

Preliminary Consolidated Financial Statements 2013 >

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	2013	2012
Sales	33,331.0	32,736.2
EBITDA	5,095.0	4,967.4
in % of sales	15.3	15.2
EBIT	3,263.7	3,186.2
in % of sales	9.8	9.7
Net income attributable to the shareholders of the parent	1,923.1	1,905.2
Earnings per share (in €)	9.62	9.53
Research and development expenses	1,878.4	1,744.8
in % of sales	5.6	5.3
Depreciation and amortization ¹	1,831.3	1,781.2
- thereof impairment ²	126.7	49.9
Operating assets as at December 31	15,832.3	16,277.6
EBIT in % of operating assets as at December 31	20.6	19.6
Operating assets (average)	16,804.0	16,953.8
EBIT in % of operating assets (average)	19.4	18.8
Capital expenditure ³	1,981.1	2,019.4
in % of sales	5.9	6.2
Number of employees as at December 31 ⁴	177,762	169,639
Adjusted sales ⁵	33,164.3	32,684.7
Adjusted operating result (adjusted EBIT) ⁶	3,736.5	3,611.5
in % of adjusted sales	11.3	11.0

¹ Excluding impairment on financial investments.

² Impairment also includes necessary reversals 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 the purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Owing to the first-time adoption of IAS 19 (revised 2011), Employee Benefits, as at January 1, 2013, all figures for the comparative period have been restated in accordance with the requirements of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

Development of Core Business Areas: Automotive Group

Automotive Group in € millions	2013	2012
Sales	20,016.1	19,505.1
EBITDA	2,490.5	2,470.3
in % of sales	12.4	12.7
EBIT	1,158.9	1,134.5
in % of sales	5.8	5.8
Research and development expenses	1,589.1	1,475.3
in % of sales	7.9	7.6
Depreciation and amortization ¹	1,331.6	1,335.8
- thereof impairment ²	127.8	75.0
Operating assets as at December 31	10,376.7	11,012.7
EBIT in % of operating assets as at December 31	11.2	10.3
Operating assets (average)	10,958.9	11,438.5
EBIT in % of operating assets (average)	10.6	9.9
Capital expenditure ³	1,015.5	1,035.9
in % of sales	5.1	5.3
Number of employees as at December 31 ⁴	103,217	98,619
Adjusted sales ⁵	20,010.9	19,453.6
Adjusted operating result (adjusted EBIT) ⁶	1,592.9	1,601.5
in % of adjusted sales	8.0	8.2

¹ Excluding impairment on financial investments.

² Impairment also includes necessary reversals 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 the purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Development of Core Business Areas: Rubber Group

Rubber Group in € millions	2013	2012
Sales	13,355.5	13,261.7
EBITDA	2,714.0	2,564.0
in % of sales	20.3	19.3
EBIT	2,214.8	2,120.1
in % of sales	16.6	16.0
Research and development expenses	289.3	269.5
in % of sales	2.2	2.0
Depreciation and amortization ¹	499.2	443.9
- thereof impairment ²	-1.1	-25.1
Operating assets as at December 31	5,545.0	5,333.7
EBIT in % of operating assets as at December 31	39.9	39.7
Operating assets (average)	5,913.3	5,590.7
EBIT in % of operating assets (average)	37.5	37.9
Capital expenditure ³	964.6	981.2
in % of sales	7.2	7.4
Number of employees as at December 31 ⁴	74,233	70,734
Adjusted sales ⁵	13,184.3	13,261.7
Adjusted operating result (adjusted EBIT) ⁶	2,256.0	2,091.6
in % of adjusted sales	17.1	15.8

¹ Excluding impairment on financial investments.

