### Continental Corporation 2006

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>€ 14.9 billion</td>
</tr>
<tr>
<td>EBIT*</td>
<td>€ 1,601.9 million</td>
</tr>
<tr>
<td>Net income attributable to the shareholders of the parent</td>
<td>€ 981.9 million</td>
</tr>
<tr>
<td>Employees</td>
<td>85,224</td>
</tr>
</tbody>
</table>

*Earnings before interest and taxes*
Continental Corporation 2006

- Approx. €800 million spent on acquisitions
- €630 million transferred to contractual trust arrangement
- Approx. €800 million invested
- Innovative strength further reinforced with some €680 million for research and development
Continental Maintains Successful Long-Term Strategy

Sales in € millions

- 1996*: 5,333.1
- 1997*: 5,719.4
- 2005**: 13,837.2
- 2006**: 14,887.0

EBITA in € millions

- 1996*: 269.3
- 1997*: 321.7
- 2005**: 1,507.1
- 2006**: 1,601.9

* HGB (German Commercial Code)
**IFRS

x 2.60
x 4.98
Executive Board
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Continental Strategy – Unique Constellation of Continental

Focus

„Fahrverhalten“

Products

Automotive Systems

ESC / ACC

Interface

- TPMS / DDS+
- Transponder
- Active Vibration Control
- Air Springs
- Hybrid
- Telematics

Tires

- High Performance Tires
- Winter Tires

ContiTech

5 of 7 business units are the leaders in Europe

Role

One of the two leaders worldwide

Leading into new markets

Leader „where it counts“

Leadership in ‘Fahrverhalten’
Our Vision

- We make individual mobility safer and more comfortable
- Performance is our passion
- Creating value is our driving force
Traffic Fatalities & Number of Passenger Vehicles in Germany

* from 1990 incl. new countries; Source: Destatis, KBA
Electronic Stability Control (ESC) Installation Rates

ESC installation rate of pass. light vehicles being produced in the region

North America
Europe
Japan

NHTSA rule making

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

APIA – Active Passive Integration Approach

- Car-to-Car / Car-to-Infrastructure Communication
- Enhanced Collision Avoidance
- Remote Door Unlock
- Stolen Vehicle Track
- Traffic Information
- Navigation
- Hands-Free Phoning
- Mobile Device Accommodation
- Remote Maintenance
- Car-to-car Compatibility Adjustments
- Car-to-Car Communication
- Man-Machine-Interface Adaptation
- Crash Type Data (Rollover)
- Enhanced Emergency Rescue
- Comfort Electronics
- Electronic Brake System
- Global Chassis Control
- Brake Assistance
- Crash Preparation
- Electronic Control Units and Sensors for Airbags
- Enhanced Emergency Rescue

Active Safety

Normal Driving
Pre-Crash
In-Crash
Passive Safety
Post-Crash

= Automotive Systems current safety competence
= Motorola’s Automotive Electronics Business current telematics competence
= New Automotive Systems additional safety competence

Executive Board
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Telematics

Consumer Infotainment
- Portable Devices

Outside World
- GPS Location Info
- Networking
- OTA programming
- Nav map, Info, Traffic
- 2 way Communications Cell, DSRC, Mesh

Passive Safety Components
- eCall
- Airbag
- Seatbelt Pre-tensioning

Active Safety Components
- Radar
- Camera
- Stability Control
- Lane Change Warning
- Blind Spot Detection
- Sensor Assy.
- Cluster, F/R
- Force Feedback
- Pedal

Continental Innovation
APIA Telematics - Car2X Communication

Continental is working with the Car 2 Car Communication Consortium for standardization
Continental Contributions

- Reduction of CO₂ emission
- Saving Resources
- Driving pleasure by improved dynamics
Process Improvements (Per Ton Finished Goods)

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Consumption</td>
<td>100%</td>
<td>72.2%</td>
</tr>
<tr>
<td>Water Consumption</td>
<td>100%</td>
<td>60.7%</td>
</tr>
<tr>
<td>Waste Production</td>
<td>100%</td>
<td>71.8%</td>
</tr>
<tr>
<td>CO2 Emissions</td>
<td>100%</td>
<td>69.4%</td>
</tr>
</tbody>
</table>

2001 vs. 2005
EU CO₂ Emission Target for 2012

Motor Technologies:
- Powertrain
- Hybrid Drives
- Chassis
- Low Drag

Others:
- Telematics
- Tire Pressure Monitoring
- Tire Roll Resistance
- Bio Fuel blending

163 g/km*
- 33 g/km
130 g/km
- 10 g/km
120 g/km**

* average for new cars sold today, according to NEDC
** EU commission target proposal EurActiv Feb. 2nd, 2007
### Continental Innovations Reduce CO₂ Emissions by 4-5% + Hybrid

