

Preliminary Consolidated Financial Statements 2015 >

The following results and amounts are preliminary statements that have not yet been approved or adopted by the Supervisory Board.

Continental Corporation

Continental Corporation in € millions	2015	2014
Sales	39,232.0	34,505.7
EBITDA	6,001.4	5,133.8
in % of sales	15.3	14.9
EBIT	4,115.6	3,344.8
in % of sales	10.5	9.7
Basic earnings	2,727.4	2,375.3
Earnings per share in €	13.64	11.88
Research and development expenses	2,449.6	2,137.7
in % of sales	6.2	6.2
Depreciation and amortization ¹	1,885.8	1,789.0
thereof impairment ²	93.6	178.9
Operating assets as at December 31	19,678.5	16,596.1
Operating assets (average)	19,680.7	16,726.5
ROCE	20.9	20.0
Capital expenditure ³	2,178.8	2,045.4
in % of sales	5.6	5.9
Number of employees as at December 31 ⁴	207,899	189,168
EBIT before amortization of intangible assets from purchase price allocation (PPA) and special effects	4,369.0	3,862.1
in % of sales	11.1	11.2
Adjusted sales ⁵	37,774.7	34,495.8
Adjusted operating result (adjusted EBIT) ⁶	4,455.5	3,865.9
in % of adjusted sales	11.8	11.2

1 Excluding impairment on financial investments.

2 Impairment also includes necessary reversal of impairment losses.

3 Capital expenditure on property, plant and equipment, and software.

4 Excluding trainees.

5 Before changes in the scope of consolidation.

6 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Development of Core Business Areas: Automotive Group

Automotive Group in € millions	2015	2014
Sales	23,574.5	20,909.2
EBITDA	2,973.2	2,407.7
in % of sales	12.6	11.5
EBIT	2,014.4	1,189.3
in % of sales	8.5	5.7
Research and development expenses	2,097.2	1,835.5
in % of sales	8.9	8.8
Depreciation and amortization ¹	958.8	1,218.4
thereof impairment ²	0.7	178.9
Operating assets as at December 31	11,696.7	10,410.3
Operating assets (average)	11,237.5	10,504.0
ROCE	17.9	11.3
Capital expenditure ³	1,274.7	1,125.7
in % of sales	5.4	5.4
Number of employees as at December 31 ⁴	115,888	108,711
Adjusted sales ⁵	23,364.7	20,909.2
Adjusted operating result (adjusted EBIT) ⁶	2,066.1	1,679.3
in % of adjusted sales	8.8	8.0

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Development of Core Business Areas: Rubber Group

Rubber Group in € millions	2015	2014
Sales	15,704.6	13,637.6
EBITDA	3,181.5	2,832.6
in % of sales	20.3	20.8
EBIT	2,255.8	2,262.7
in % of sales	14.4	16.6
Research and development expenses	352.4	302.2
in % of sales	2.2	2.2
Depreciation and amortization ¹	925.7	569.9
thereof impairment ²	92.9	–
Operating assets as at December 31	8,085.0	6,288.8
Operating assets (average)	8,556.6	6,339.2
ROCE	26.4	35.7
Capital expenditure ³	903.4	914.9
in % of sales	5.8	6.7
Number of employees as at December 31 ⁴	91,603	80,113
EBIT before amortization of intangible assets from purchase price allocation (PPA) and special effects	2,485.2	2,297.7
in % of sales	15.8	16.8
Adjusted sales ⁵	14,457.1	13,627.7
Adjusted operating result (adjusted EBIT) ⁶	2,544.0	2,293.8
in % of adjusted sales	17.6	16.8

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EBITDA

EBITDA	in € millions		in % of sales	
	2015	2014	2015	2014
Chassis & Safety	1,160.3	1,018.1	13.7	13.5
Powertrain	730.7	443.3	10.3	6.8
Interior	1,082.2	946.3	13.3	13.5
Tires	2,604.3	2,280.8	25.0	23.3
ContiTech	577.2	551.8	10.8	14.0
Other/consolidation	-153.3	-106.5		
Continental Corporation	6,001.4	5,133.8	15.3	14.9

EBIT

EBIT	in € millions		in % of sales	
	2015	2014	2015	2014
Chassis & Safety	814.3	680.2	9.6	9.1
Powertrain	395.6	-96.8	5.6	-1.5
Interior	804.5	605.9	9.9	8.7
Tires	2,085.2	1,829.4	20.0	18.7
ContiTech	170.6	433.3	3.2	11.0
Other/consolidation	-154.6	-107.2		
Continental Corporation	4,115.6	3,344.8	10.5	9.7

Adjusted Operating Result (Adjusted EBIT)¹

Adjusted operating result (adjusted EBIT) ¹	in € millions		in % of adjusted sales ²	
	2015	2014	2015	2014
Chassis & Safety	817.2	710.4	9.7	9.5
Powertrain	424.6	260.5	6.1	4.0
Interior	824.3	708.4	10.2	10.1
Tires	2,109.0	1,856.6	20.4	19.0
ContiTech	435.0	437.2	10.4	11.1
Other/consolidation	-154.6	-107.2		
Continental Corporation	4,455.5	3,865.9	11.8	11.2

¹ Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

² Before changes in the scope of consolidation.

