Continental
The Future in Motion

Annual Press Conference
Preliminary Results 2013

www.continental-corporation.com

Milestones Successfully Passed

- Obtained maneuvering room for billion euro acquisition and made use of it
- Successfully coped with significant negative foreign exchange rate effects
- Impressively confirmed operational strength
- Automotive Group: Again took in orders of €25 billion
- Tire division: Production started at two new plants

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„Work of Value“ Creates „Value“

- Net income of more than €1.9 billion, or €9.62 per share
- Dividend proposal: €2,50 per share, payout ratio: 26 percent
- Reduction in net indebtedness of €1 billion
- Gearing ratio: 46 percent
- Total equity strengthened by over a billion Euros
- Expenses for research and development of nearly €1.9 billion
- Capital expenditures of approximately €2 billion

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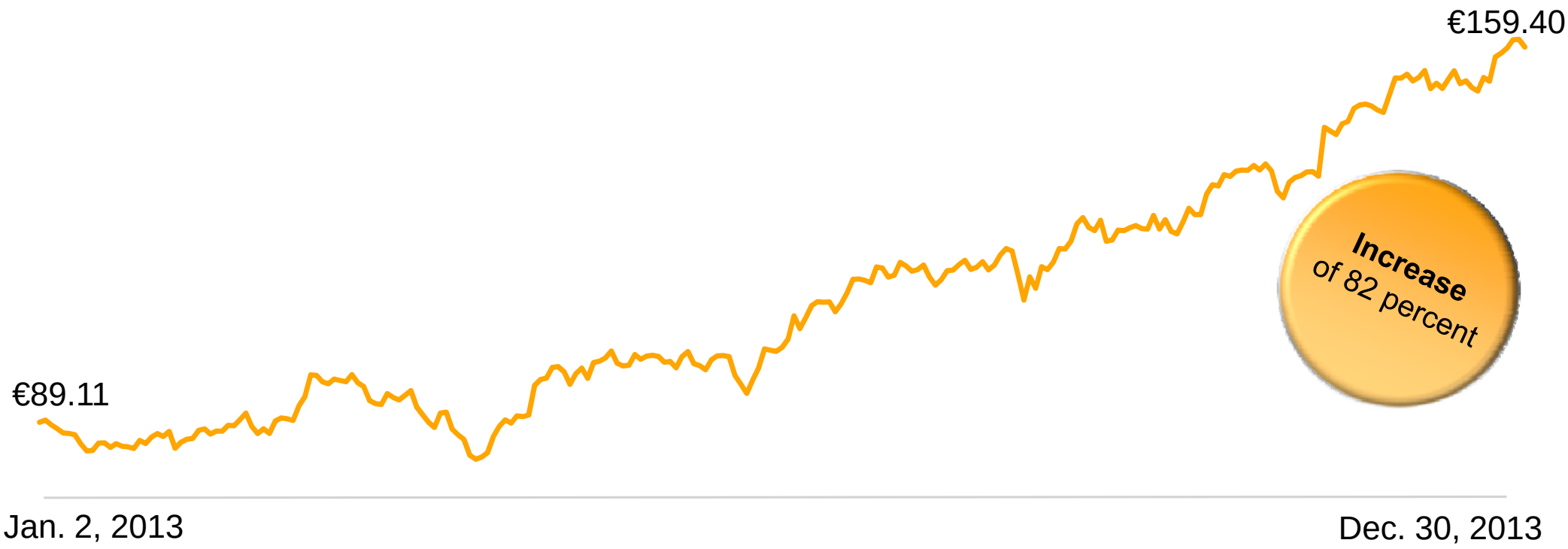
VEYANCE™
TECHNOLOGIES

CONVEYOR BELT

Top DAX Performer for Two Consecutive Years



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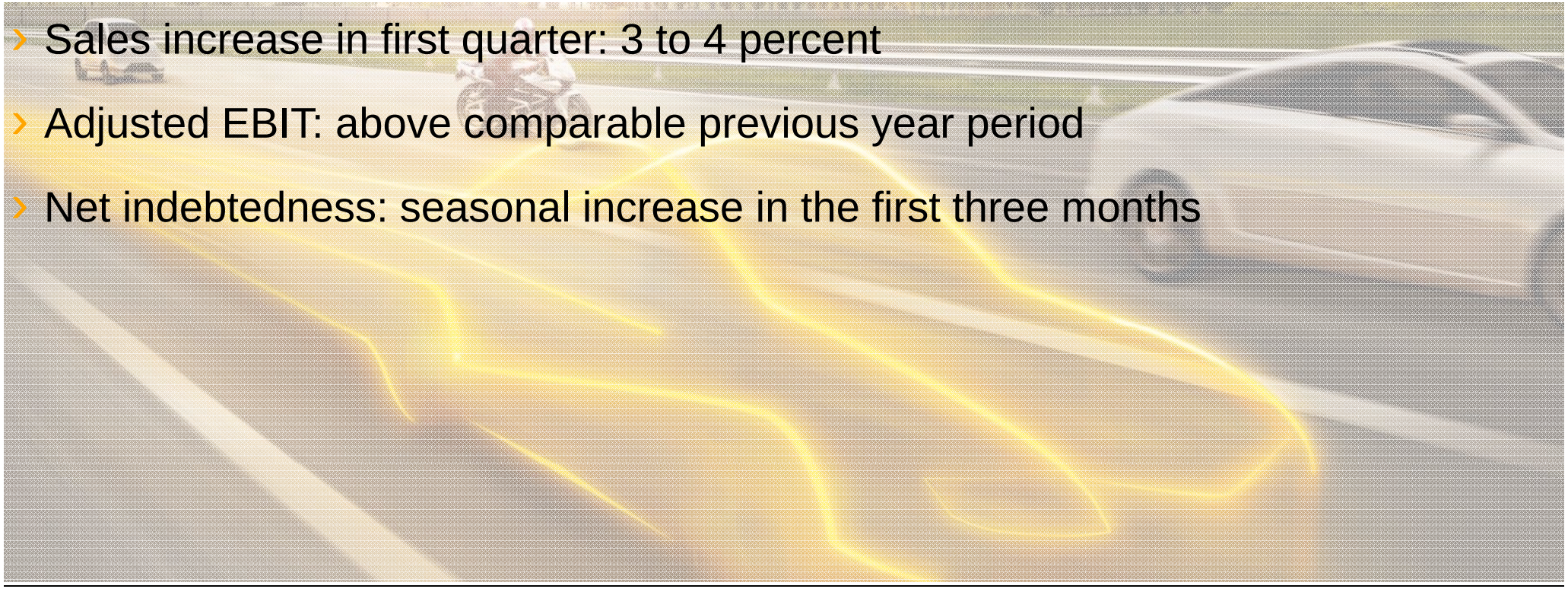
Positive Start into 2014