<table>
<thead>
<tr>
<th>Category</th>
<th>CO₂ Reduction by</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Powertrain</strong></td>
<td>- Hybrid drive incl. respective components</td>
</tr>
<tr>
<td></td>
<td>- Exhaust gas after treatment (hoses)</td>
</tr>
<tr>
<td></td>
<td>- Timing belt in oil for chain substitution (Conti Oil Runner)</td>
</tr>
<tr>
<td><strong>Brake System</strong></td>
<td>- Reduced weight of brake calipers, brake discs, brake actuations, ESC units</td>
</tr>
<tr>
<td></td>
<td>- Regenerative brake system (part of hybrid)</td>
</tr>
<tr>
<td></td>
<td>- Reduction / elimination of residual brake torque</td>
</tr>
<tr>
<td><strong>Tires</strong></td>
<td>- Reduction of weight and rolling resistance</td>
</tr>
<tr>
<td></td>
<td>- Tire pressure monitoring systems (TPMS, DDS etc.)</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>- Optimized traffic flow through telematics, ACC etc.</td>
</tr>
<tr>
<td></td>
<td>- Power-on-demand units (e.g. electric vacuum pump)</td>
</tr>
<tr>
<td></td>
<td>- Permeation-free hoses for passenger car A/C systems</td>
</tr>
</tbody>
</table>
# Hybrid Components & Parallel Hybrid Systems - System Approach

## Hybrid Components
- Electric motor
- Power electronics functions
- Clutches, Torsion dampers functions
- Transmission functions
- Energy storage system functions

## Hybrid Module

## Hybrid Transmission

## Hybrid System
- Regenerative brake functions
- Engine control unit
Production of all Automobile Manufacturers

Source: Global Insight

Focus: Growing Region

- Asia
- Eastern Europe
- Western Europe
- Germany
- Nafta
Conclusion:

Consistent Development in Asia and Eastern Europe
Definition of 'Low Cost Car'

- €5,000: Mature Market
  - Germany: VW Fox
  - China: Cherry QQ
  - India: Maruti 800

- €10,000: Emerging Market
  - Eastern Europe: Dacia Logan
  - India: Tata (SOP 2008)

- €3000: Emerging Market
  - Eastern Europe: Dacia Logan
  - India: Tata (SOP 2008)
Global Light Vehicle Production

Light Vehicle Production (in mill. units)

<table>
<thead>
<tr>
<th>Region</th>
<th>2007</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>25</td>
<td>35</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Western Europe</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>North America</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>South America</td>
<td>2</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Global Insight 03/2007
Objective 2007

5% Growth without acquisitions
Production in Eastern Europe

- **Czech Republic:** Otrokovice, Partizanske, Jicin (6,267 employees)

- **Slovakia:** Puchov, Zvolen (1,802 employees)

- **Romania:** Timisoara *(50th million tires)*, Sibiu *(5th million control units)*, Carei (2,754 employees)

- **Hungary:** Budapest, Veszprem, Vac, Mako, Nyiregyhaza, Szeged (4,343 employees)
Production in Asia

яджан: Lianyungang, Shanghai, Chanchun, Changzhi, Ningbo, Ninghai, Tianjin, Zhangjiagang (3,051 employees)

Japan: Yokohama, Monbetsu, Asahi, Hamakita, Hiroshima (866 employees)

Malaysia: Petaling, Alor Setar, Kulim (3,034 employees)

India: Calcutta, Delhi, Bangalore (928 employees)

Korea: Seoul, Busan (267 employees)

Philippines: Manila, Calamba (1,488 employees)

Taiwan: Tainan (15 employees)
## Acquisitions in the Past Months

<table>
<thead>
<tr>
<th>Acquisition</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>51% of Matador Rubber Group</td>
<td>Eastern Europe</td>
</tr>
<tr>
<td>Automotive electronics business from Motorola</td>
<td>North America</td>
</tr>
<tr>
<td>Roulunds Rubber Group</td>
<td>Asia</td>
</tr>
<tr>
<td>VTI Technologies</td>
<td>Asia, North America</td>
</tr>
</tbody>
</table>
'Cost Consciousness' – Production in Low-Cost Countries

Europe

Rest of World

PLT = Passenger and Light Truck Tires
CVT = Commercial Vehicle Tires

* Based on sales
** Based on units
Outlook 2007

We expect 2007 to see

- an increase in consolidated sales of at least 5%.
- a further improvement in the operating result.
- a positive free cash flow – before potential acquisitions.

In 2007 we intend

- to spend approximately 4.6% of sales on research and development.
- to invest approximately 6% of sales.
- to achieve a better balance sheet structure (acquisitions, organic growth, higher dividend).