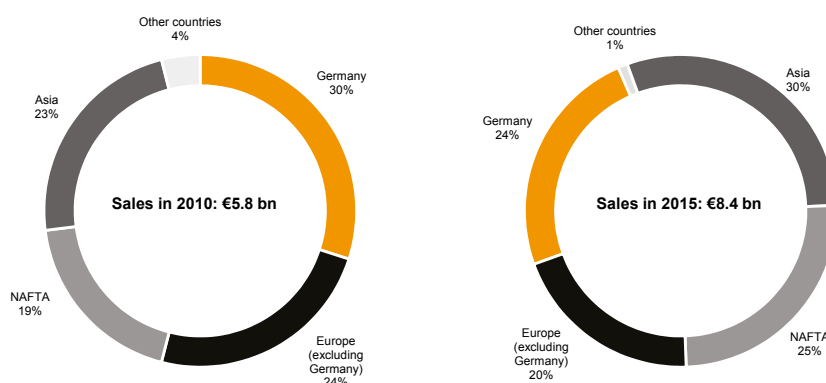
<sup>3</sup> Excluding impairment on financial investments.

<sup>4</sup> Impairment also includes necessary reversals of impairment losses.

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## VII. Chassis & Safety

### Sales by Market



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## VII. Chassis & Safety

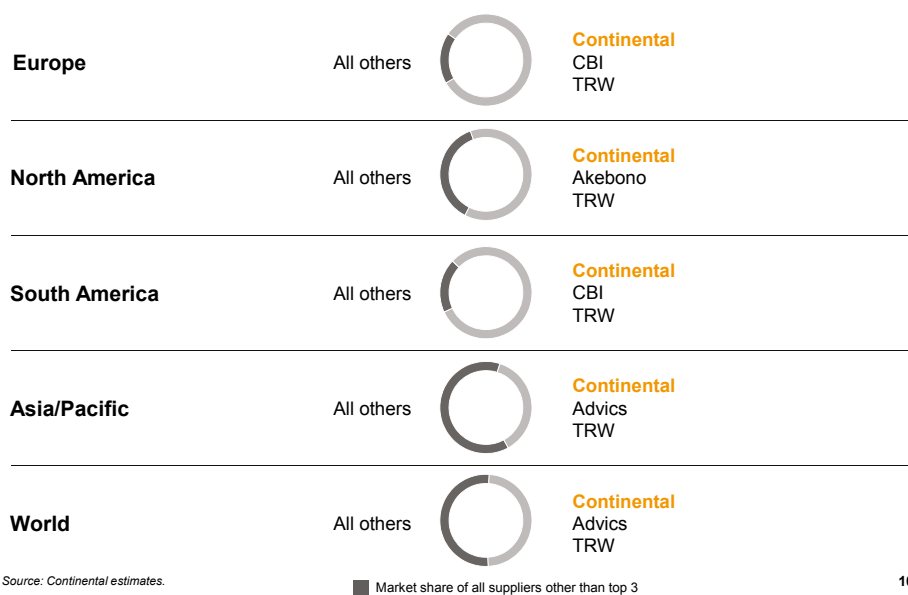
### Market Position for Electronic Brake Systems 2015



105

## VII. Chassis & Safety

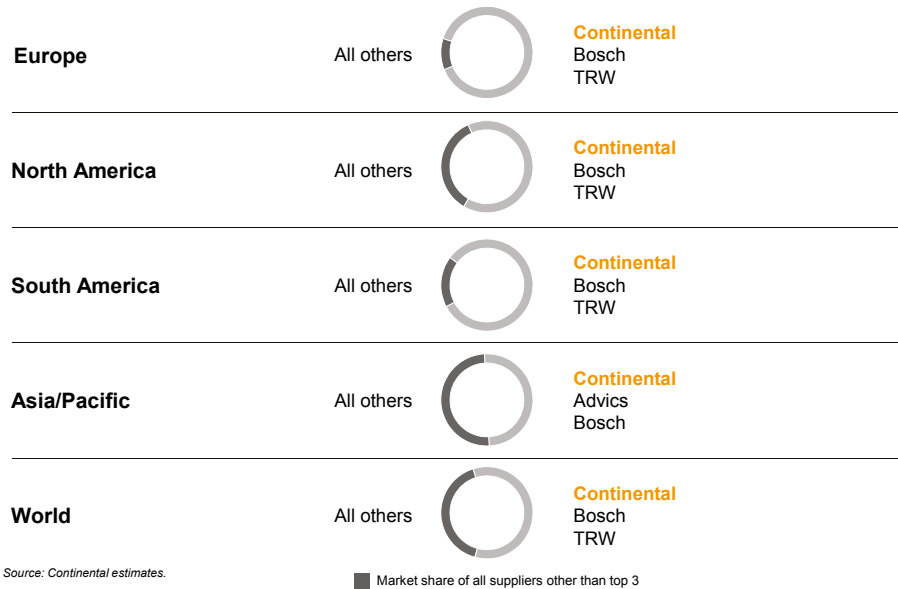
### Market Position for Foundation Brake Systems 2015



106

## VII. Chassis & Safety

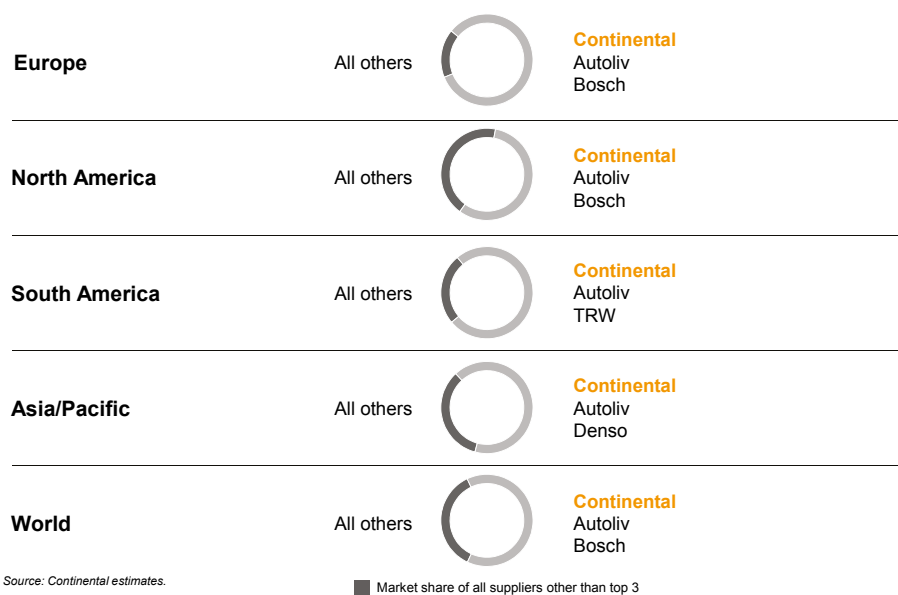
### Market Position for Actuation 2015



107

## VII. Chassis & Safety

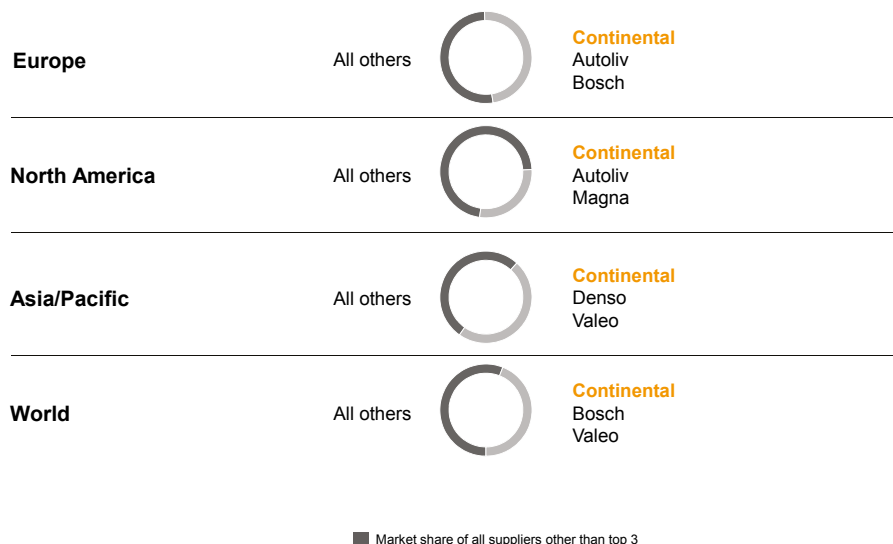
### Market Position for Airbag Electronics 2015



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## VII. Chassis & Safety

### Market Position for Advanced Driver Assistance Systems 2015

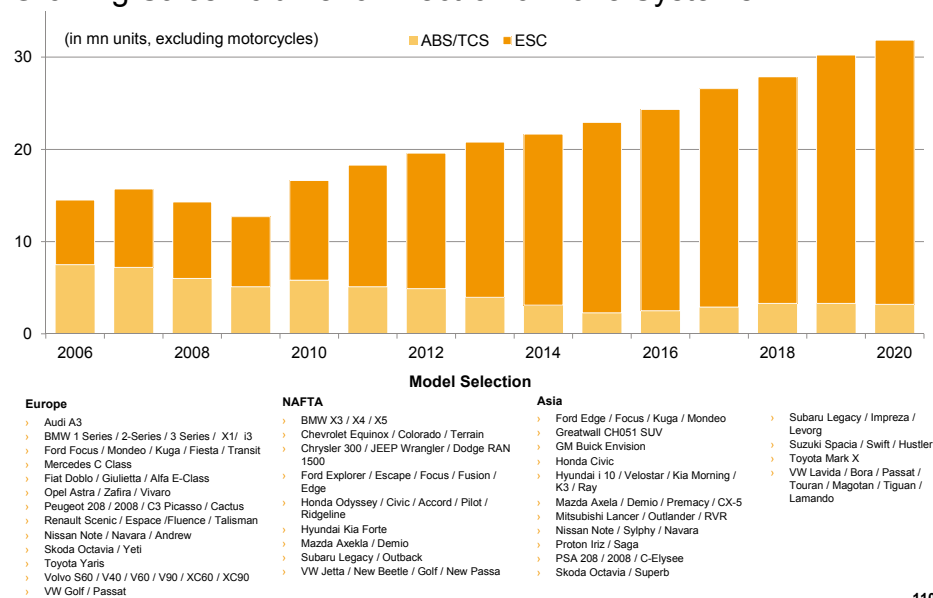


Source: Continental estimates.

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## VII. Chassis & Safety

### Growing Sales Volume for Electronic Brake Systems



Source: Continental estimates.

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## Topics

<b>I.</b>	<b>Continental at a Glance</b>	<b>3</b>
<b>II.</b>	<b>Continental Strategy</b>	<b>15</b>
<b>III.</b>	<b>Automobile Megatrends</b>	<b>25</b>
<b>IV.</b>	<b>Sustainability at Continental</b>	<b>47</b>
<b>V.</b>	<b>Continental Corporation</b>	<b>60</b>
<b>VI.</b>	<b>Market Data</b>	<b>69</b>
<b>VII.</b>	<b>Automotive Group – Powertrain Division</b>	<b>112</b>
<b>VIII.</b>	<b>Rubber Group</b>	<b>131</b>
<b>IX.</b>	<b>Share and Bond Information</b>	<b>161</b>
<b>X.</b>	<b>Glossary</b>	<b>170</b>

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## VII. Powertrain

### Business Units and Key Products

Engine Systems	Transmission	Hybrid Electric Vehicle	Sensors & Actuators	Fuel & Exhaust Management
<ul style="list-style-type: none"> <li>Engine Management Systems and fuel components for</li> <li>Diesel Piezo Common Rail Injection System</li> <li>Gasoline Solenoid Direct Injection</li> <li>Gasoline Port Injection</li> <li>Liquefied Petroleum Gas (LPG) and Compressed Natural Gas (CNG)</li> <li>Exhaust Aftertreatment</li> <li>Engine Management Systems and exhaust after-treatment products for commercial vehicle applications</li> <li>Turbochargers for gasoline engines</li> </ul>	<ul style="list-style-type: none"> <li>Control units for</li> <li>Automatic transmission</li> <li>Double clutch transmission</li> <li>Automated manual transmission</li> <li>Continuously variable transmission</li> <li>Control units for 4x4 and AWD applications</li> <li>Transfer cases</li> <li>Differentials</li> <li>Limited slip coupling</li> <li>Axle disconnect</li> </ul>	<ul style="list-style-type: none"> <li>Power electronics</li> <li>Electric motors</li> <li>Battery management systems</li> <li>Energy management</li> <li>Power net systems</li> </ul>	<ul style="list-style-type: none"> <li>Actuators for</li> <li>Electric pumps</li> <li>Electric throttle &amp; air control</li> <li>Exhaust &amp; emission</li> <li>General purpose</li> <li>Exhaust &amp; emission sensors for</li> <li>Exhaust gas</li> <li>Fluids: Oil level, fuel, UREA</li> <li>Temperature</li> <li>Engine &amp; transmission sensors</li> <li>Airflow</li> <li>Combustion</li> <li>Position</li> <li>Pressure</li> <li>Door handle sensors</li> </ul>	<ul style="list-style-type: none"> <li>Fuel delivery modules</li> <li>Fuel level sensors</li> <li>Fuel pumps</li> <li>Electronics for fuel pump control</li> <li>Fluid level sensor with sealed contact system</li> <li>Catalysts and filters</li> <li>Tank-integrated UREA dosing system</li> </ul>
				