² Impairment also includes necessary reversals 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 the purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

EBITDA

EBITDA	in € millions		in % of sales	
	2013	2012	2013	2012
Chassis & Safety	990.2	1,007.9	13.6	14.3
Powertrain	650.2	609.0	10.4	9.9
Interior	850.2	853.3	12.9	13.3
Tires	2,137.7	2,005.1	22.3	20.7
ContiTech	576.3	558.9	14.9	15.1
Other/consolidation	-109.6	-66.8	–	–
Continental Corporation	5,095.0	4,967.4	15.3	15.2

EBIT

EBIT	in € millions		in % of sales	
	2013	2012	2013	2012
Chassis & Safety	598.9	672.7	8.2	9.5
Powertrain	179.5	48.3	2.9	0.8
Interior	380.6	413.5	5.8	6.4
Tires	1,752.7	1,666.5	18.3	17.2
ContiTech	462.1	453.6	11.9	12.2
Other/consolidation	-110.1	-68.4	–	–
Continental Corporation	3,263.7	3,186.2	9.8	9.7

Adjusted Operating Result (Adjusted EBIT)¹

Adjusted operating result (adjusted EBIT) ¹	in € millions		% of adjusted sales ²	
	2013	2012	2013	2012
Chassis & Safety	689.8	721.0	9.5	10.2
Powertrain	317.9	297.4	5.1	4.8
Interior	585.3	583.1	8.9	9.1
Tires	1,790.7	1,640.3	18.7	17.0
ContiTech	465.3	451.3	12.4	12.2
Other/consolidation	-112.5	-81.6	–	–
Continental Corporation	3,736.5	3,611.5	11.3	11.0

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

² Before changes in the scope of consolidation.

Key Figures per Share

Key figures per share in € ¹	2013	2012
Basic earnings	9.62	9.53
Diluted earnings	9.62	9.53
Free cash flow	9.09	8.26
Dividend	2.50 ²	2.25
Dividend payout ratio (%)	26.0 ²	23.6
Dividend yield (%)	2.2 ²	3.1
Total equity (book value) as at December 31	45.05	38.89
Share price at year-end	159.40	87.59
Average share price	111.70	72.55
Average price-earnings ratio (P/E ratio)	11.61	7.61
High	161.90	87.95
Low	80.66	48.10
Average trading volume (XETRA)	472,368	638,588
Number of shares, average (in millions)	200.0	200.0
Number of shares as at December 31 (in millions)	200.0	200.0

¹ All share 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 25, 2014.

Consolidated Statement of Income

in € millions	2013	2012
Sales	33,331.0	32,736.2
Cost of sales	-25,529.4	-25,616.9
Gross margin on sales	7,801.6	7,119.3
Research and development expenses	-1,878.4	-1,744.8
Selling and logistics expenses	-1,657.0	-1,581.5
Administrative expenses	-698.7	-661.2
Other expenses and income	-342.2	-16.7
Income from at-equity accounted investees	37.6	63.4
Other income from investments	0.8	7.7
Earnings before interest and taxes	3,263.7	3,186.2
Interest income	29.1	27.8
Interest expense ¹	-833.4	-526.6
Net interest expense	-804.3	-498.8
Earnings before taxes	2,459.4	2,687.4
Income tax expense	-449.6	-697.8
Net income	2,009.8	1,989.6
Non-controlling interests	-86.7	-84.4
Net income attributable to the shareholders of the parent	1,923.1	1,905.2
Basic earnings per share in €	9.62	9.53
Diluted earnings per share in €	9.62	9.53

¹ Including gains and losses from foreign currency translation, from changes in the fair value of derivative instruments as well as from available-for-sale financial assets. Interest effects from pension obligations and from other long-term employee benefits as well as from pension funds are also included.

Consolidated Statement of Financial Position

Assets in € millions	Dec. 31, 2013	Dec. 31, 2012
Goodwill	5,520.9	5,622.2
Other intangible assets	557.7	945.1
Property, plant and equipment	7,728.0	7,391.0
Investment property	20.4	19.8
Investments in at-equity accounted investees	450.0	376.5
Other investments	7.9	6.9
Deferred tax assets	928.4	850.4
Defined benefit assets	6.0	2.0
Long-term derivative instruments and interest-bearing investments	285.1	433.9
Other long-term financial assets	45.0	23.8
Other long-term assets	20.1	14.1
Non-current assets	15,569.5	15,685.7
Inventories	2,830.9	2,998.7
Trade accounts receivable	5,315.8	4,993.3
Other short-term financial assets	336.2	321.8
Other short-term assets	601.2	661.4
Income tax receivables	69.3	77.9
Short-term derivative instruments and interest-bearing investments	18.3	102.3
Cash and cash equivalents	2,044.8	2,397.2
Assets held for sale	34.8	211.8
Current assets	11,251.3	11,764.4
Total assets	26,820.8	27,450.1