Key Figures per Share¹

in €	2015	2014
Basic earnings	13.64	11.88
Diluted earnings	13.64	11.88
Free cash flow	7.22	10.07
Dividend	3.75 ²	3.25
Dividend payout ratio (%)	27.5 ²	27.4
Dividend yield (%)	1.8 ²	2.0
Total equity (book value) as at December 31	63.93	53.36
Yearly average price-earnings ratio (P/E ratio) ³	15.33	13.84
Share price at year-end	224.55	175.55
Average share price	209.05	164.47
Share price at year high	234.25	183.25
Share price at year low	166.60	136.85
Average XETRA trading volume per trading day (in units)	525,734	499,311
Number of outstanding shares, average (in millions)	200.0	200.0
Number of outstanding shares as at December 31 (in millions)	200.0	200.0

1 All market prices are quotations of the Continental share in the XETRA system of Deutsche Börse AG.

2 Subject to the approval of the Annual Shareholders' Meeting on April 29, 2016.

3 Net income attributable to the shareholders of the parent per share at the annual average share price.

Consolidated Statement of Income

in € millions	2015	2014
Sales	39,232.0	34,505.7
Cost of sales	-29,056.8	-25,839.6
Gross margin on sales	10,175.2	8,666.1
Research and development expenses	-2,449.6	-2,137.7
Selling and logistics expenses	-2,179.0	-1,840.6
Administrative expenses	-925.5	-762.8
Other expenses and income	-567.7	-507.4
Income from at-equity accounted investees	61.4	-73.8
Other income from investments	0.8	1.0
Earnings before interest and taxes	4,115.6	3,344.8
Interest income	95.4	94.5
Interest expense	-341.0	-359.8
Net interest result	-245.6	-265.3
Earnings before taxes	3,870.0	3,079.5
Income tax expense	-1,090.4	-622.0
Net income	2,779.6	2,457.5
Non-controlling interests	-52.2	-82.2
Net income attributable to the shareholders of the parent	2,727.4	2,375.3
Basic earnings per share in €	13.64	11.88
Diluted earnings per share in €	13.64	11.88

Consolidated Statement of Financial Position

Assets in € millions	Dec. 31, 2015	Dec. 31, 2014
Goodwill	6,640.6	5,769.1
Other intangible assets	1,336.4	443.3
Property, plant and equipment	9,538.9	8,446.4
Investment property	16.0	17.5
Investments in at-equity accounted investees	345.8	298.5
Other investments	14.1	10.7
Deferred tax assets	1,669.7	1,573.4
Defined benefit assets	18.9	1.6
Long-term derivative instruments and interest-bearing investments	17.1	301.2
Long-term other financial assets	47.6	41.9
Long-term other assets	21.5	19.7
Non-current assets	19,666.6	16,923.3
Inventories	3,360.1	2,987.6
Trade accounts receivable	6,722.9	5,846.2
Short-term other financial assets	434.7	382.5
Short-term other assets	803.9	731.3
Income tax receivables	149.7	60.3
Short-term derivative instruments and interest-bearing investments	64.3	63.1
Cash and cash equivalents	1,621.5	3,243.8
Assets held for sale	12.0	3.0
Current assets	13,169.1	13,317.8
Total assets	32,835.7	30,241.1

Equity and liabilities in € millions	Dec. 31, 2015	Dec. 31, 2014
Subscribed capital	512.0	512.0
Capital reserves	4,155.6	4,155.6
Retained earnings	9,481.8	7,404.3
Other comprehensive income	-1,363.1	-1,399.8
Equity attributable to the shareholders of the parent	12,786.3	10,672.1
Non-controlling interests	427.6	352.5
Total equity	13,213.9	11,024.6
Provisions for pension liabilities and similar obligations	3,532.7	3,483.7
Deferred tax liabilities	361.2	178.5
Long-term provisions for other risks and obligations	301.5	306.3
Long-term indebtedness	3,175.0	5,077.4
Long-term other financial liabilities	94.9	48.7
Long-term other liabilities	55.7	46.4
Non-current liabilities	7,521.0	9,141.0
Trade accounts payable	5,493.8	4,861.6
Income tax payables	719.8	577.3
Short-term provisions for other risks and obligations	845.5	732.7
Short-term indebtedness	2,069.8	1,354.2
Short-term other financial liabilities	1,968.7	1,649.2
Short-term other liabilities	1,001.2	900.2
Liabilities held for sale	2.0	0.3
Current liabilities	12,100.8	10,075.5
Total equity and liabilities	32,835.7	30,241.1