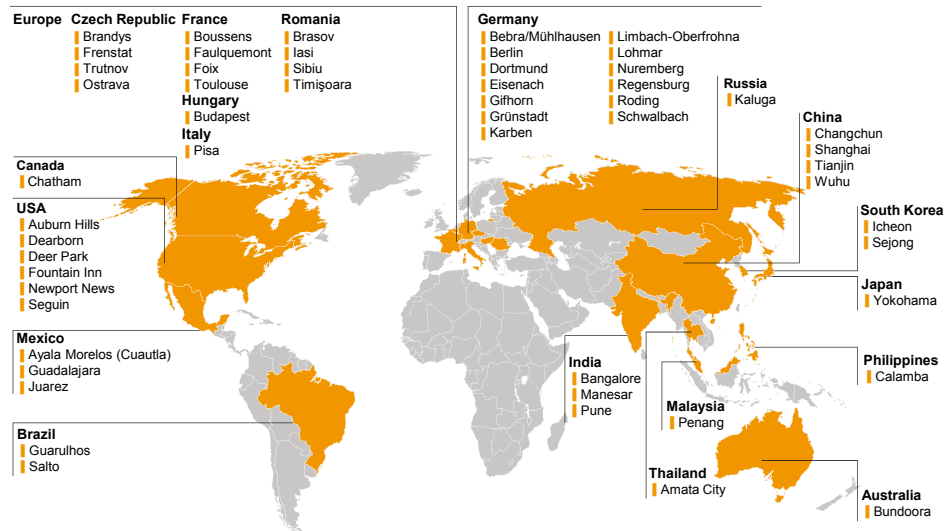
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## VII. Powertrain

### Locations Worldwide

54 sites for production and R&D in 19 countries. Divisional headquarters in Regensburg, Germany.



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## VII. Powertrain

### Key Figures

(in € millions)	2013	2014	2015
Sales	6,260.3	6,494.3	7,068.5
EBITDA	650.2	443.3	730.7
in % of sales	10.4	6.8	10.3
EBIT	179.5	-96.8	395.6
in % of sales	2.9	-1.5	5.6
EBIT adjusted <sup>1</sup>		260.5	424.6
in % of sales <sup>1</sup>		4.0	6.1
Operating assets (average)	2,936.9	2,733.0	2,767.8
ROCE	6.1	-3.5	14.3
R, D & E expenses	561.8	635.1	708.7
in % of sales	9.0	9.8	10.0
Capex <sup>2</sup>	360.5	428.0	468.4
in % of sales	5.8	6.6	6.6
Depreciation & amortization <sup>3</sup>	470.7	540.1	335.1
in % of sales	7.5	8.3	4.7
thereof impairment <sup>4</sup>	38.9	168.4	0.5

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment, and software.

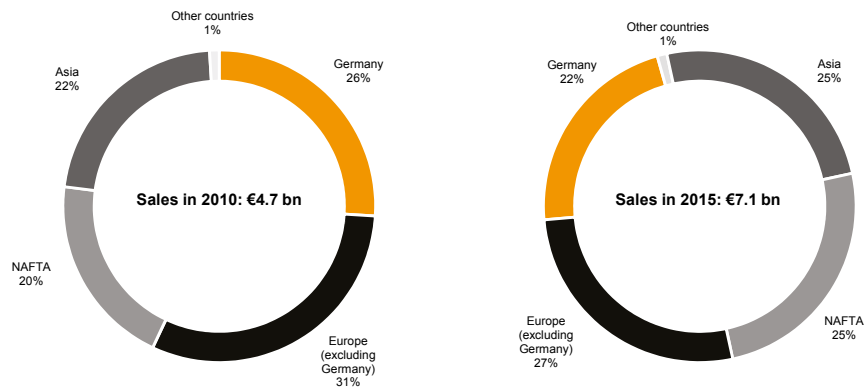
<sup>3</sup> Excluding impairment on financial investments.

<sup>4</sup> Impairment also includes necessary reversals of impairment losses.

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## VII. Powertrain

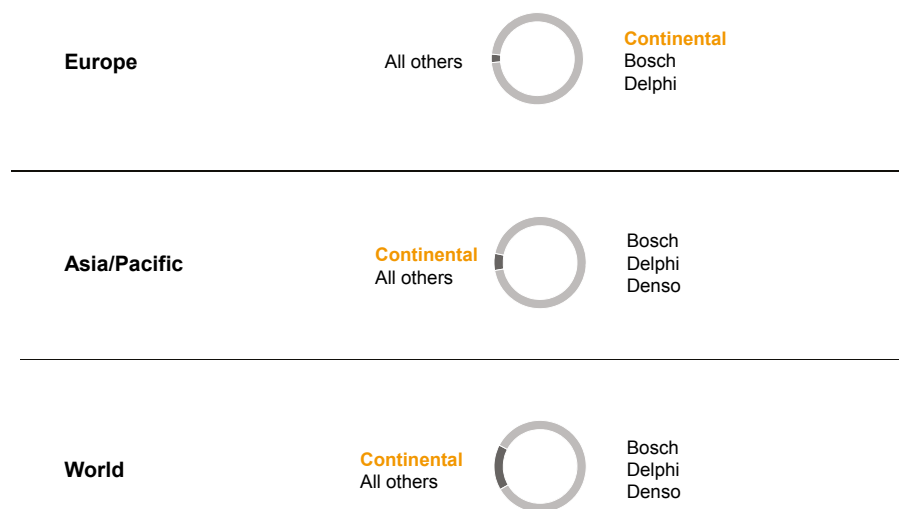
### Sales by Market



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## VII. Powertrain

### Market Position for Diesel Injection Systems<sup>1</sup> 2015



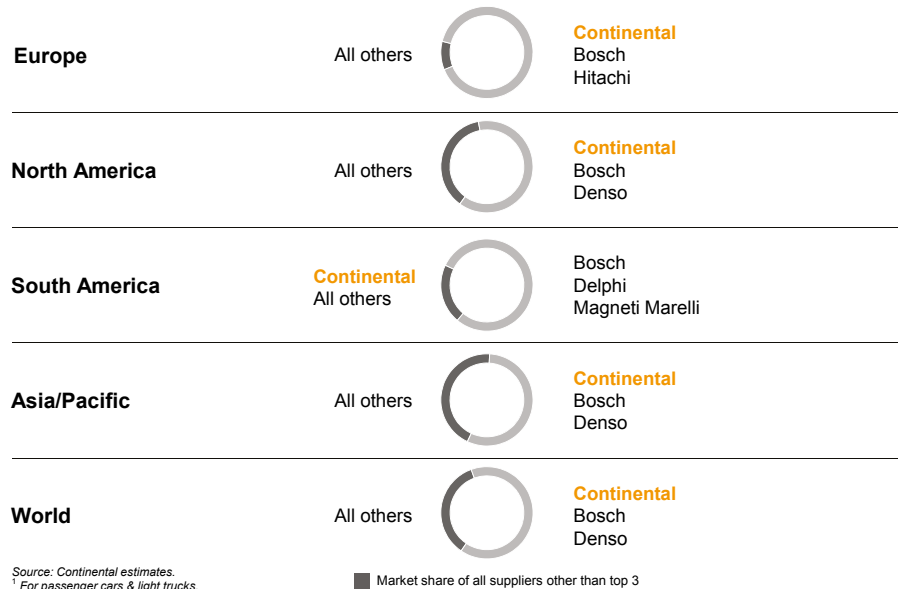
Source: Continental estimates.  
<sup>1</sup> For passenger cars & light trucks.

■ Market share of all suppliers other than top 3

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## VII. Powertrain

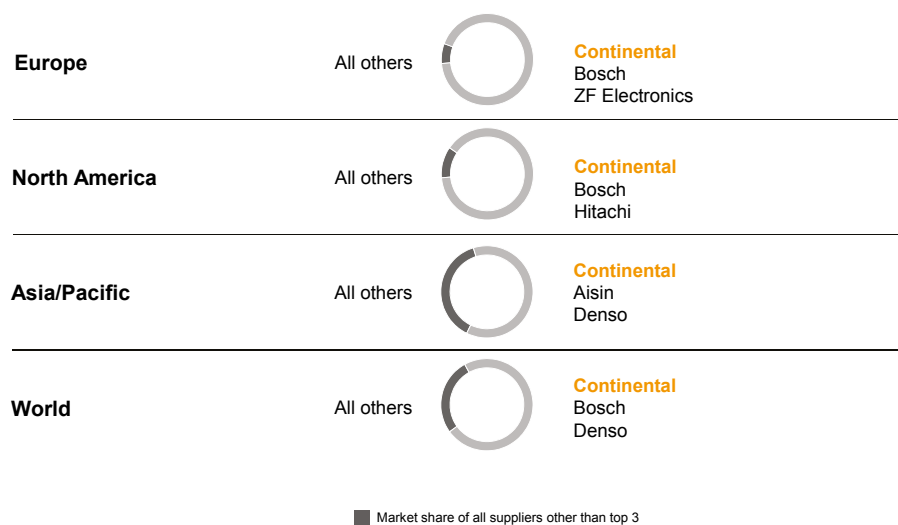
### Market Position for Gasoline Injection Systems<sup>1</sup> 2015



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## VII. Powertrain

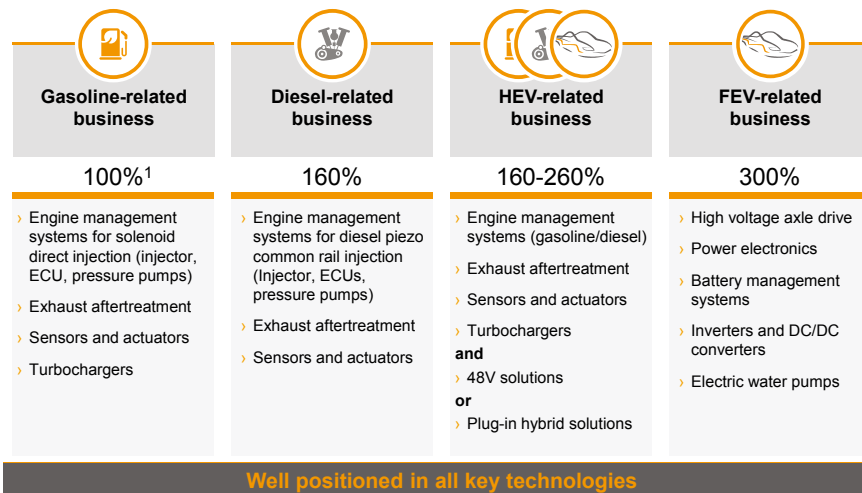
### Market Position for Transmission Control Units<sup>1</sup> 2015



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## VII. Powertrain

### Opportunities and Challenges

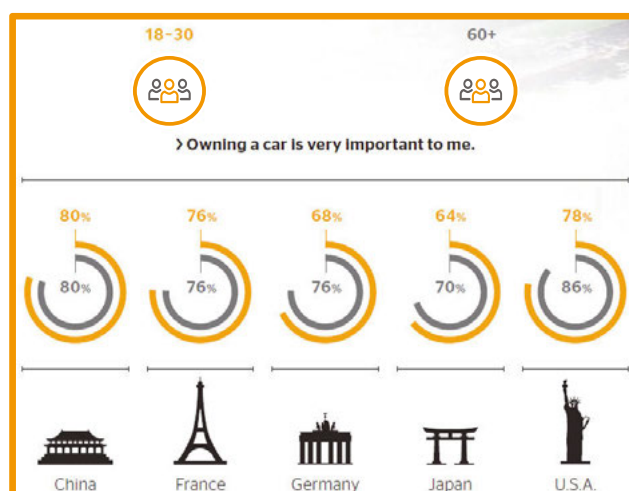


<sup>1</sup> Value of displayed gasoline content per car is indexed at 100%; all other values read relative to the gasoline content.