- Sales increase in first quarter: 3 to 4 percent
- Adjusted EBIT: above comparable previous year period
- Net indebtedness: seasonal increase in the first three months

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Key Figures 2013

- Sales: €33.3 billion
- Foreign exchange rate effects: > €800 million
- EBIT: €3.3 billion, margin: 9.8 percent
- Adjusted EBIT: €3.7 billion
- Adjusted EBIT margin: 11.3 percent
- Net income: a good €1.9 billion
- Free cash flow: €1.8 billion

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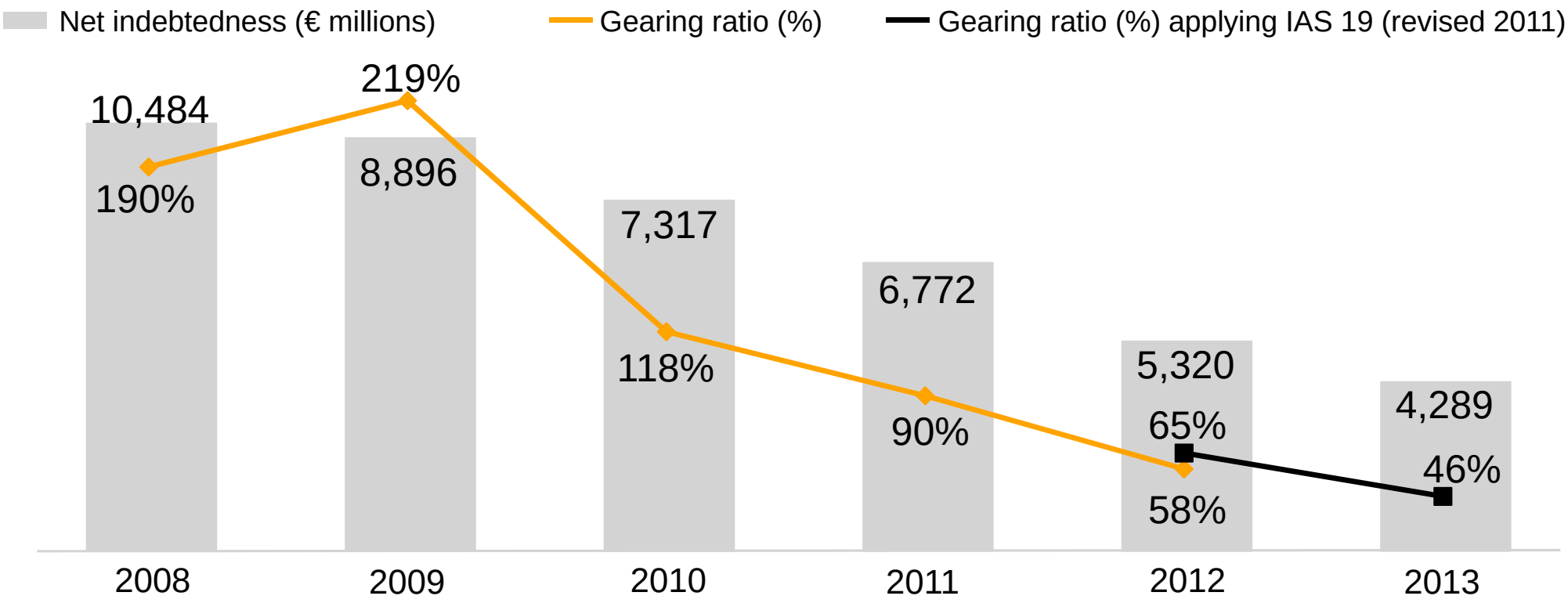
Net Indebtedness Further Reduced



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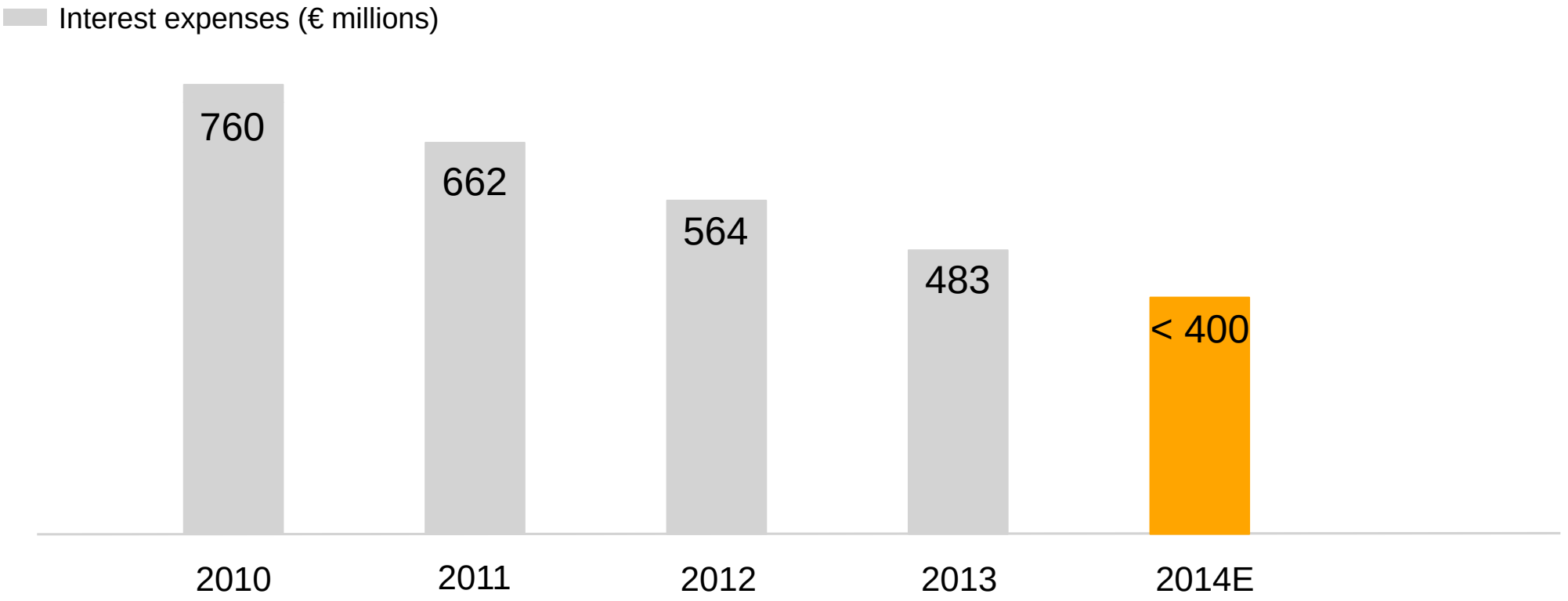
Interest Expenses Further Reduced