Consolidated Statement of Cash Flows

in € millions	2015	2014
Net income	2,779.6	2,457.5
Income tax expense	1,090.4	622.0
Net interest result	245.6	265.3
EBIT	4,115.6	3,344.8
Interest paid	-204.6	-185.9
Interest received	31.1	28.2
Income tax paid	-1,015.3	-775.0
Dividends received	48.0	33.7
Depreciation, amortization, impairment and reversal of impairment losses	1,885.8	1,789.0
Income from at-equity accounted and other investments, incl. impairment and reversal of impairment losses	-62.2	71.3
Gains from the disposal of assets, companies and business operations	-16.9	-13.6
Changes in		
inventories	-59.5	-20.1
trade accounts receivable	-447.2	-246.6
trade accounts payable	400.0	59.3
pension and similar obligations	57.2	-20.5
other assets and liabilities	183.6	103.7
Cash flow arising from operating activities	4,915.6	4,168.3
Cash flow from the disposal of property, plant and equipment, and intangible assets	35.7	86.4
Capital expenditure on property, plant and equipment, and software	-2,178.8	-2,045.4
Capital expenditure on intangible assets from development projects and miscellaneous	-85.8	-64.9
Cash flow from the disposal of companies and business operations	13.8	-0.5
Acquisition of companies and business operations	-1,256.9	-129.0
Cash flow arising from investing activities	-3,472.0	-2,153.4
Cash flow before financing activities (free cash flow)	1,443.6	2,014.9
Changes in short-term debt	-774.1	-323.2
Proceeds from the issuance of long-term debt	549.2	1,565.0
Principal repayments on long-term debt	-2,133.4	-1,604.6
Successive purchases	-27.3	0.0
Dividends paid	-650.0	-500.0
Dividends paid to and cash changes from equity transactions with non-controlling interests	-62.5	-45.5
Cash and cash equivalents arising from first consolidation of subsidiaries	0.5	0.4
Cash flow arising from financing activities	-3,097.6	-907.9
Change in cash and cash equivalents	-1,654.0	1,107.0
Cash and cash equivalents as at January 1	3,243.8	2,044.8
Effect of exchange rate changes on cash and cash equivalents	31.7	92.0
Cash and cash equivalents as at December 31	1,621.5	3,243.8

Segment Reporting

Segment report by division for 2015

in € millions	Chassis & Safety	Powertrain	Interior	Tires	ContiTech	Other/ Consolidation	Continental Corporation
External sales	8,427.2	6,994.1	8,144.4	10,387.7	5,278.6	–	39,232.0
Intercompany sales	22.5	74.4	10.4	21.1	89.2	-217.6	–
Sales (total)	8,449.7	7,068.5	8,154.8	10,408.8	5,367.8	-217.6	39,232.0
EBIT (segment result)	814.3	395.6	804.5	2,085.2	170.6	-154.6	4,115.6
in % of sales	9.6	5.6	9.9	20.0	3.2	–	10.5
thereof income from at-equity accounted investees	22.1	2.6	23.4	12.1	0.3	0.9	61.4
Capital expenditure ¹	470.3	468.4	336.0	658.2	245.2	0.7	2,178.8
in % of sales	5.6	6.6	4.1	6.3	4.6	–	5.6
Depreciation and amortization ²	346.0	335.1	277.7	519.1	406.6	1.3	1,885.8
thereof impairment ³	-0.1	0.5	0.3	6.8	86.1	–	93.6
Internally generated intangible assets	10.5	6.3	61.8	–	–	0.1	78.7
Significant non-cash expenses/income	2.0	-26.0	-2.4	-1.1	-9.9	4.4	-33.0
Segment assets	6,524.4	4,566.1	6,380.3	7,235.6	4,028.0	24.9	28,759.3
thereof investments in at-equity accounted investees	96.0	50.3	103.0	87.4	1.7	7.4	345.8
Segment liabilities	2,092.6	1,706.5	1,975.0	2,159.6	1,019.0	128.1	9,080.8
Operating assets as at December 31	4,431.8	2,859.6	4,405.3	5,076.0	3,009.0	-103.2	19,678.5
Operating assets (average)	4,277.7	2,767.8	4,192.0	5,322.2	3,234.4	-113.4	19,680.7
ROCE	19.0	14.3	19.2	39.2	5.3	–	20.9
Number of employees as at December 31 ⁴	40,062	35,364	40,462	48,955	42,648	408	207,899
Adjusted sales ⁵	8,449.7	6,950.3	8,059.9	10,335.1	4,194.0	-214.3	37,774.7
Adjusted operating result (adjusted EBIT) ⁶	817.2	424.6	824.3	2,109.0	435.0	-154.6	4,455.5
in % of adjusted sales	9.7	6.1	10.2	20.4	10.4	–	11.8