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## VII. Powertrain

### Shared Mobility – Overrated?



<sup>1</sup> Continental Mobility Study 2015.

Respondents agreeing with statement.

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## Topics

<b>I.</b>	<b>Continental at a Glance</b>	<b>3</b>
<b>II.</b>	<b>Continental Strategy</b>	<b>15</b>
<b>III.</b>	<b>Automobile Megatrends</b>	<b>25</b>
<b>IV.</b>	<b>Sustainability at Continental</b>	<b>47</b>
<b>V.</b>	<b>Continental Corporation</b>	<b>60</b>
<b>VI.</b>	<b>Market Data</b>	<b>69</b>
<b>VII.</b>	<b>Automotive Group – Interior Division</b>	<b>122</b>
<b>VIII.</b>	<b>Rubber Group</b>	<b>131</b>
<b>IX.</b>	<b>Share and Bond Information</b>	<b>161</b>
<b>X.</b>	<b>Glossary</b>	<b>170</b>

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## VII. Interior

### Business Units and Key Products

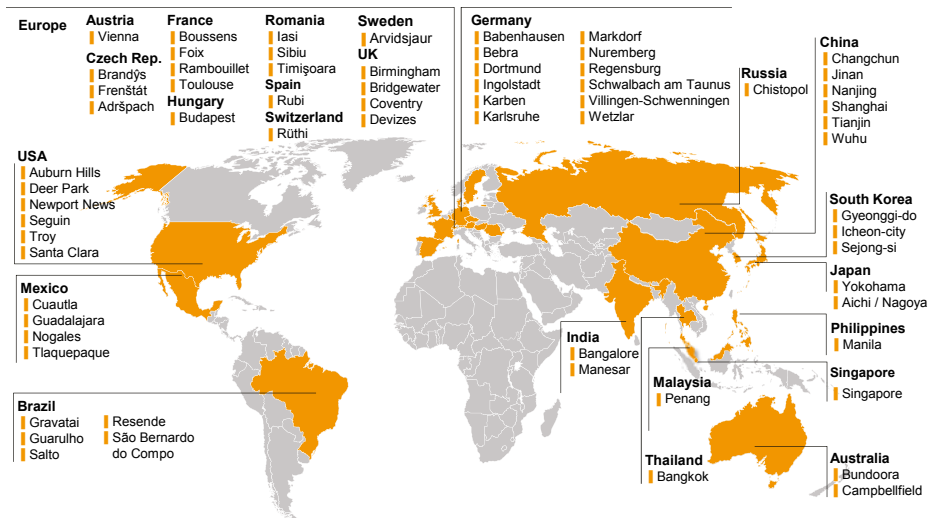
Instrumentation & Driver HMI	Infotainment & Connectivity	Intelligent Transportation Systems	Body & Security	Commercial Vehicles & Aftermarket
<ul style="list-style-type: none"> <li>› Instrument clusters</li> <li>› Display solutions</li> <li>› Head-up displays</li> <li>› Control panels</li> <li>› Central input devices</li> <li>› Interior cameras</li> <li>› Cockpit modules</li> </ul>	<ul style="list-style-type: none"> <li>› Radios</li> <li>› Multimedia systems</li> <li>› Connectivity &amp; telematics solutions</li> <li>› Software &amp; connected solutions</li> </ul>	<ul style="list-style-type: none"> <li>› Commercial fleet operations &amp; logistics</li> <li>› Emergency management</li> <li>› Maintenance management</li> <li>› Advanced public transportation systems</li> <li>› Advanced traveler information systems</li> <li>› Advanced traffic management systems</li> <li>› Safety</li> <li>› Traffic payment</li> </ul>	<ul style="list-style-type: none"> <li>› Body control modules</li> <li>› Access control systems</li> <li>› Door control units</li> <li>› Seat comfort systems</li> <li>› Power closures</li> <li>› Tire information systems</li> <li>› Gateways</li> <li>› Energy management</li> <li>› LED light control units</li> <li>› Intelligent antenna modules</li> <li>› Smart device integration</li> </ul>	<ul style="list-style-type: none"> <li>› Tachographs, telematics and services</li> <li>› Visual and haptic human-machine interface</li> <li>› Chassis, body, and transmission electronics</li> <li>› Wear parts, spare parts, tools, services, and multi-brand vehicle diagnostics for the independent aftermarket, as well as diagnostics and services for vehicle manufacturers</li> <li>› Original equipment services</li> </ul>
				

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## VII. Interior

### Locations Worldwide

66 sites for production and R&D in 23 countries. Divisional headquarters in Regensburg, Germany.



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## VII. Interior

### Key Figures

(in mn €)	2013	2014	2015
Sales	6,605.7	7,002.5	8,154.8
EBITDA	850.2	946.3	1,082.2
in % of sales	12.9	13.5	13.3
EBIT	380.6	605.9	804.5
in % of sales	5.8	8.7	9.9
EBIT adjusted <sup>1</sup>		708.4	824.3
in % of sales <sup>1</sup>		10.1	10.2
Operating assets (average)	3,989.4	3,814.5	4,192.0
ROCE	9.5	15.9	19.2
R, D & E expenses	492.0	570.9	697.3
in % of sales	7.4	8.2	8.6
Capex <sup>2</sup>	253.3	286.1	336.0
in % of sales	3.8	4.1	4.1
Depreciation & amortization <sup>3</sup>	469.6	340.4	277.7
in % of sales	7.1	4.9	3.4
thereof impairment <sup>4</sup>	47.5	5.8	0.3

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment, and software.

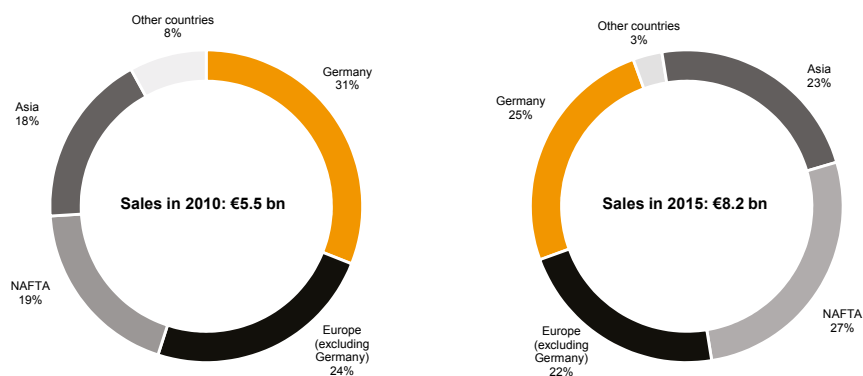
<sup>3</sup> Excluding impairment on financial investments.

<sup>4</sup> Impairment also includes necessary reversals of impairment losses.

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## VII. Interior

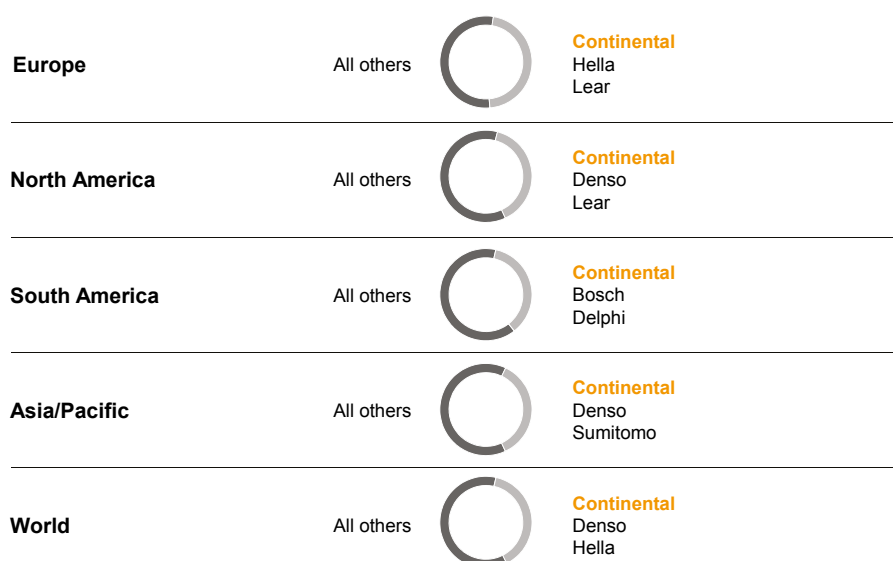
### Sales by Market



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## VII. Interior

### Market Position for Body & Security 2015



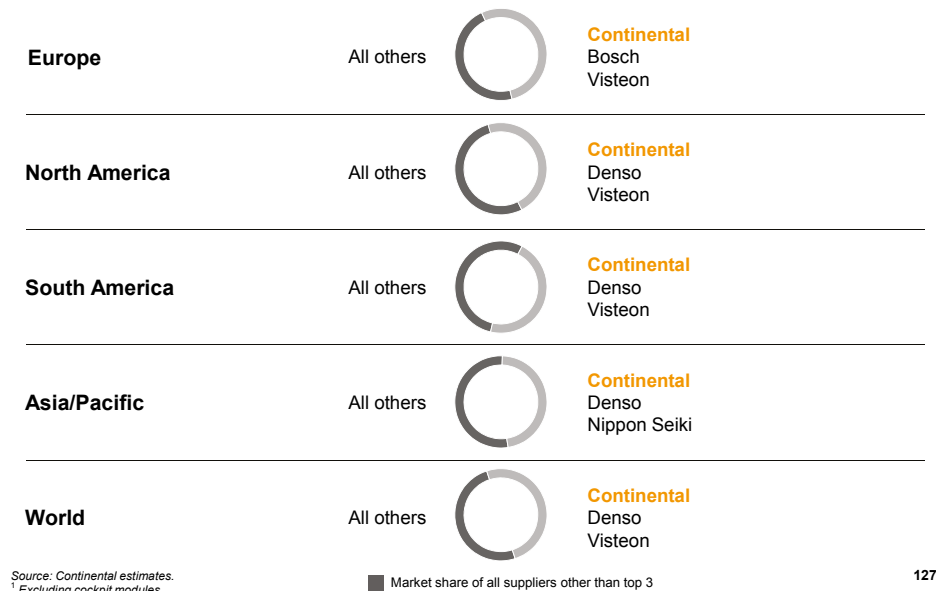
Source: Continental estimates.

■ Market share of all suppliers other than top 3

126

## VII. Interior

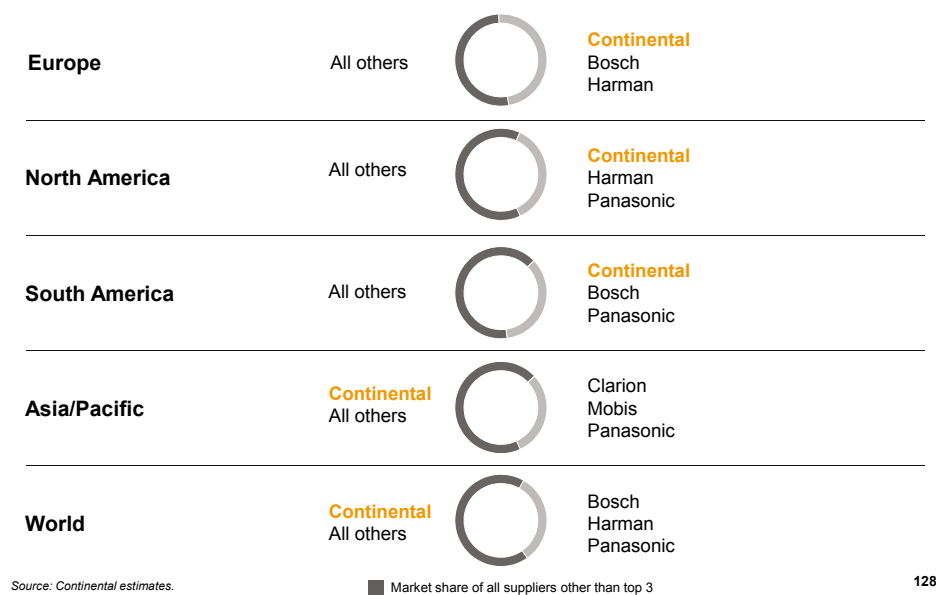
### Market Position for Instrumentation & Driver HMI<sup>1</sup> 2015



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## VII. Interior

### Market Position for Infotainment & Connectivity 2015

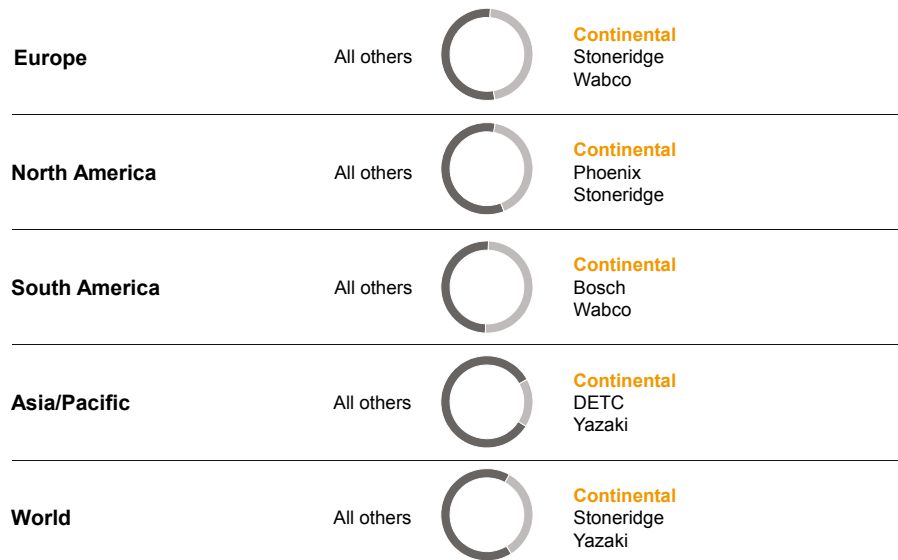


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## VII. Interior

### Market Position for Commercial Vehicle<sup>1</sup> 2015



Source: Continental estimates.

