Status of Vision 2025
Continental Division Tires
August 2015

www.continental-tires.com
Continental Corporation
Overview 2014

› Since 1871 with headquarters in Hanover, Germany
› Sales of € 34.5 billion
› 200,000 employees worldwide
› 300 locations in 49 countries
› One of the top 3 in the automotive supplier industry
Continental Corporation
One of the Top 3 Automotive Suppliers worldwide

Top 10 Global OEM Suppliers – 2014 Sales (in € mn)

Robert Bosch only includes Mobility Solutions division.
Continental not including ContiTech industrial business.
Bridgestone including Diversified Products.
Johnson Controls only includes Automotive Experience division.

Source: Company filings. Calendarized to December year end. Based on average currency exchange rates 2014
Continental’s Path to the worldwide Tire Podium
Key Initiatives 2001 – 2025

Stage 1: 2001 – 2010
Create Value
› Global footprint and business optimized
› Strong cost focus
› Global presence of CVT sustained (South America/APAC)
› Turnaround of PLT business in NAFTA region succeeded
› Worldwide technology gap to competition closed

Stage 2: 2011 – 2015
Sustain Value
› Accelerate global growth (focus BRIC countries)
› Leverage cost position
› Improve technology position to establish among “Best In Class”

Stage 3: 2016 – 2025
Enhance Value
› Balanced global footprint
› Benefit from excellent cost position
› Achieve podium position in technology worldwide
› Among the top 3

Continuous value creation is our driving force!
Continental Tire Division: Vision 2025
Key Elements of our Strategy

Growth
Execute long term growth plan!
› Greenfields in US, CN, RU
› Brownfield India
› Research & Development
› Investment Plan

Value Creation
We are condemned to perform!

Excellence
Reach podium position in products & operations!
Continental Tire Division: Global Manufacturing Footprint Status 2011 – Starting point for stage 2 of Vision 2025

2011: 17 plants in 15 countries
Continental Tire Division: Global Manufacturing Footprint

More than EUR 1.3 Billion for additional Capacities

USA (2014)

- Mexico
- Ecuador
- Brazil

Stage 2

3 Greenfields until 2015

2011 China

- Czech Republic
- Slovakia
- Romania

2013 Russia

- Portugal
- France
- Germany

India

Sri Lanka

Malaysia

South Africa

© Continental AG 21 August 2015
Continental Tire Division: Global Manufacturing Footprint

Extension of existing Plants

Stage 2

Brownfields/Expansion projects: € > 350 mio p/a
Continental Tire Division: Global Manufacturing Footprint
Vision 2025

Stage 3
Globally balanced manufacturing footprint
Continental Tire Division: Vision 2025
Investments into Growth – Status close to end of Stage 2

<table>
<thead>
<tr>
<th>Record Invests in 2013 &amp; 2014</th>
<th>By amount - ≈ 800 Mio € / 724 Mio € - as well as in % of sales</th>
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<tbody>
<tr>
<td>Production</td>
<td>Capacity increase on track, GF SOP’s ahead of schedule</td>
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<tr>
<td>Technology</td>
<td>AIBA: Development tool of the year, Contidrom award</td>
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<tr>
<td></td>
<td>ContiLifeCycle: Retreading and Recycled Rubber</td>
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<td></td>
<td>R&amp;D Campus</td>
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<td></td>
<td>High Performance Technology Center Korbach</td>
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<td>Markets</td>
<td>Retail presence extension reaches next stage</td>
</tr>
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</table>
## Continental Tire Division: Supporting Elements
### Research & Development Focus Areas

<table>
<thead>
<tr>
<th>Passenger &amp; Light Truck Tires</th>
<th>Truck Tires</th>
<th>Specialty Tires</th>
</tr>
</thead>
</table>
| › Globalization & market specific products per segment | › Best-in-class in rolling resistance and mileage | **Commercial Segment**
| › Broaden Ultra High Performance competence | › Leading in “lowest overall driving costs“ | › Leading in “lowest overall operating cost“
| › Best-in-class winter products | › Maximum retreadability | › Best in class products for end customer segments |
| › Hybrid and Electric Vehicle | | **Consumer Segment**
| › Labeling | | › Maintain technology leadership |

**Specialty Tires**

- **Commercial Segment**
  - Leading in “lowest overall operating cost“
  - Best in class products for end customer segments

- **Consumer Segment**
  - Maintain technology leadership
  - Market specific products
  - Explore new segments: e-Bike, scooter winter, classic racing
Continental Tire Division: Supporting Elements
Investments into Growth – Contidrom

Award Winner 2013:
› AIBA: Development Tool of the Year!
› Contidrom: Proving Ground of the Year

VEHICLE DYNAMICS INTERNATIONAL 2013

Proving Ground of the Year
Continental Tire Division: Supporting Elements
Continental was awarded as “Tire Manufacturer of the Year”

Continental has been awarded by the international expert magazine **Tire Technology International** in the category:

“Tire Manufacturer of the Year 2014”

› David Shaw, Tire Industry Research:

“Continental has combined the **global strategic view with great products** and a vision of a more sustainable future.”
AZ is a full service premium mold (mainly PLT) and machinery company