Total equity and liabilities in € millions	Dec. 31, 2013	Dec. 31, 2012
Subscribed capital	512.0	512.0
Capital reserves	4,155.6	4,155.6
Retained earnings	5,535.3	4,062.2
Other comprehensive income	-1,191.7	-950.8
Equity attributable to the shareholders of the parent	9,011.2	7,779.0
Non-controlling interests	311.0	377.4
Total equity	9,322.2	8,156.4
Provisions for pension liabilities and similar obligations	2,391.1	2,583.1
Deferred tax liabilities	113.2	269.2
Long-term provisions for other risks and obligations	266.9	308.5
Long-term portion of indebtedness	5,041.2	4,181.0
Other long-term financial liabilities	16.2	13.1
Other long-term liabilities	42.2	52.7
Non-current liabilities	7,870.8	7,407.6
Trade accounts payable	4,596.3	4,344.6
Income tax payables	588.2	713.3
Short-term provisions for other risks and obligations	631.1	597.0
Indebtedness	1,596.3	4,072.3
Other short-term financial liabilities	1,448.0	1,406.9
Other short-term liabilities	767.9	751.2
Liabilities held for sale	–	0.8
Current liabilities	9,627.8	11,886.1
Total equity and liabilities	26,820.8	27,450.1

Consolidated Statement of Cash Flows

in € millions	2013	2012
Net income	2,009.8	1,989.6
Income tax expense	449.6	697.8
Net interest expense	804.3	498.8
EBIT	3,263.7	3,186.2
Interest paid	-565.1	-602.3
Interest received	30.8	27.8
Income tax paid	-805.4	-683.5
Dividends received	37.9	57.6
Depreciation, amortization, impairment and reversal of impairment losses	1,831.3	1,781.2
Income from at-equity accounted and other investments, incl. Impairments and reversals of impairment losses	-46.3	-71.1
Gains from the disposal of assets, companies and business operations	-86.9	-10.8
Other non-cash items	-2.4	-13.3
Changes in		
inventories	67.9	1.0
trade accounts receivable	-451.6	359.7
trade accounts payable	379.8	203.2
pension and similar obligations	-8.2	-65.5
other assets and liabilities	76.3	-385.7
Cash flow arising from operating activities	3,721.8	3,784.5
Proceeds on disposal of property, plant and equipment, and intangible assets	27.2	34.2
Capital expenditure on property, plant and equipment, and software	-1,980.7	-2,017.6
Capital expenditure on intangible assets from development projects and miscellaneous	-42.9	-63.1
Proceeds on the disposal of companies and business operations	246.9	7.1
Acquisition of companies and business operations	-154.0	-92.6
Cash flow arising from investing activities	-1,903.5	-2,132.0
Cash flow before financing activities (free cash flow)	1,818.3	1,652.5
Changes in short-term debt	-339.1	-336.8
Proceeds from the issuance of long-term debt	4,082.3	1,102.0
Principal repayments on long-term debt	-5,276.6	-1,192.9
Step acquisitions	-48.5	-18.1
Dividends paid	-450.0	-300.0
Dividends paid and repayment of capital to non-controlling interests	-62.7	-49.5
Cash and cash equivalents arising from first consolidation of subsidiaries	1.7	4.8
Cash flow arising from financing activities	-2,092.9	-790.5
Change in cash and cash equivalents	-274.6	862.0
Cash and cash equivalents as at January 1	2,397.2	1,541.2
Effect of exchange rate changes on cash and cash equivalents	-77.8	-6.0
Cash and cash equivalents as at December 31	2,044.8	2,397.2