<sup>1</sup> Market shares for commercial vehicle business as described in BU structure excluding automotive aftermarket.

■ Market share of all suppliers other than top 3

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## Topics

<b>I.</b>	<b>Continental at a Glance</b>	<b>3</b>
<b>II.</b>	<b>Continental Strategy</b>	<b>15</b>
<b>III.</b>	<b>Automobile Megatrends</b>	<b>25</b>
<b>IV.</b>	<b>Sustainability at Continental</b>	<b>47</b>
<b>V.</b>	<b>Continental Corporation</b>	<b>60</b>
<b>VI.</b>	<b>Market Data</b>	<b>69</b>
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<b>X.</b>	<b>Glossary</b>	<b>170</b>

## VIII. Rubber Group

### Key Figures

(in mn €)	2013	2014	2015
Sales	13,355.5	13,637.6	15,704.6
EBITDA	2,714.0	2,832.6	3,181.5
in % of sales	20.3	20.8	20.3
EBIT	2,214.8	2,262.7	2,255.8
in % of sales	16.6	16.6	14.4
EBIT adjusted <sup>1</sup>		2,293.8	2,544.0
in % of sales <sup>1</sup>		16.8	17.6
Operating assets (average)	5,913.3	6,339.2	8,556.6
ROCE	37.5	35.7	26.4
R, D & E expenses	289.3	302.2	352.4
in % of sales	2.2	2.2	2.2
Capex <sup>2</sup>	964.6	914.9	903.4
in % of sales	7.2	6.7	5.8
Depreciation & amortization <sup>3</sup>	499.2	569.9	925.7
in % of sales	3.7	4.2	5.9
thereof impairment <sup>4</sup>	-1.1	—	92.9

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment and software.

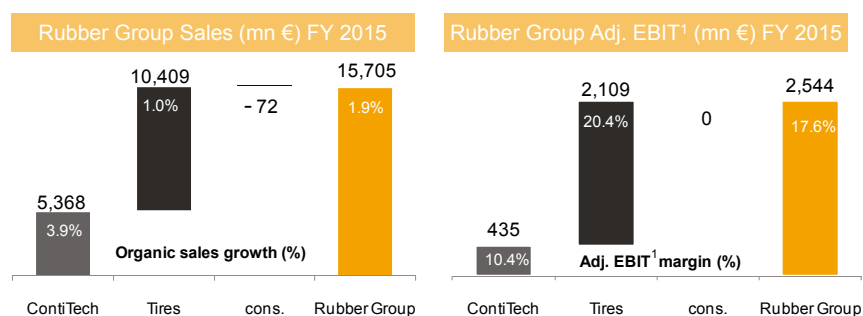
<sup>3</sup> Excluding impairment on financial investments.

<sup>4</sup> Impairment also includes necessary reversals of impairment losses.

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## VIII. Rubber Group

### Sales and Adjusted EBIT<sup>1</sup> by Division

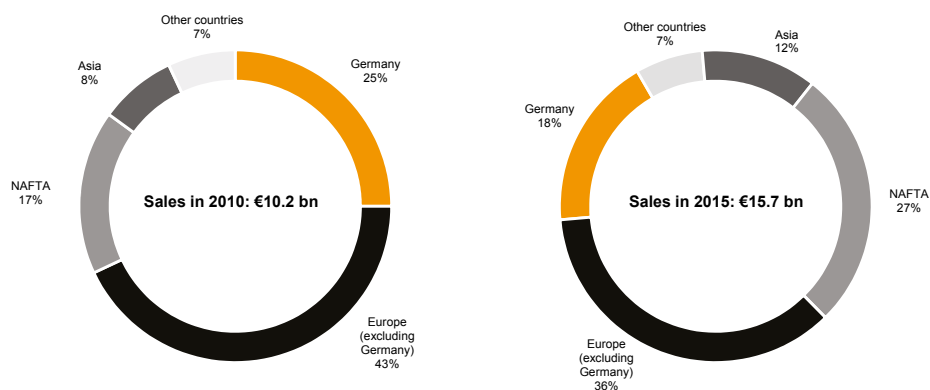


<sup>1</sup> Before amortization of intangibles from PPA, consolidation and special effects.

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## VIII. Rubber Group

### Sales by Market

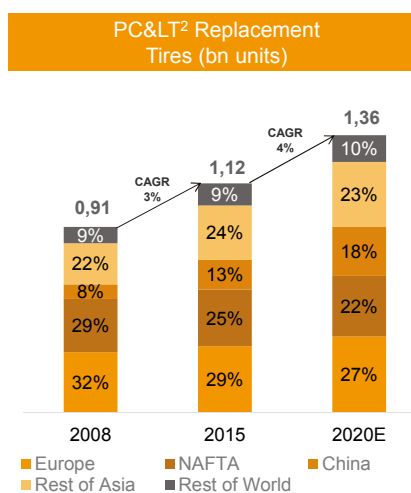


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## VIII. Rubber Group

### Growth Opportunities – Replacement Tires Demand for PC&LT Tires

- › Global replacement tire market to grow with a CAGR of 4% from 2015 to 2020E<sup>1</sup>
- › Europe to stay the largest replacement tire market by volume; CAGR to accelerate to 3% from 2015 to 2020E
- › China expected to show a CAGR of 10-11% from 2015 to 2020E



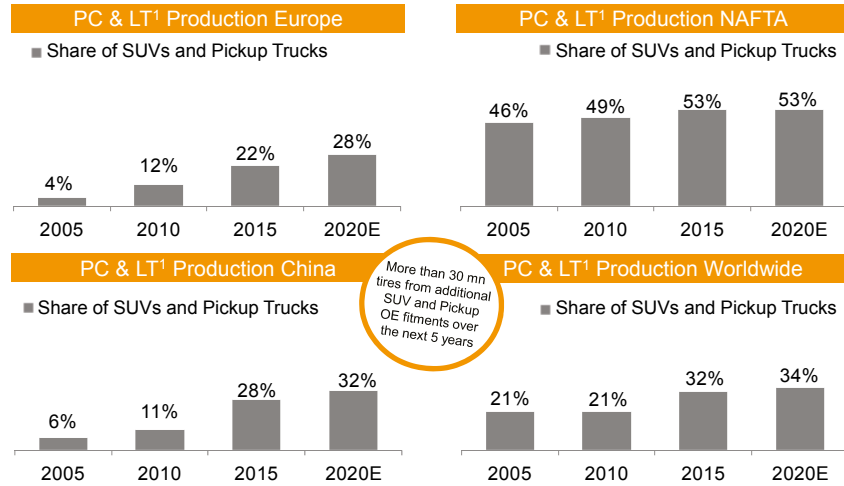
<sup>1</sup> According to LMC.

<sup>2</sup> Passenger and light truck replacement tire market source: LMC (December 2015).

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## VIII. Rubber Group

Growth Opportunities – Improving Tire Mix due to rising SUV & Pick-Up Share

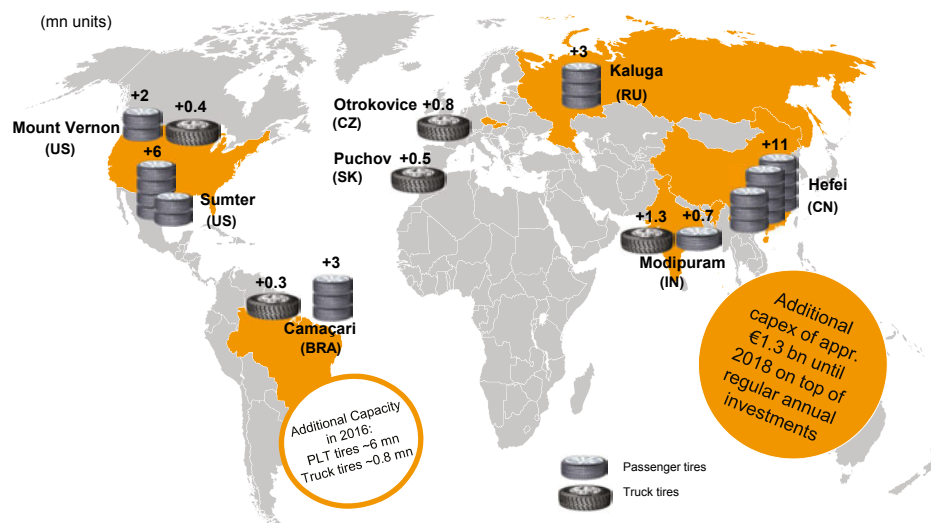


<sup>1</sup> Passenger car & light truck (<6t); source: IHS Dec 2015.

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## VIII. Rubber Group

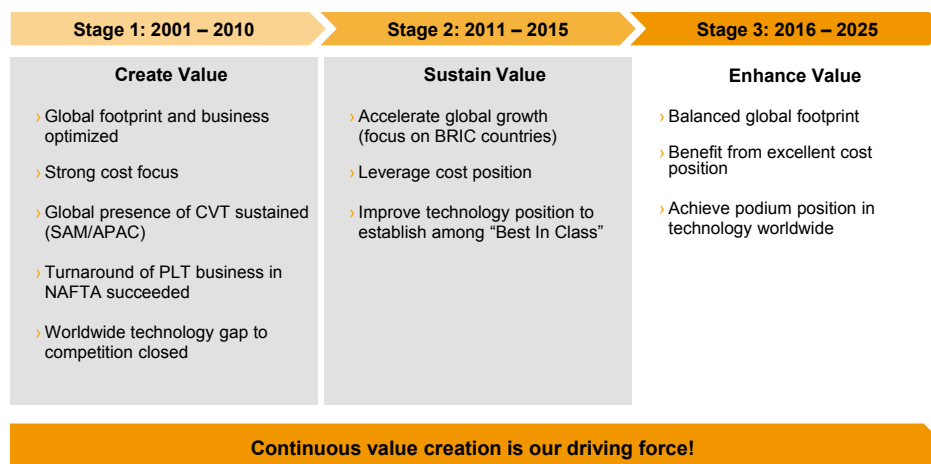
Additional Tire Production Capacity of around 30 mn Units by 2017/18