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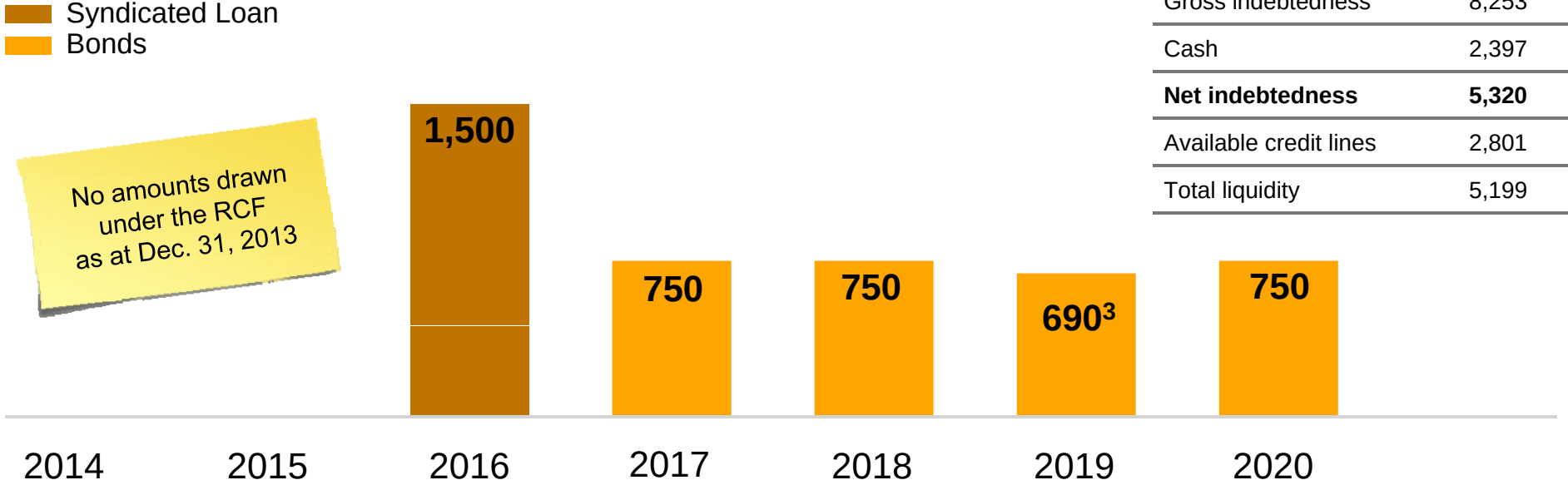
Corporate Financing on Rock-Solid Basis

Maturities for syndicated loan and bonds[1], (€ millions)
Status: as of Dec. 31, 2013



(€ millions)	2012	2013
Gross indebtedness	8,253	**6,638**
Cash	2,397	**2,045**
Net indebtedness	**5,320**	**4,289**
Available credit lines	2,801	**3,833**
Total liquidity	5,199	**5,878**

1) All amounts shown are nominal values.
2) The revolving credit facility (RCF) has a total volume of €3,000 million. Utilization of RCF has to be shown as short term debt according to IFRS although it matures in 2018.
3) Nominal amount $950 million (exchange rate as at Dec. 31, 2013: 1.3764).