1 Capital expenditure on property, plant and equipment, and software.

2 Excluding impairment on financial investments.

3 Impairment also includes necessary reversal of impairment losses.

4 Excluding trainees.

5 Before changes in the scope of consolidation.

6 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Segment report by division for 2014

in € millions	Chassis & Safety	Powertrain	Interior	Tires	ContiTech	Other/ Consolidation	Continental Corporation
External sales	7,480.4	6,430.7	6,994.3	9,768.3	3,832.0	–	34,505.7
Intercompany sales	34.5	63.6	8.2	16.1	99.2	-221.6	–
Sales (total)	7,514.9	6,494.3	7,002.5	9,784.4	3,931.2	-221.6	34,505.7
EBIT (segment result)	680.2	-96.8	605.9	1,829.4	433.3	-107.2	3,344.8
in % of sales	9.1	-1.5	8.7	18.7	11.0	–	9.7
thereof income from at-equity accounted investees	19.3	-113.0	18.7	0.2	0.2	0.8	-73.8
Capital expenditure ¹	411.6	428.0	286.1	724.3	190.6	4.8	2,045.4
in % of sales	5.5	6.6	4.1	7.4	4.8	–	5.9
Depreciation and amortization ²	337.9	540.1	340.4	451.4	118.5	0.7	1,789.0
thereof impairment ³	4.7	168.4	5.8	–	–	–	178.9
Internally generated intangible assets	15.3	2.2	40.4	–	–	–	57.9
Significant non-cash expenses/income	16.4	-125.2	5.7	14.3	-1.4	1.4	-88.8
Segment assets	5,773.8	4,279.5	5,426.9	6,866.8	2,107.0	26.5	24,480.5
thereof investments in at-equity accounted investees	75.6	47.5	79.6	87.3	1.5	7.0	298.5
Segment liabilities	1,773.2	1,638.1	1,658.6	1,984.1	700.9	129.5	7,884.4
Operating assets as at December 31	4,000.6	2,641.4	3,768.3	4,882.7	1,406.1	-103.0	16,596.1
Operating assets (average)	3,956.5	2,733.0	3,814.5	4,932.0	1,407.2	-116.7	16,726.5
ROCE	17.2	-3.5	15.9	37.1	30.8	–	20.0
Number of employees as at December 31 ⁴	38,127	34,529	36,055	47,338	32,775	344	189,168
Adjusted sales ⁵	7,514.9	6,494.3	7,002.5	9,774.5	3,931.2	-221.6	34,495.8
Adjusted operating result (adjusted EBIT) ⁶	710.4	260.5	708.4	1,856.6	437.2	-107.2	3,865.9
in % of adjusted sales	9.5	4.0	10.1	19.0	11.1	–	11.2

1 Capital expenditure on property, plant and equipment, and software.

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Reconciliation of EBIT to Net Income

in € millions	2015	2014
Chassis & Safety	814.3	680.2
Powertrain	395.6	-96.8
Interior	804.5	605.9
Tires	2,085.2	1,829.4
ContiTech	170.6	433.3
Other/consolidation	-154.6	-107.2
EBIT	4,115.6	3,344.8
Net interest expense	-245.6	-265.3
Earnings before taxes	3,870.0	3,079.5
Income tax expense	-1,090.4	-622.0
Net income	2,779.6	2,457.5
Non-controlling interests	-52.2	-82.2
Basic earnings	2,727.4	2,375.3
Basic earnings per share in €	13.64	11.88

Continental AG

in € millions	2015	2014
Net income for the year	915.0	335.8
Accumulated profits brought forward from the previous year	99.2	413.4
Retained earnings	1,014.2	749.2

A dividend payment of €3.75 per share shall be proposed to the Annual Shareholders' Meeting on April 29, 2016.

Continental Aktiengesellschaft

P.O. Box 1 69, 30001 Hanover, Germany

Vahrenwalder Strasse 9, 30165 Hanover, Germany

Phone: +49 511 938-01, Fax: +49 511 938-81770

mailservice@conti.de

www.continental-corporation.com