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## VIII. Rubber Group

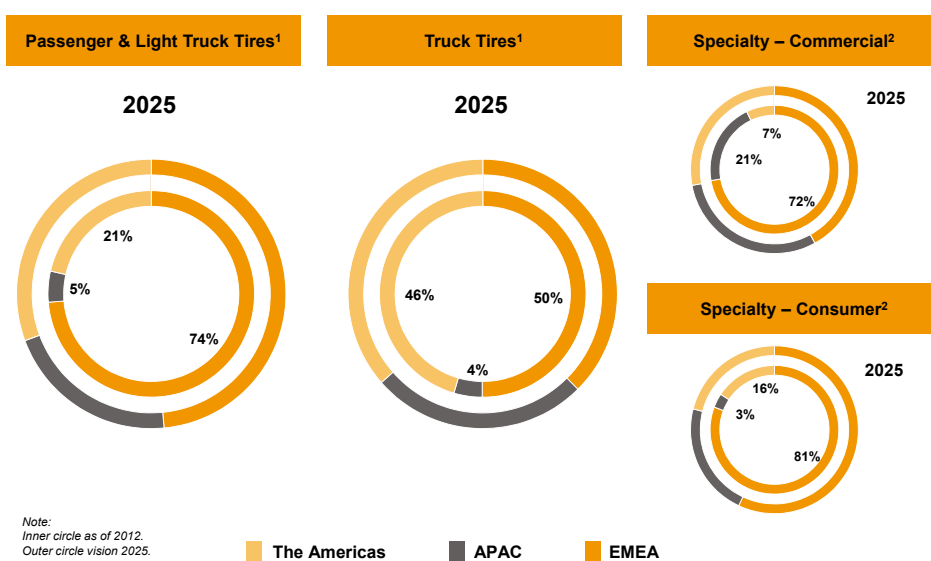
### Tires: Key Initiatives 2001 – Vision 2025



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## VIII. Rubber Group

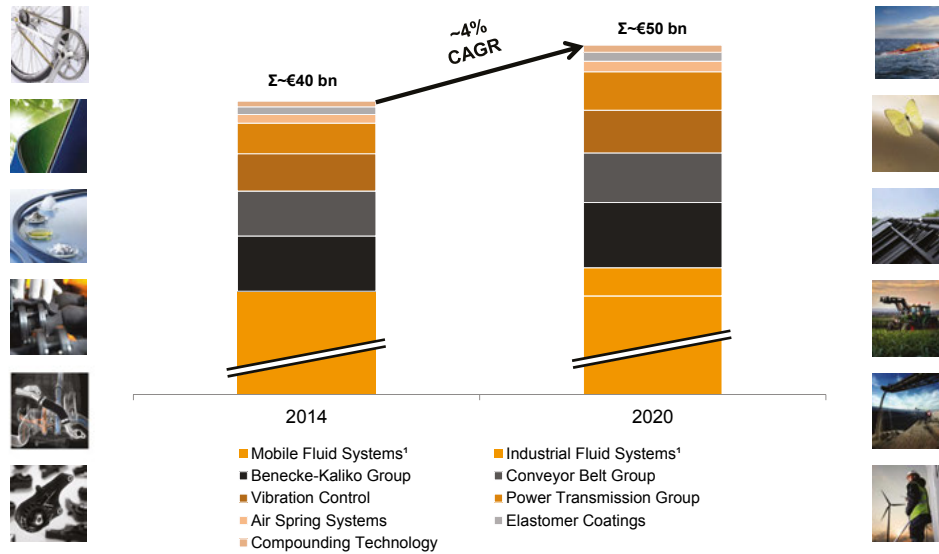
### Tires Vision 2025 – Towards a more Balanced Footprint



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## VIII. Rubber Group

### Cumulative Market for ContiTech Products




































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## Topics

<b>I.</b>	<b>Continental at a Glance</b>	<b>3</b>
<b>II.</b>	<b>Continental Strategy</b>	<b>15</b>
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<b>VI.</b>	<b>Market Data</b>	<b>69</b>
<b>VII.</b>	<b>Automotive Group</b>	<b>82</b>
<b>VIII.</b>	<b>Rubber Group – Tires Division</b>	<b>141</b>
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<b>X.</b>	<b>Glossary</b>	<b>170</b>

## VIII. Tires

### Business Units and Tire Brands

Passenger and Light Truck Tires Original Equipment	Passenger and Light Truck Tires Replacement EMEA	Passenger and Light Truck Tires Replacement The Americas	Passenger and Light Truck Tires Replacement APAC	Commercial Vehicle Tires				Two Wheel Tires
				Truck Tires EMEA	Truck Tires The Americas	Truck Tires APAC	Commercial Specialty Tires	
Tires for:				Tires, services and solutions for customer segments:			Tires, services and solutions for the applications:	Tires and tubes for:
<ul style="list-style-type: none"> <li>Compact, medium-size and full-size cars</li> <li>4x4 and SUVs</li> <li>Vans, light trucks and recreational vehicles</li> </ul>				<ul style="list-style-type: none"> <li>Goods</li> <li>People</li> <li>Construction</li> </ul>			<ul style="list-style-type: none"> <li>Material handling</li> <li>Agriculture</li> <li>Earthmoving</li> </ul>	<ul style="list-style-type: none"> <li>Bicycles: Race, Mountainbike, City/Trekking</li> <li>Motorcycles: Scooters, Big bikes &gt;150cc, Bikes &lt;150cc</li> </ul>
								
         				         			         	
Ext. mobility systems: > SSR > Minispare > Conti KomfortKit > Conti MobilityKit > ContiSeal > ContiSilent NVH engineering services							--- Segmentation into Premium, Quality and Budget. <sup>1</sup> Except NAFTA, Colombia, Peru. <sup>2</sup> Only in Australia and Taiwan. <sup>3</sup> Trademark rights for Malaysia, Singapore and Brunei. <sup>4</sup> Only in Australia, China, Malaysia and Taiwan.	141

## VIII. Tires

### Key Figures

(in mn €)	2013	2014	2015
Sales	9,583.2	9,784.4	10,408.8
EBITDA	2,137.7	2,280.8	2,604.3
in % of sales	22.3	23.3	25.0
EBIT	1,752.7	1,829.4	2,085.2
in % of sales	18.3	18.7	20.0
EBIT adjusted <sup>1</sup>		1,856.6	2,109.0
in % of sales <sup>1</sup>		19.0	20.4
Operating assets (average)	4,645.8	4,932.0	5,322.2
ROCE	37.7	37.1	39.2
R, D & E expenses	204.7	216.9	244.9
in % of sales	2.1	2.2	2.4
Capex <sup>2</sup>	798.6	724.3	658.2
in % of sales	8.3	7.4	6.3
Depreciation & amortization <sup>3</sup>	385.0	451.4	519.1
in % of sales	4.0	4.6	5.0
thereof impairment <sup>4</sup>	-1.3	—	6.8

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment and software.

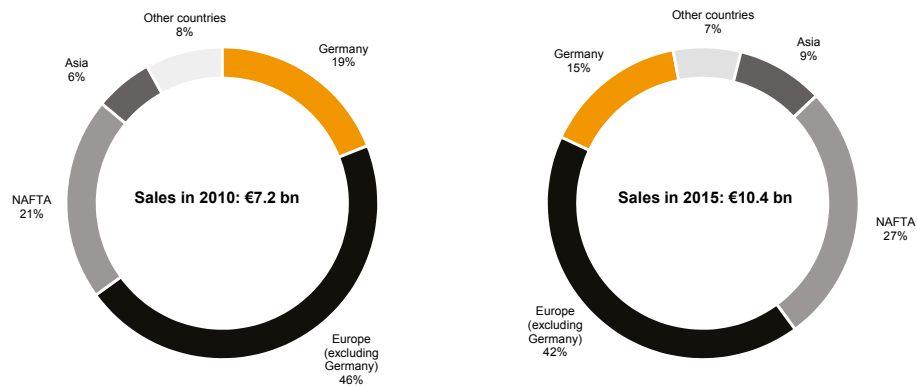
<sup>3</sup> Only in Australia and Taiwan.

<sup>4</sup> Excluding impairment on financial investments.

Impairment also includes necessary reversals of impairment losses.

## VIII. Tires

### Sales by Market



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## VIII. Passenger and Light Truck Tires

### Market Share for Passenger and Light Truck Tires<sup>1</sup> 2015



Source: Continental estimates.

<sup>1</sup> Replacement.<sup>2</sup> Western and Central including Turkey.<sup>3</sup> Dissolving of alliance in October 2015.

■ Market share of all suppliers other than top 3

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## VIII. Commercial Vehicle Tires

### Market Share for Truck Tires<sup>1</sup> 2015



Source: Continental estimates.

<sup>1</sup> Replacement.

<sup>2</sup> Western and Central, incl. Turkey.

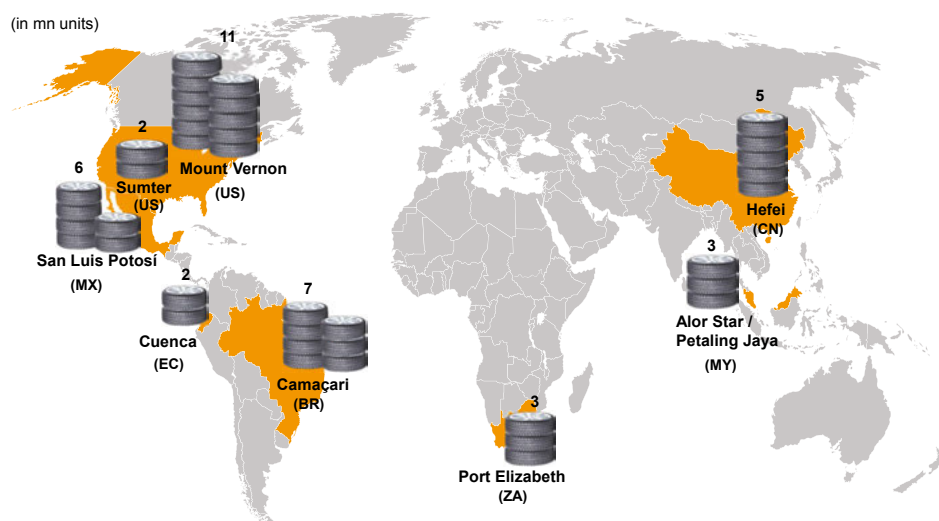
<sup>3</sup> Dissolving of alliance in October 2015.

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## VIII. Passenger and Light Truck Tires

### Continental Worldwide PLT Production 2015<sup>1</sup>

(in mn units)

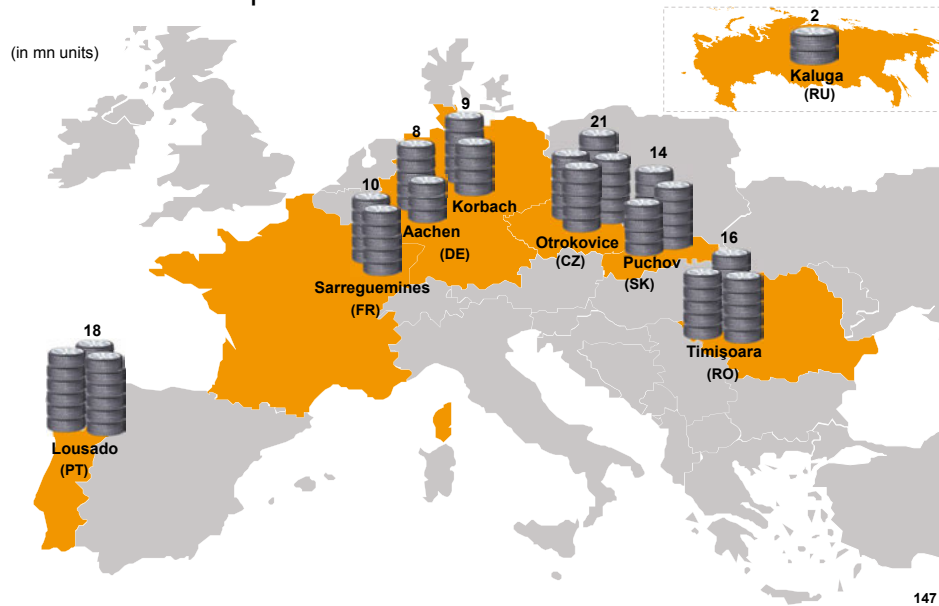


<sup>1</sup> Without Europe.