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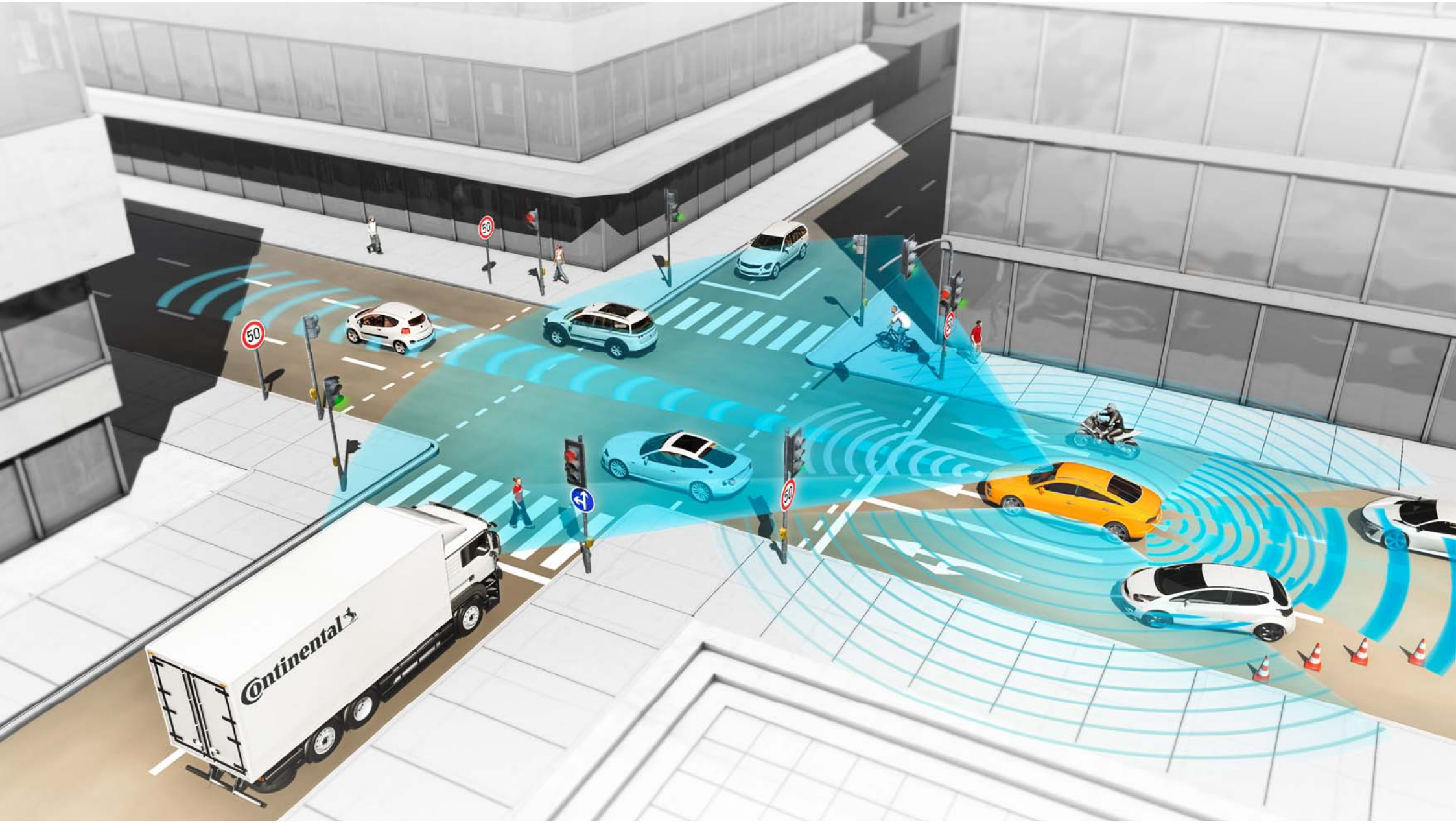
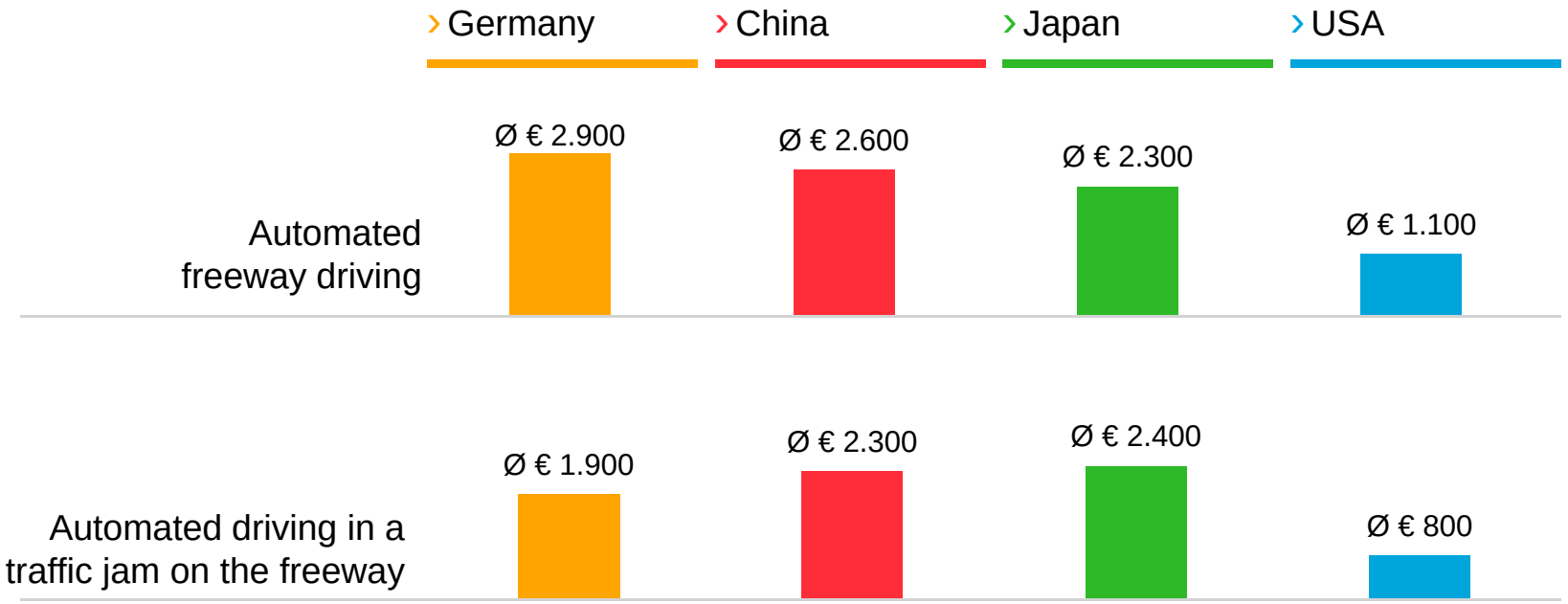
AUTO MODE
AUTO MODE


50
50
50
50
Continental

Are advanced driver assistance systems any help?
93
92
84
78
Respond:
Yes!
(in percentage)
Source: Continental Mobility Study 2013
"My car keeps an eye on the complete vehicle surroundings and helps me out in a pinch."