300 employees in Germany and Czech Republic, founded in 1964

Focus on mold production for (U)UHP and Nordic Winter tires

Highest requirements regarding complexity, performance and appearance

Technological synergies via in-house integration

Investment supports increased internal coverage of highly complex premium molds and flexibility
Continental Tire Division: Passenger & Light Truck Tires
Strategic investment into technology & process know-how

Korbach -
High Performance Technology Center

› 40 million EUR in new production and process technology hub
› Plant Korbach selected in close proximity to R&D Technology Campus Stöcken
› Project from 2015 – 2018 to set up:
› 400k PLT capacity (19 – 22 inch)
› Central production process development at highest existing performance requirements
Continental Tire Division: Passenger & Light Truck Tires
Excellent Position in Original Equipment Business

Leading Car Manufacturer have trust in our Products & Technologies:

› One of three cars in Europe are equipped with Continental tires
› One of six cars in the US are equipped with Continental and General Tire brand tires
› We have started to deliver tires to our OE customers in Russia (Kaluga plant) and China (Hefei plant), too
› We see further growth opportunities within the OE business on a global scale
Continental Tire Division: Passenger & Light Truck Tires
Numerous Awards for Continental Winter Tires in 2014

Highest recommendations for our winter products:

Continental WinterContact™
TS 850 P
205/55 R 16

„Vorbildlich“
Hält 10/2014

ADAC: Test 2/2014
54 Winterreifen in Test
CONTINENTAL
ContiWinterContact
TS 850
205/55 R 16
„gut“ (2,1)

Test

auto motor und sport
Testerteil: Ausgabe 20/2014
TESTSIEGER
Sehr Empfehlenswert
ContiWinterContact™ TS 850
205/55 R 16

21 August 2015, © Continental AG
Highest recommendations for our summer products:

**Continental Tire Division: Passenger & Light Truck Tires**

Numerous Awards for Continental Summer Tires in 2015

18 August 2015, © Continental AG
Continental Tire Division: Supporting Elements
Numerous Awards for Continental Bicycle Tires in 2014

Julien Absalon
UCI XC world champion 2014

Andreu Lacondeguy
Winner Red Bull Rampage 2014

Gee Atherton
UCI DH world champion 2014

Manon Carpenter
UCI DH world champion 2014

Sebastian Kienle
Winner Ironman Hawaii 2014
Continental Tire Division: Supporting Elements
Dandelion – Next Generation Rubber

Dandelion: Natural Rubber from Roots

› Most important environmental and economic award in Europe
› Common research project until 2018
› Material properties confirmed
› First test tires with Dandelion rubber were built in June 2014 in Aachen
Official Partner of the “Stop the Crash” Campaign
from GLOBAL NCAP – 2015 until 2018

Divisions Tires and Chassis & Safety are Official Partner of the Global NCAP “Stop the Crash” Campaign which is the follow up campaign to the eSafetyAware and eSafetyChallenge campaigns together with other leading Automotive Suppliers like Bosch, Denso and TRW.

› **Targets:**
  Create awareness of leading crash avoidance technologies in emerging markets. Increase customer demand for vehicles to be equipped with these technologies. Encourage governments to adopt relevant UN global standards accordingly. Promote the concept of vision zero and tyre maintenance and its role in reducing traffic crashes.

› **Technology focus:** ESC, AEB, Motorcycle ABS + Tire Pressure & Tread Depth

› **Campaign focus** are the emerging markets, focus of our own activation will be on markets that will integrate this cooperation into their own local activities

› **Timing:** Kick-off mid of Nov 2015 in Brazil, two technology demo events p.a.
Official Partner of the “Stop the Crash” Campaign

Communication about “Stop the Crash” Campaign

Communication will start most likely in June 2015 with the going live of the campaign website “stopthecrash”.

› **Target Groups:**
  Policy makers, media, fleet manager and the general public

› **Media Activation:**
  Integration into Global NCAPs new online magazine
  Campaign Website with videos from events and partners
  Two major events per year > 2016: Malaysia (May) and Mexico/India
  Global NCAP will focus on the following social media channels
  Twitter  Youtube  Facebook  Instagram  Flickr

› **Republication and activation by all partners is requested.**
Continental Tire Division: Supporting Elements
Vision 2025 – Our Efforts will lead to Podium Position

Passenger & Light Truck Tires\(^1\)  |  Truck Tires\(^1\)  |  Specialty Commercial\(^2\)

2010

Specialty Consumer\(^2\)

2010

\(^1\) Unit sales based  \(^2\) Net sales based
Continental Tire Division: Supporting Elements

Vision 2025 – Our Efforts will lead to Podium Position

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<td>2025</td>
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<tr>
<td>2010</td>
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</table>

- EMEA
- APAC
- Americas

\(^1\) Unit sales based
\(^2\) Net sales based
Public Soles with Conti rubber performance compounds increase grip on all surfaces. 80 different pairs of adidas shoes are produced with our technology today. Several World and Course Records underline the benefit of this co-operation. Co-branding at the points of sale supports our brand awareness on consumer level. Even snowboard shoes are on their way. Continental Tire Division: Passenger & Light Truck Tires “World Record“ technology co-operation with adidas

Find out more @ www.getyourgrip.com!