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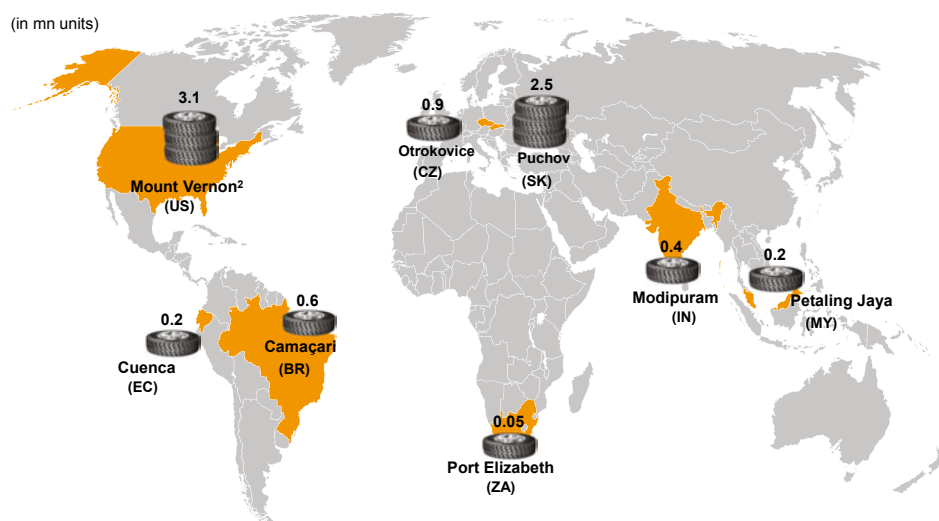
## VIII. Passenger and Light Truck Tires

### Continental European PLT Production 2015



## VIII. Commercial Vehicle Tires

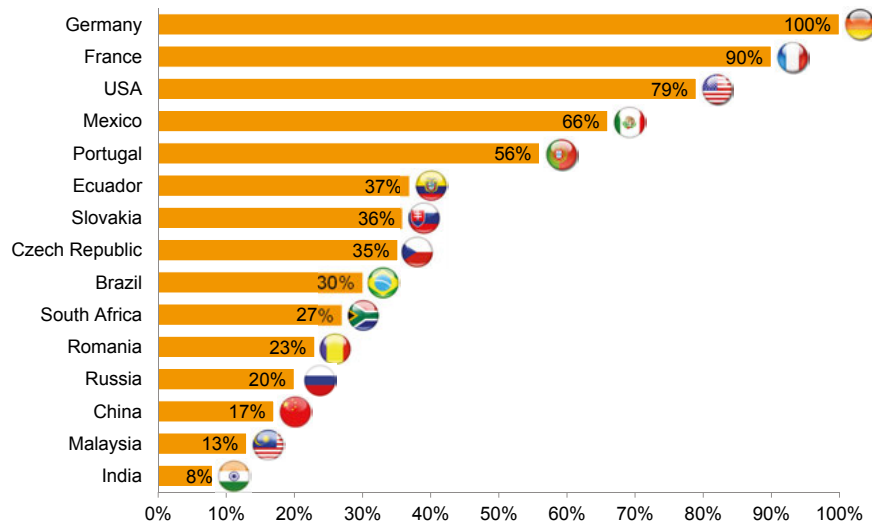
### Continental Worldwide Truck Tire Production<sup>1</sup> 2015



<sup>1</sup> Production of bias and radial tires.  
<sup>2</sup> Including deliveries to joint venture partners.

## VIII. Tires

### Cost of Labor at Continental Manufacturing Sites<sup>1</sup>

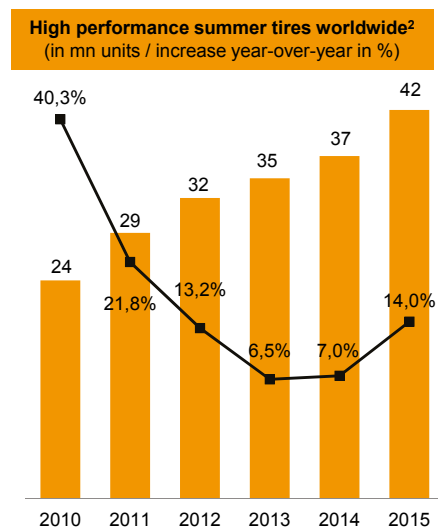
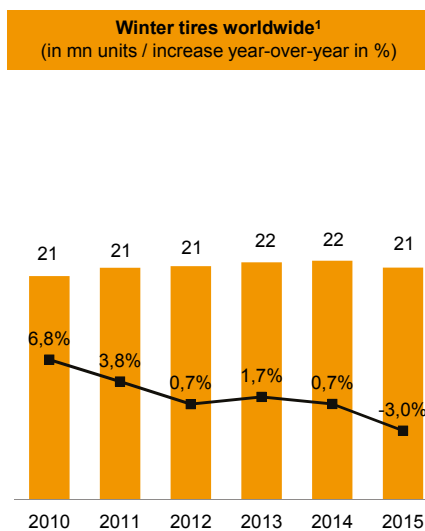


<sup>1</sup> Based on average currency exchange rates 2015.

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## VIII. Passenger and Light Truck Tires

### Product Mix Improvement



<sup>1</sup> OE and replacement (excl. all-season tires).

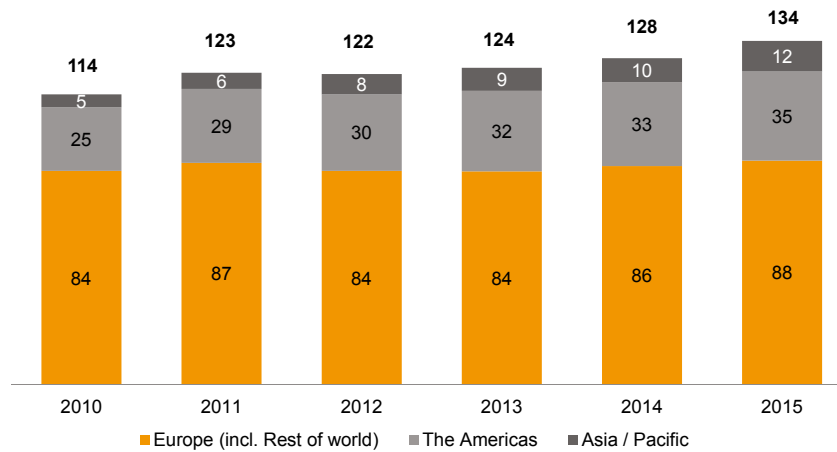
<sup>2</sup> All summer tires and all-season tires with rim sizes of at least 17 inches.

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## VIII. Passenger and Light Truck Tires

### Unit Sales 2010 – 2015

(in mn units)

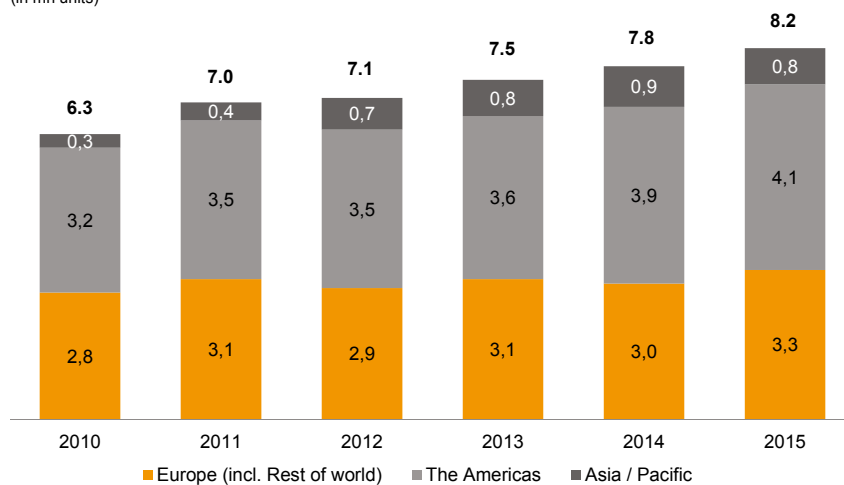


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## VIII. Commercial Vehicle Tires

### Unit Sales 2010 – 2015

(in mn units)




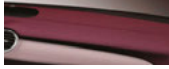







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## Topics

<b>I.</b>	<b>Continental at a Glance</b>	<b>3</b>
<b>II.</b>	<b>Continental Strategy</b>	<b>15</b>
<b>III.</b>	<b>Automobile Megatrends</b>	<b>25</b>
<b>IV.</b>	<b>Sustainability at Continental</b>	<b>47</b>
<b>V.</b>	<b>Continental Corporation</b>	<b>60</b>
<b>VI.</b>	<b>Market Data</b>	<b>69</b>
<b>VII.</b>	<b>Automotive Group</b>	<b>82</b>
<b>VIII.</b>	<b>Rubber Group – ContiTech Division</b>	<b>154</b>
<b>IX.</b>	<b>Share and Bond Information</b>	<b>161</b>
<b>X.</b>	<b>Glossary</b>	<b>170</b>

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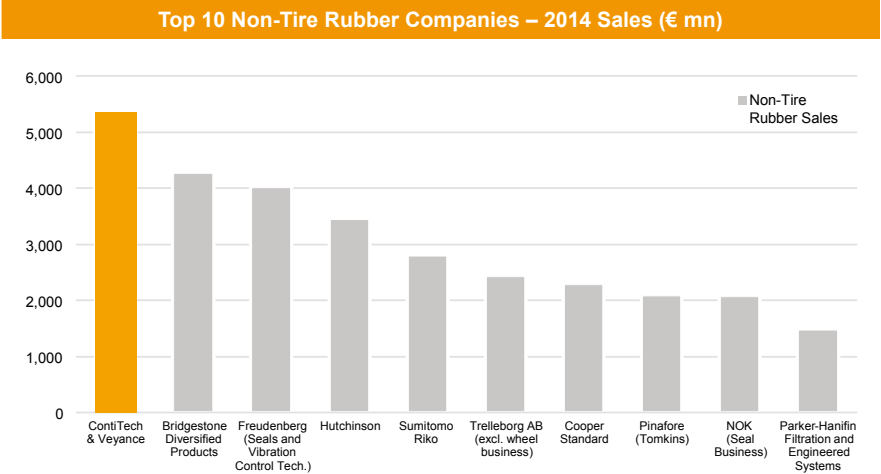
## VIII. ContiTech Business Units and Key Products

<b>Air Spring Systems</b>  <ul style="list-style-type: none"> <li>› Air suspensions systems for bus, trucks rail vehicle</li> <li>› Compensators</li> <li>› Air actuators for pneumatics</li> <li>› Air springs for vibration isolation</li> </ul>	<b>Benecke-Kaliko Group</b>  <ul style="list-style-type: none"> <li>› Technical and decorative surface materials for automotive interior trim</li> <li>› Surface materials for industrial applications</li> </ul>	<b>Compounding Technology</b>  <ul style="list-style-type: none"> <li>› Compounds</li> <li>› Compound development</li> <li>› Testing services</li> </ul>	<b>Conveyor Belt Group</b>  <ul style="list-style-type: none"> <li>› Steel cord / fabric belts</li> <li>› Special-purpose belts</li> <li>› Conveyor belts components</li> <li>› PVC light belts</li> <li>› Service material</li> <li>› Rubber tracks</li> </ul>	<b>Elastomer Coatings</b>  <ul style="list-style-type: none"> <li>› Coated fabrics</li> <li>› Printing blankets/ -forms</li> <li>› Diaphragms /-materials</li> <li>› Gasholder diaphragms</li> <li>› Collapsible fuel tanks</li> <li>› Collapsible tanks</li> <li>› Concertina walls</li> </ul>
<b>Industrial Fluid Systems<sup>1</sup></b>  <ul style="list-style-type: none"> <li>› Industrial hoses</li> <li>› Fittings</li> <li>› Hoses for onshore &amp; offshore applications</li> </ul>	<b>Mobile Fluid Systems<sup>1</sup></b>  <ul style="list-style-type: none"> <li>› Hoses in vehicles</li> <li>› Exhaust &amp; fuel systems</li> <li>› Powertrain</li> <li>› Air conditioning</li> <li>› Heating / cooling systems</li> <li>› Steering and chassis</li> <li>› Turbocharger</li> </ul>	<b>Power Transmission Group</b>  <ul style="list-style-type: none"> <li>› V-belts</li> <li>› Multiple V-ribbed belts</li> <li>› Timing belts</li> <li>› Flat belts</li> <li>› Belt drive systems</li> </ul>	<b>Vibration Control</b>  <ul style="list-style-type: none"> <li>› Rubber-to-metal bonded products</li> <li>› Hydromounts</li> <li>› Mount systems</li> <li>› Precision molded parts</li> <li>› Blow molded parts</li> <li>› Plastic parts</li> </ul>	<b>ENGINEERING NEXT LEVEL</b> <ul style="list-style-type: none"> <li>› PERFORMANCE</li> <li>› AFFINITY</li> <li>› RESPONSIBILITY</li> </ul>

<sup>1</sup> Since early 2016 the Business Unit Fluid Technology is organized into Mobile Fluid Systems and Industrial Fluid Systems.