Continental Mobility Study 2013



Question:
Independent of your wish to use such a system at all, this is also a question of cost. We would therefore like to know what price you would expect for the following three systems – on the assumption of a single new car purchase. Initially automated driving again in a traffic jam. The car drives by itself and you merely observe traffic.

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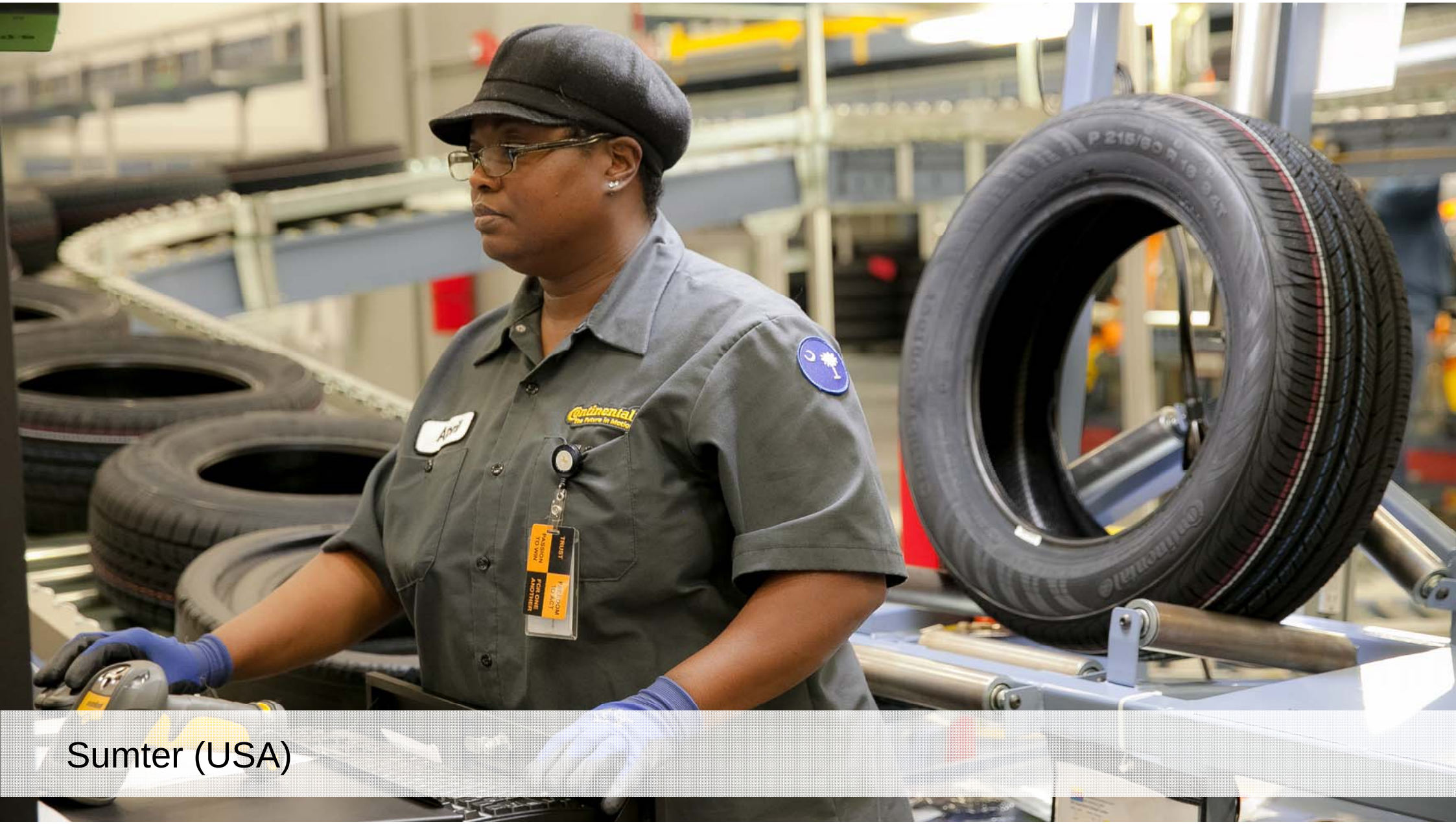
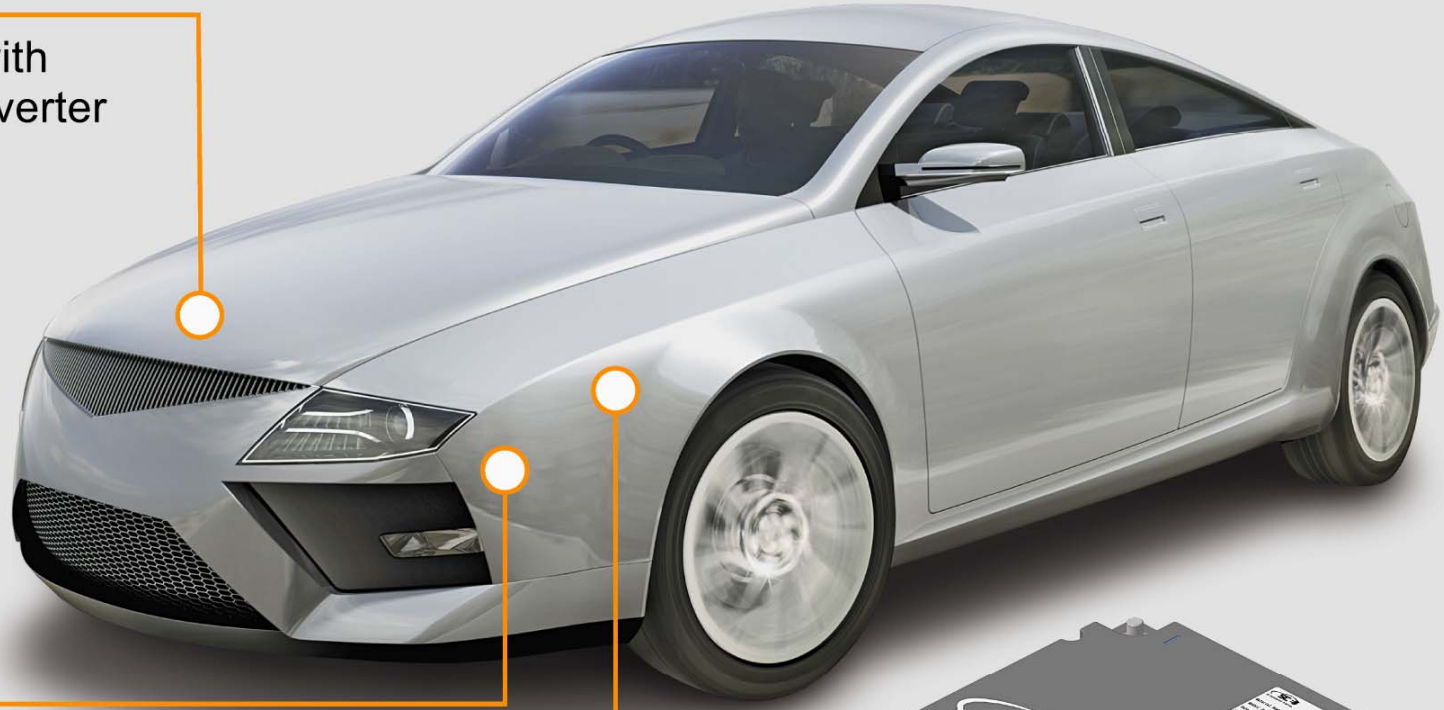
Kaluga (Russia)

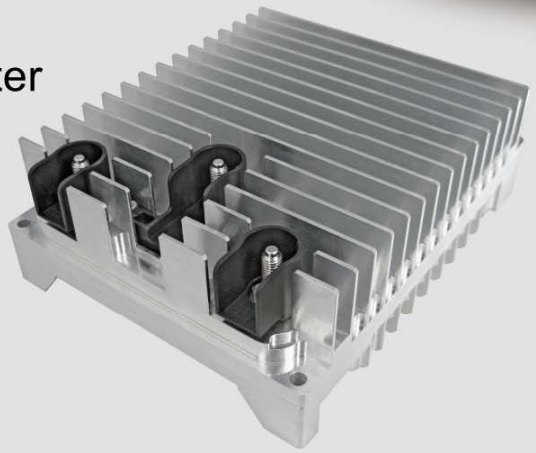


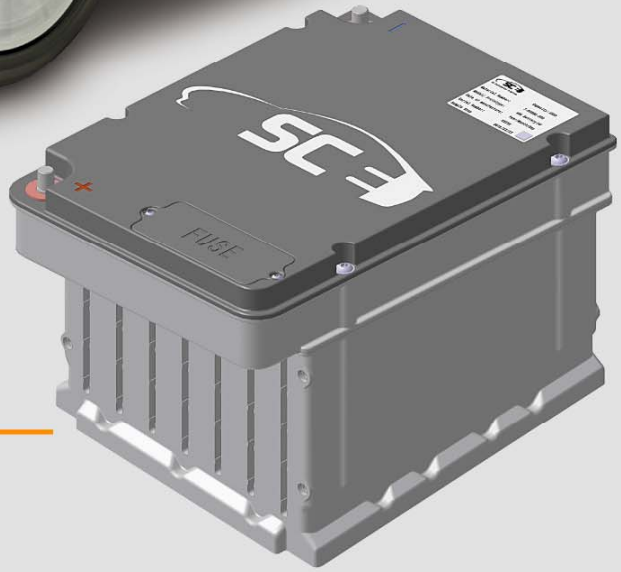
Sumter (USA)