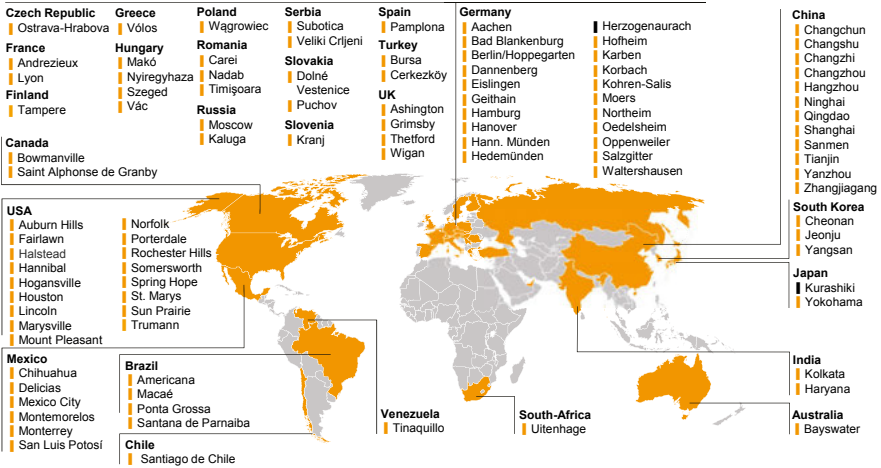
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VIII. ContiTech  
Forming a Global Player in Rubber and Plastics Technologies



VIII. ContiTech  
Locations Worldwide

109 sites for production and R&D in 27 countries. Divisional headquarters in Hanover, Germany.



Production/R&D Cooperation, Joint Ventures < 50%

## VIII. ContiTech

### Key Figures

(in € millions)	2013	2014	2015
Sales	3,878.3	3,931.2	5,367.8
EBITDA	576.3	551.8	577.2
in % of sales	14.9	14.0	10.8
EBIT	462.1	433.3	170.6
in % of sales	11.9	11.0	3.2
EBIT adjusted <sup>1</sup>		437.2	435.0
in % of sales <sup>1</sup>		11.1	10.4
Operating assets (average)	1,267.5	1,407.2	3,234.4
ROCE	36.5	30.8	5.3
R, D & E expenses	84.6	85.3	107.5
in % of sales	2.2	2.2	2.0
Capex <sup>2</sup>	166.0	190.6	245.2
in % of sales	4.3	4.8	4.6
Depreciation & amortization <sup>3</sup>	114.2	118.5	406.6
in % of sales	2.9	3.0	7.6
thereof impairment <sup>4</sup>	0.2	—	86.1

<sup>1</sup> EBIT before amortization of intangible assets from PPA, consolidation and special effects; sales before changes in the scope of consolidation.

<sup>2</sup> Capital expenditure on property, plant and equipment and software.

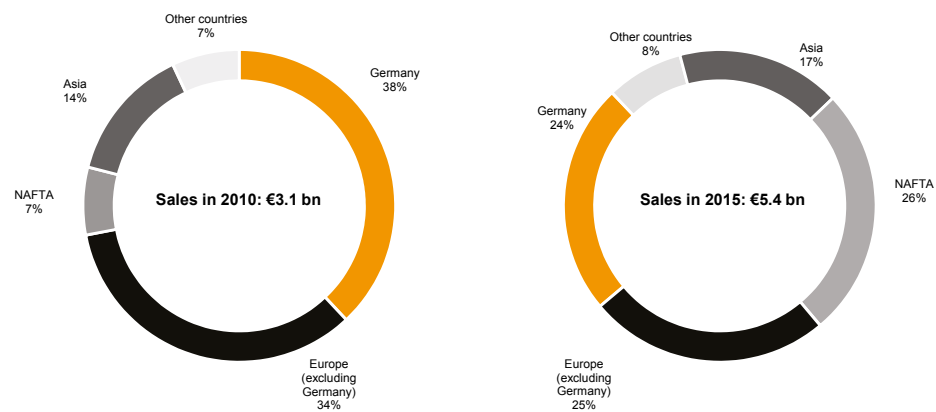
<sup>3</sup> Excluding impairment on financial investments.

<sup>4</sup> Impairment also includes necessary reversals of impairment losses.

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## VIII. ContiTech

### Sales by Market



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## VIII. ContiTech Product Overview

	Air spring systems/ air actuators	Collapsible containers/tanks	Concertina walls	Conveyor belts & service materials	Coupling elements	Diaphragms/diaphragm materials	Drive belts	Elastomer compounds/sheetings	Expansion Joints	Floor coverings	Gas holder diaphragms	Hoses/hose line systems	Industrial composite materials	Insulation materials	Printing blankets and plates	Rubber Track	Sealing elements/ moulded parts	Special conveyor belts	Vehicle interior soft trim	Vibration control technology
Aerospace Industry	X	X	X			X				X		X	X							
Agriculture	X	X		X		X	X	X			X					X	X	X	X	X
Automotive Industry	X			X		X	X	X				X	X			X	X	X	X	X
Comm. & Industry Vehicles/Buses	X	X	X			X	X	X				X	X			X	X	X	X	X
Compressors						X						X								X
Energy Industry		X		X	X	X	X	X	X		X	X	X					X		X
Food Industry	X						X	X				X	X					X		X
Mechanical & Plant Engineering	X	X		X	X	X	X	X	X		X	X	X				X	X	X	X
Mining Industry				X			X	X				X				X		X		
Occupational Safety								X					X	X			X			
Printing Industry	X						X	X				X			X					X
Rail Transport Technology	X	X	X	X		X	X	X		X		X	X							X
Shipbuilding and Ports	X			X	X		X	X	X			X	X	X				X		X

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## Topics

<b>I.</b>	<b>Continental at a Glance</b>	<b>3</b>
<b>II.</b>	<b>Continental Strategy</b>	<b>15</b>
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## IX. Share and Bond Information

### Share Data / ADR Data

#### Share Data

Type of share	No-par value share
Bloomberg ticker	CON
Reuters ticker	CONG
German security identification number (WKN)	543 900
ISIN number	DE0005439004
Shares outstanding as at December 31, 2015	200,005,983

#### ADR Data<sup>1</sup>

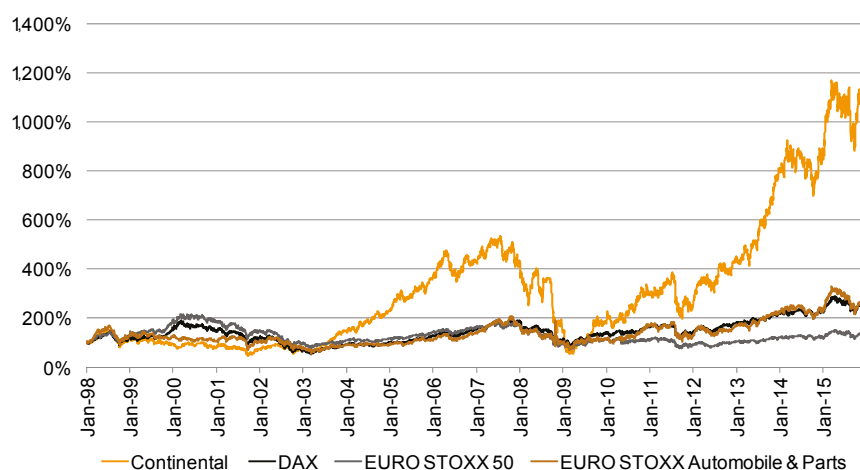
Ratio (ordinary share : ADR)	1:5
Bloomberg ticker	CTTAY
Reuters ticker	CTTAY.PK
ISIN number	US2107712000
ADR level	Level 1
Exchange	OTC
Sponsor	Deutsche Bank Trust Company Americas

<sup>1</sup> As at January 2016.

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## IX. Share and Bond Information

### Share Price Development vs. Major Stock Indexes

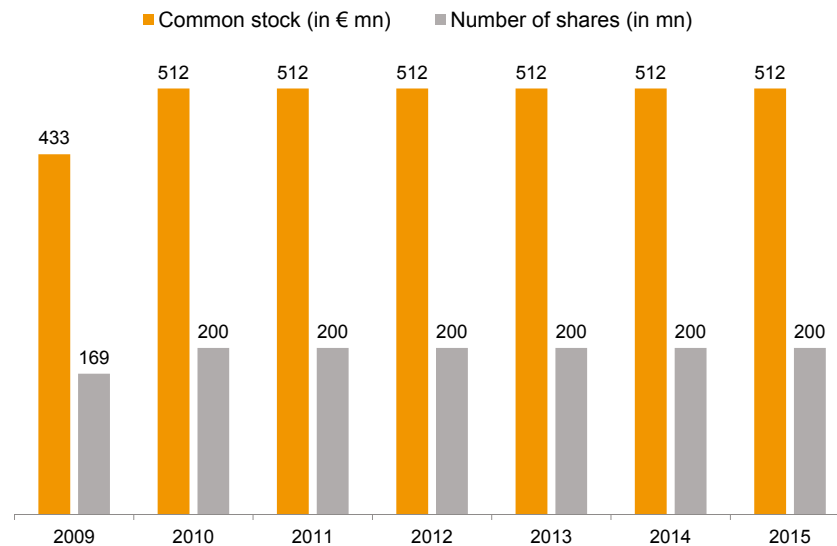


Source: Bloomberg, January 2016.

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## IX. Share and Bond Information

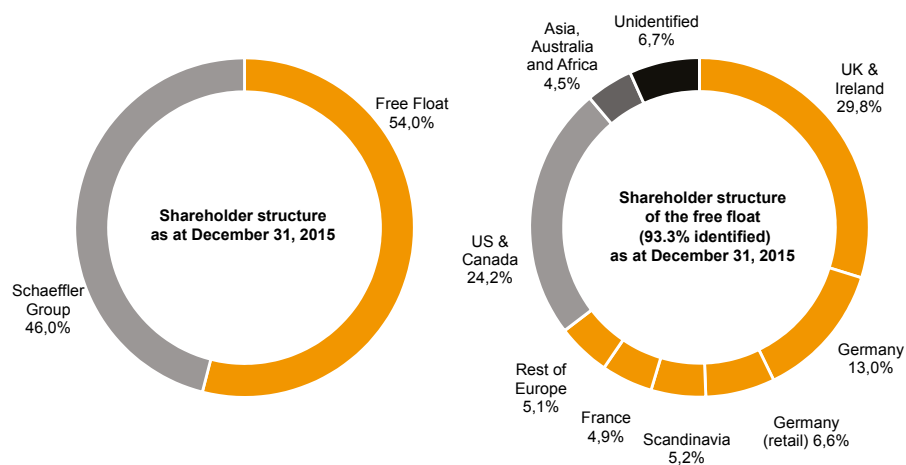
### Common Stock



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## IX. Share and Bond Information

### Shareholder Structure



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## IX. Share and Bond Information

### Bond Details

Issuer	Conti-Gummi Finance B.V., Netherlands <sup>1</sup>	Continental AG	Continental AG	Continental Rubber of America, Corp. <sup>1</sup>
<b>Issue</b>	Senior Notes	Senior Notes	Senior Notes	Senior Notes
<b>Principal amount</b>	€750 mn	€750 mn	€750 mn	€500 mn
<b>Offering price</b>	99.595%	98.950%	99.228%	99.739%
<b>Rating at issuance date</b>	Ba1 (Moody's <sup>4</sup> ) BB (S&P) BBB (Fitch <sup>2</sup> )	Ba2 (Moody's <sup>4</sup> ) BB (S&P) BB (Fitch <sup>2</sup> )	Ba1 (Moody's <sup>4</sup> ) BB (S&P) BBB (Fitch <sup>2</sup> )	BBB (S&P) BBB (Fitch)
<b>Current corporation and bond ratings<sup>3</sup></b>	<b>BBB (Fitch), BBB (S&amp;P), Baa1 (Moody's<sup>4</sup>)</b>			
<b>Coupon</b>	2.5% p.a.	3.0% p.a.	3.125% p.a.	0.5% p.a.
<b>Issue date</b>	September 19, 2013	July 16, 2013	September 9, 2013	November 19, 2015
<b>Maturity</b>	<b>March 20, 2017</b>	<b>July 16, 2018</b>	<b>September 9, 2020</b>	<b>February 19, 2019</b>
<b>Interest payment</b>	Annual March 20	Semi annual January 16/July 16	Annual September 9	Annual February 19, commencing on February 20, 2017
<b>WKN</b>	A1VC6B	A1X24V	A1X3B7	A1Z7C3
<b>ISIN</b>	XS0972719412	XS0953199634	XS0969344083	DE000A1Z7C39
<b>Denomination</b>	€1,000 with min. tradable amount €1,000	€1,000 with min. tradable amount €1,000	€1,000 with min. tradable amount €1,000	€1,000 with min. tradable amount €1,000

<sup>1</sup> Guaranteed by Continental AG.

<sup>2</sup> Non-contracted rating at date of issuance.