E-Machine with
integrated Inverter



48V/12V
DCDC Converter



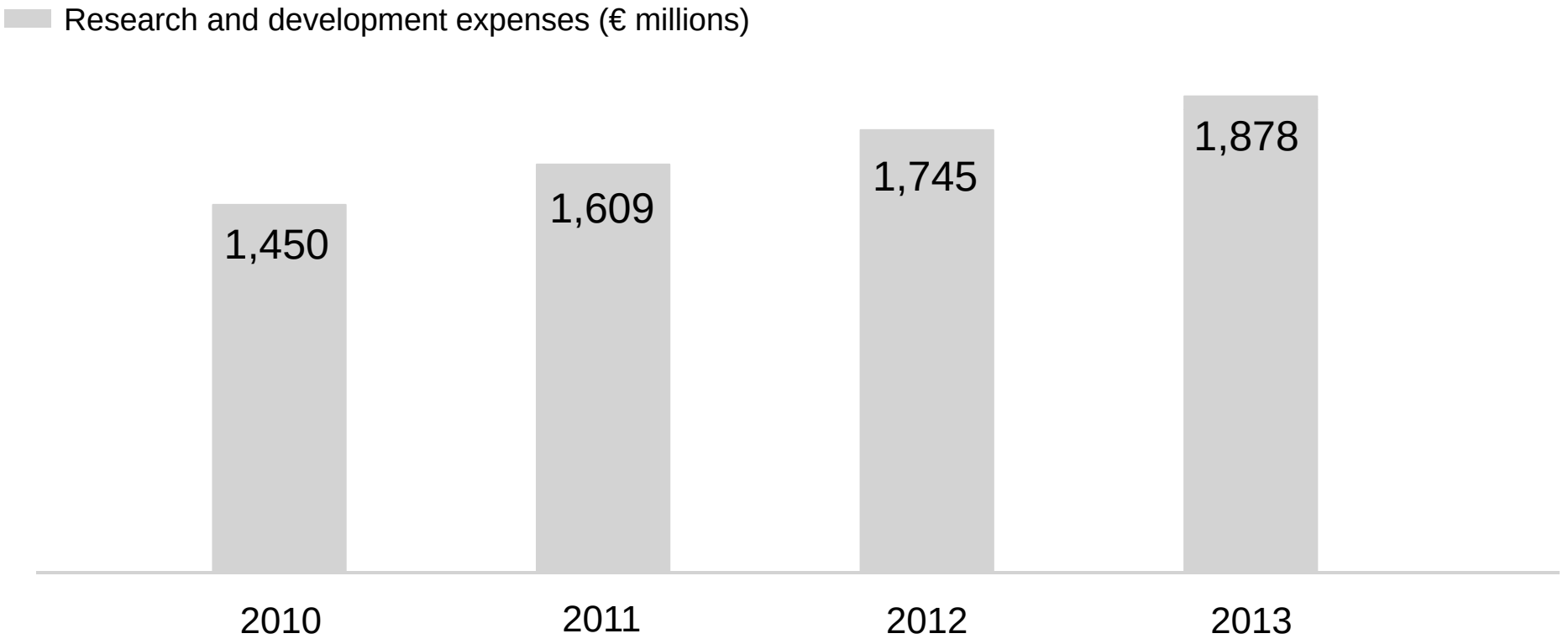


Li-ion
Battery

68 km/h
70
800 m
70 km/h

eCall
Continental

Development of Research and Development Expenses



IAS 19 (revised 2011) applied in 2012 and 2013

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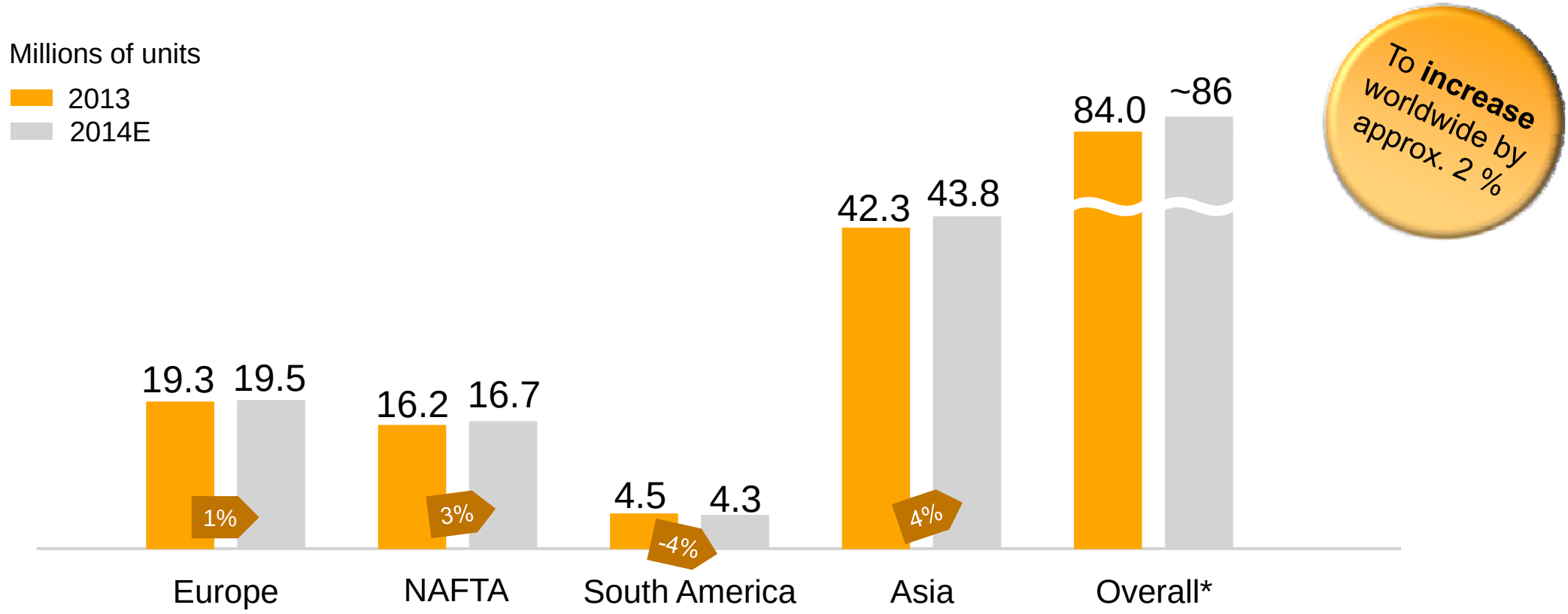
Passenger Car & Light Truck Production



Source: IHS and own estimates

* including other countries

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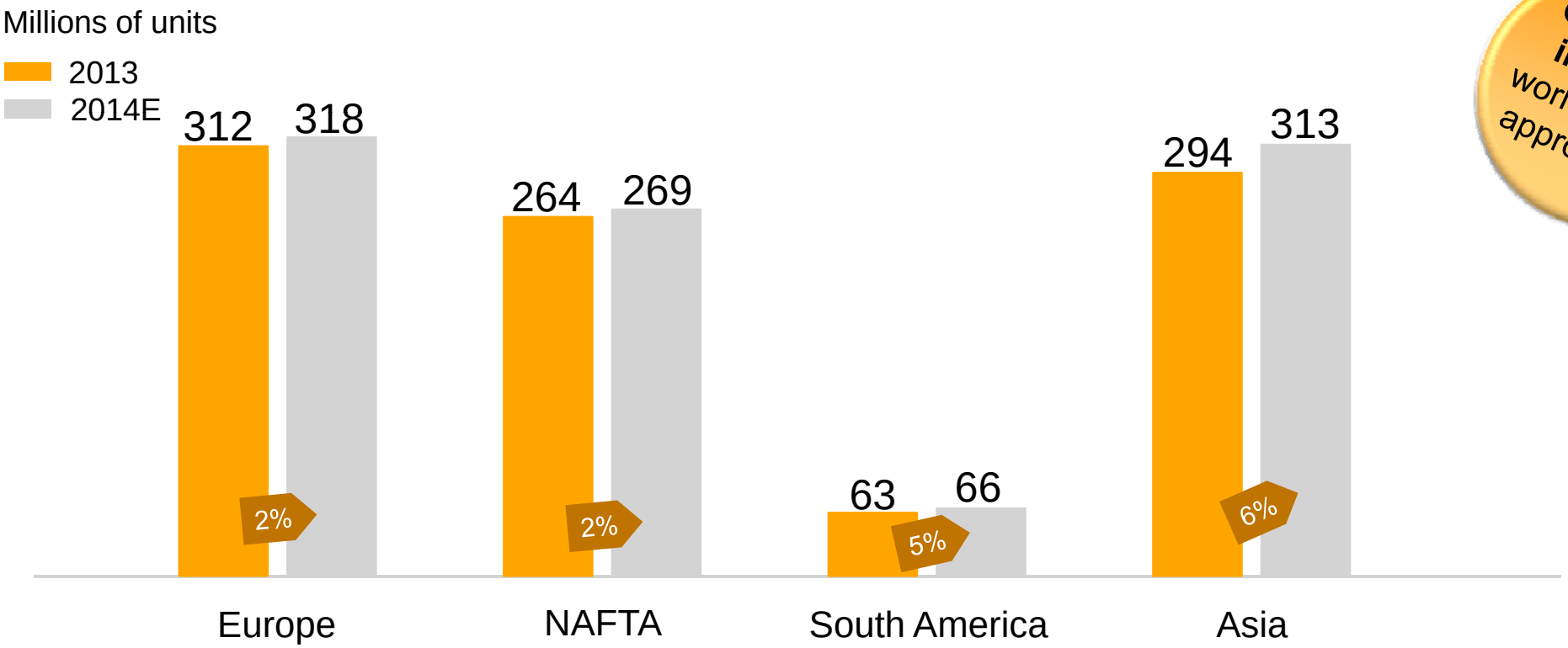
Passenger Car & Light Truck Replacement Tire Market