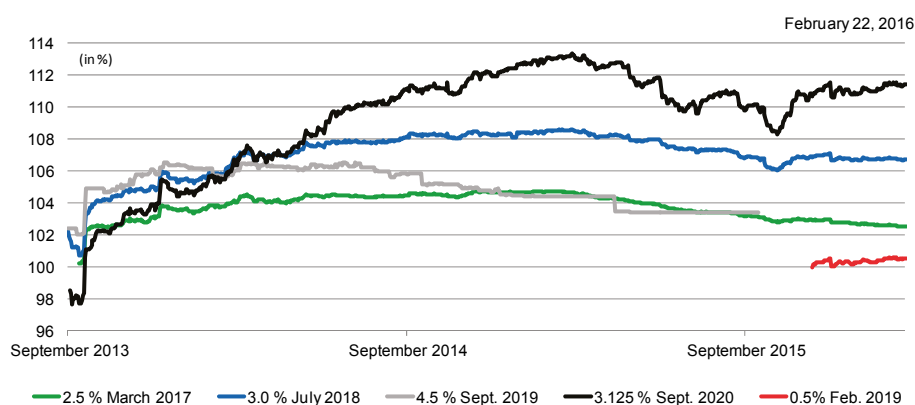
<sup>3</sup> Fitch since July 15, 2013; S&P since December 6, 2013; Moody's since June 30, 2015.

<sup>4</sup> Non-contracted rating since February 1, 2014.

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## IX. Share and Bond Information

### Development of the Bonds

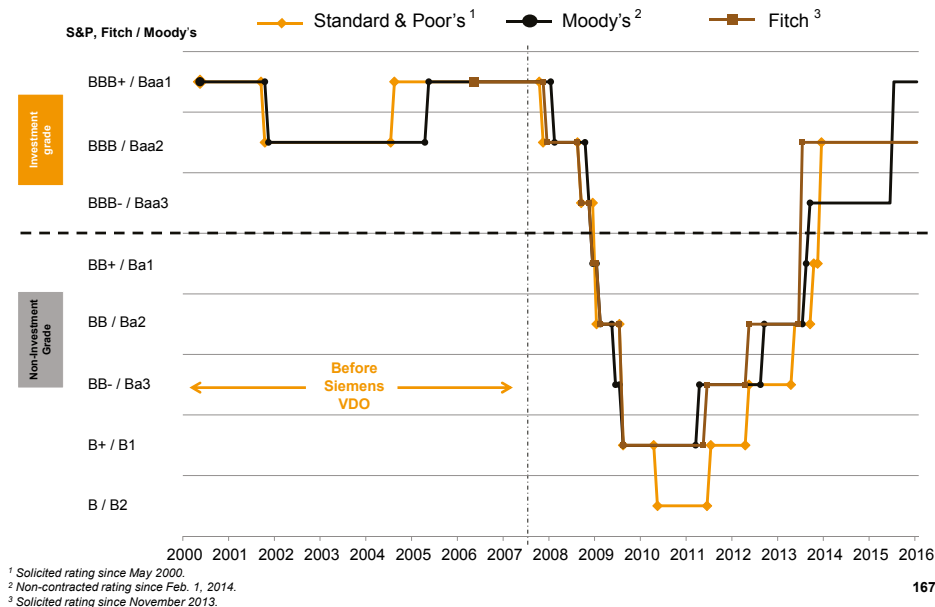


Source: Bloomberg, February 2016.

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## IX. Share and Bond Information

### Development of Continental's Credit Rating



## IX. Share and Bond Information

### 10 Year Financial Overview

		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Balance sheet</b>											
Non-current assets	in € millions	19,666.6	16,923.3	15,569.5	15,685.7	15,075.5	14,887.9	14,724.6	16,348.4	17,383.9	5,877.9
Current assets	in € millions	13,169.1	13,317.8	11,251.3	11,764.4	10,962.9	9,502.6	8,324.6	8,339.5	10,353.7	4,975.1
Total assets	in € millions	32,835.7	30,241.1	26,820.8	27,450.1	26,038.4	24,390.5	23,049.2	24,687.9	27,737.6	10,853.0
Shareholders' equity (excl. non-controlling interests)	in € millions	12,786.3	10,672.1	9,011.2	7,779.0	7,146.1	5,859.6	3,772.6	5,265.4	6,583.2	4,470.8
Non-controlling interests	in € millions	427.6	352.5	311.0	377.4	397.2	343.3	289.1	264.5	272.9	239.1
Total equity (incl. non-controlling)	in € millions	13,213.9	11,024.6	9,322.2	8,156.4	7,543.3	6,202.9	4,061.7	5,529.9	6,856.1	4,709.9
Equity ratio <sup>1</sup>	in %	40.2	36.5	34.8	29.7	29.0	25.4	17.6	22.4	24.7	43.4
Capital expenditure <sup>2</sup>	in € millions	2,178.8	2,045.4	1,981.1	2,019.4	1,711.3	1,296.4	860.1	1,595.2	896.9	805.0
Net indebtedness	in € millions	3,541.9	2,823.5	4,289.3	5,319.9	6,772.1	7,317.0	8,895.5	10,483.5	10,856.4	1,181.0
Gearing ratio	in %	26.8	25.6	46.0	65.2	69.8	118.0	219.0	189.6	158.3	25.1
<b>Income statements</b>											
Sales	in € millions	39,232	34,505.7	33,331.0	32,736.2	30,504.9	26,046.9	20,095.7	24,238.7	16,619.4	14,887.0
Share of foreign sales	in %	78.6	76.6	76.2	75.4	73.7	72.8	71.0	68.5	69.2	67.6
Cost of sales <sup>3</sup>	in %	74.1	74.9	76.6	78.3	79.0	77.8	80.0	80.4	75.8	75.3
Research and development expenses <sup>3</sup>	in %	6.2	6.2	5.6	5.3	5.3	5.6	6.7	6.2	5.0	4.5
Selling expenses <sup>3</sup>	in %	5.6	5.3	5.0	4.8	4.7	5.0	5.6	4.9	5.5	5.7
Administrative expenses <sup>3</sup>	in %	2.4	2.2	2.1	2.0	2.1	2.5	3.0	3.2	2.7	3.0
EBITDA	in € millions	6,001.4	5,133.8	5,095.0	4,967.4	4,228.0	3,587.6	1,591.2	2,771.4	2,490.6	2,301.5
EBITDA <sup>3</sup>	in %	15.3	14.9	15.3	15.2	13.9	13.8	7.9	11.4	15.0	15.5
Personnel expenses	in € millions	9,164.6	7,757.2	7,124.5	6,813.7	6,354.3	5,891.7	5,199.8	5,746.3	3,652.7	3,175.2
Depreciation and amortization <sup>4</sup>	in € millions	1,885.8	1,789.0	1,831.3	1,781.2	1,631.1	1,652.4	2,631.6	3,067.6	814.8	699.6
Net income attributable to the shareholders of the parent	in € millions	2,727.4	2,375.3	1,923.1	1,905.2	1,242.2	576.0	-1,649.2	-1,123.5	1,020.6	981.9
<b>Dividend and earnings per share</b>											
Dividend for the fiscal year	in € millions	750.0	650.0	500.0	450.0	300.0	—	—	—	323.4	293.1
Number of shares at December 31	in millions	200	200.0	200.0	200.0	200.0	200.0	169.0	169.0	161.7	146.5
Net income (per share) attributable to the shareholders of the parent	€	13.64	11.88	9.62	9.53	6.21	2.88	-9.76	-6.84	6.79	6.72
<b>Employees</b>											
Annual average	in thousands	204.7	186.0	175.4	169.0	159.7	142.7	133.4	148.4	93.9	81.6

<sup>1</sup> Including non-controlling interests.

<sup>2</sup> Capital expenditure on property, plant and equipment, and software.

<sup>3</sup> As a percentage of sales.

<sup>4</sup> Excluding impairment on financial investments.

<sup>5</sup> Subject to the approval of the Annual Shareholders' Meeting on April 30, 2015.

<sup>6</sup> IAS 19 (revised 2011), Employee Benefits, has been applied since 2012.

## Topics

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## X. Glossary

### Financial Glossary

<b>ADR</b>	American Depositary Receipt
<b>Capex</b>	Capital expenditure on property, plant and equipment, and software
<b>EBIT</b>	Earnings Before Interest and Taxes
<b>EBITDA</b>	EBIT Before Depreciation and Amortization
<b>EBIT margin</b>	EBIT as a percentage of sales
<b>EBITDA margin</b>	EBITDA as a percentage of sales
<b>FCF</b>	Free Cash Flow. We define FCF as cash provided by operating activities minus cash used for investing activities
<b>Gearing ratio</b>	Represents the net indebtedness divided by book value of equity, expressed as a percentage
<b>ISIN</b>	International Securities Identification Number
<b>Net indebtedness</b>	The net amount of interest-bearing financial liabilities as recognized in the statement of financial position, cash and cash equivalents, the positive fair values of the derivative instruments as well as other interest bearing investments.
<b>NIAT</b>	Net Income Attributable to the shareholders of the parent
<b>OA</b>	Operating assets are the assets less liabilities as reported in the balance sheet, without recognizing the net indebtedness, discounted trade bills, deferred tax assets, income tax receivable and payable, as well as other financial assets and debts.
<b>PPA</b>	Purchase Price Allocation
<b>R, D &amp; E expenses</b>	Research, Development and Engineering Expenses
<b>ROCE (average)</b>	Return On Capital Employed. We define ROCE as the ratio of EBIT to average operating assets for the fiscal year

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## X. Glossary

### Product and Division Glossary

<b>ABS</b>	Anti-Lock Brake System	<b>LT</b>	Light Truck
<b>ACC</b>	Adaptive Cruise Control	<b>NVH</b>	Noise Vibration Harshness
<b>ADAS</b>	Advanced Driver Assistance Systems	<b>OCB</b>	Optimized Curve Break
<b>CAGR</b>	Compound Annual Growth Rate	<b>PC</b>	Passenger Car
<b>C&amp;S</b>	Chassis & Safety Division	<b>PLT</b>	Passenger and Light Truck Tires
<b>CT</b>	ContiTech Division	<b>PT</b>	Powertrain Division
<b>CV</b>	Commercial Vehicle	<b>RV</b>	Recreational Vehicle
<b>CVT</b>	Commercial Vehicle Tires	<b>SSR</b>	Self-Supporting Runflat Tires
<b>ECU</b>	Electronic Control Unit	<b>SUV</b>	Sport Utility Vehicle
<b>EBS</b>	Electronic Brake System	<b>TCS</b>	Traction Control System
<b>ESC</b>	Electronic Stability Control	<b>TPMS</b>	Tire Pressure Monitoring System
<b>HEV</b>	Hybrid Electric Vehicle		
<b>HMI</b>	Human Machine Interface		
<b>I</b>	Interior Division		

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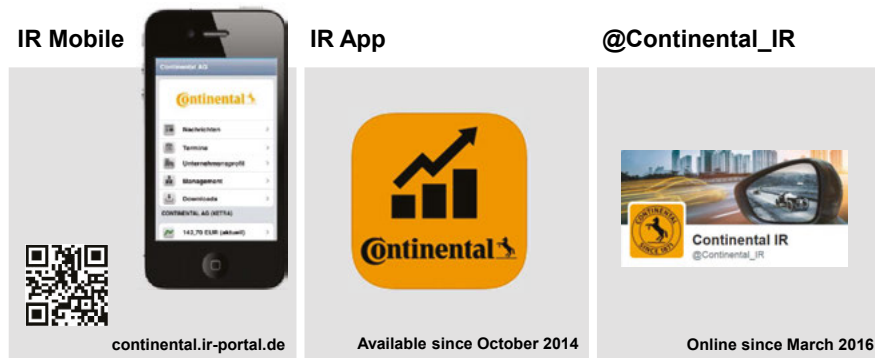
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## Investor Relations Online



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## Financial Calendar

### 2016

Preliminary figures for the fiscal year 2015	January 11, 2016
Annual Financial Press Conference	March 3, 2016
Annual Shareholders' Meeting (incl. key data for Q1 2016)	April 29, 2016
Q1 Financial Report	May 4, 2016
Half Year Financial Report	August 3, 2016
Nine Month Financial Report	November 10, 2016

### 2017

Preliminary figures for the fiscal year 2016	January 2017
Annual Financial Press Conference	March 2017
Annual Shareholders' Meeting (incl. key data for Q1 2017)	April 28, 2017
Q1 Financial Report	May 2017
Half Year Financial Report	August 2017
Nine Month Financial Report	November 2017

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