Source: LMC and own estimates

* including other countries

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Outlook 2014

- Up to 5% increase in sales to approximately €35 billion
  despite significant foreign exchange rate effects
- Adjusted EBIT margin: more than 10 percent
- Net interest expense: below €400 million
- Special effects: approximately €50 million
- Capital expenditure ratio: approximately 6 percent
- Free cash flow: at least €1.2 billion before acquisitions and dividend

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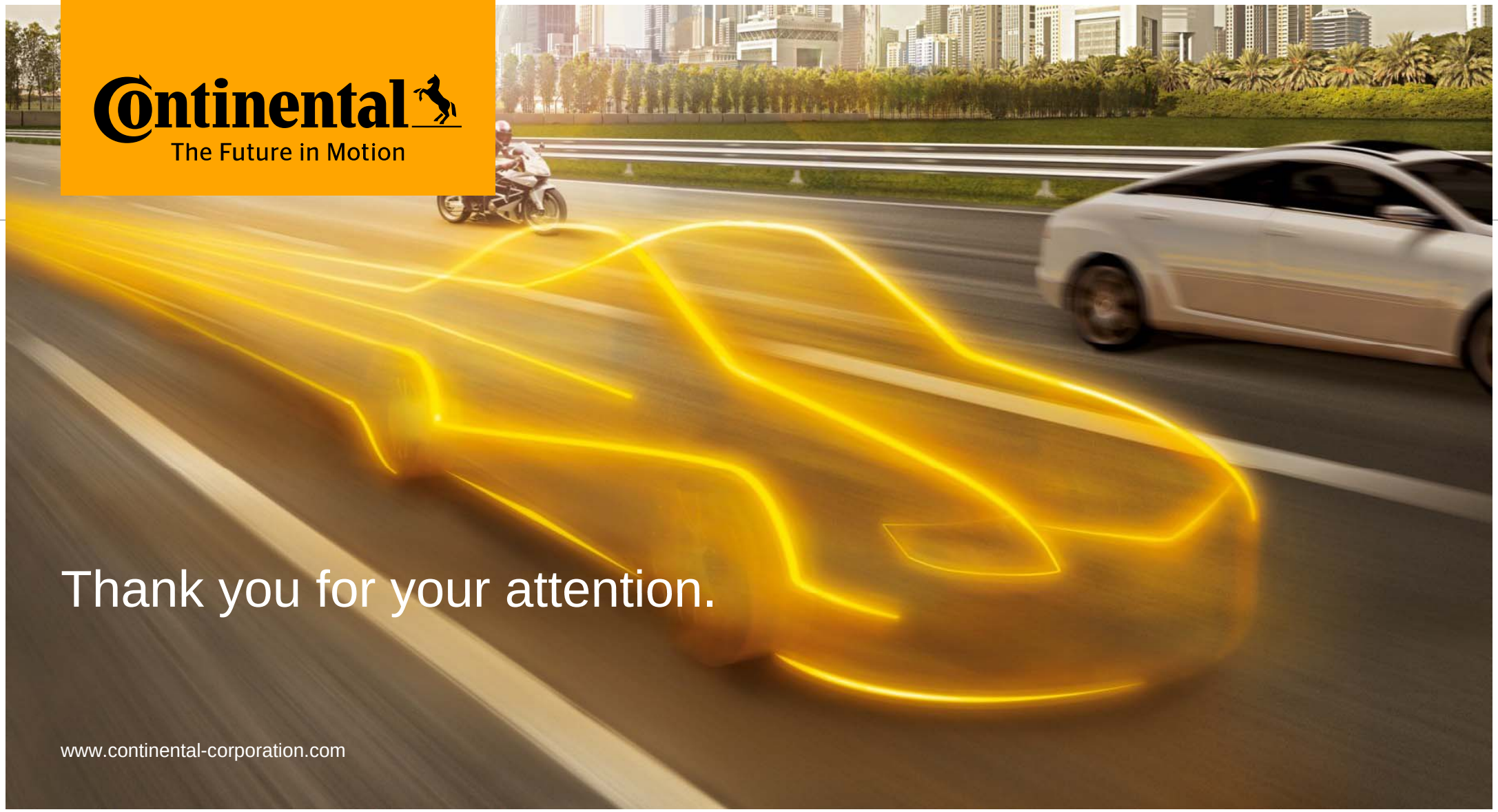
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