Segment Reporting

Segment report by division for 2013

in € millions	Chassis & Safety	Powertrain	Interior
External sales	7,229.4	6,195.0	6,589.5
Intercompany sales	39.8	65.3	16.2
Sales (total)	7,269.2	6,260.3	6,605.7
EBIT (segment result)	598.9	179.5	380.6
in % of sales	8.2	2.9	5.8
- thereof income from at-equity accounted investees	15.6	-3.5	22.4
Capital expenditure ¹	401.7	360.5	253.3
in % of sales	5.5	5.8	3.8
Depreciation and amortization ²	391.3	470.7	469.6
- thereof impairment ³	41.4	38.9	47.5
Internally generated intangible assets	5.4	5.8	29.1
Significant non-cash expenses/income	12.9	-13.7	0.5
Segment assets	5,447.4	4,173.3	5,193.7
- thereof investments in at-equity accounted investees	76.7	204.1	75.5
Operating assets as at December 31	3,865.3	2,759.7	3,751.7
ROCE in % as at December 31	15.5	6.5	10.1
Operating assets (average)	4,032.6	2,936.9	3,989.4
ROCE in % (average)	14.9	6.1	9.5
Segment liabilities	1,582.1	1,413.6	1,442.0
Number of employees as at December 31 ⁴	36,496	32,353	34,368

in € millions	Tires	ContiTech	Other/ Consolidation	Continental Corporation
External sales	9,567.9	3,749.2	–	33,331.0
Intercompany sales	15.3	129.1	-265.7	–
Sales (total)	9,583.2	3,878.3	-265.7	33,331.0
EBIT (segment result)	1,752.7	462.1	-110.1	3,263.7
in % of sales	18.3	11.9	–	9.8
- thereof income from at-equity accounted investees	1.9	0.0	1.2	37.6
Capital expenditure ¹	798.6	166.0	1.0	1,981.1
in % of sales	8.3	4.3	–	5.9
Depreciation and amortization ²	385.0	114.2	0.5	1,831.3
- thereof impairment ³	-1.3	0.2	–	126.7
Internally generated intangible assets	–	–	-0.1	40.2
Significant non-cash expenses/income	12.6	-6.7	7.7	13.3
Segment assets	6,277.4	1,908.0	29.9	23,029.7
- thereof investments in at-equity accounted investees	85.4	1.3	7.0	450.0
Operating assets as at December 31	4,309.3	1,235.7	-89.4	15,832.3
ROCE in % as at December 31	40.7	37.4	–	20.6
Operating assets (average)	4,645.8	1,267.5	-68.2	16,804.0
ROCE in % (average)	37.7	36.5	–	19.4
Segment liabilities	1,968.1	672.3	119.3	7,197.4
Number of employees as at December 31 ⁴	44,508	29,725	312	177,762

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

² Excluding impairment on financial investments.

³ Impairment also includes necessary reversals of impairment losses.

⁴ Excluding trainees.

Segment report by division for 2012

in € millions	Chassis & Safety	Powertrain	Interior
External sales	7,012.8	6,073.7	6,417.6
Intercompany sales	39.7	61.1	16.6
Sales (total)	7,052.5	6,134.8	6,434.2
EBIT (segment result)	672.7	48.3	413.5
in % of sales	9.5	0.8	6.4
- thereof income from at-equity accounted investees	18.6	0.1	35.3
Capital expenditure ¹	383.8	395.0	257.1
in % of sales	5.4	6.4	4.0
Depreciation and amortization ²	335.2	560.7	439.8
- thereof impairment ³	-2.0	75.9	1.1
Internally generated intangible assets	23.0	8.2	29.5
Significant non-cash expenses/income	-5.8	-27.5	10.5
Segment assets	5,421.1	4,226.7	5,569.4
- thereof investments in at-equity accounted investees	79.5	128.5	73.7
Operating assets as at December 31	3,970.1	2,866.3	4,176.2
ROCE in % as at December 31	16.9	1.7	9.9
Operating assets (average)	4,097.4	3,028.1	4,313.0
ROCE in % (average)	16.4	1.6	9.6
Segment liabilities	1,451.0	1,360.4	1,393.2
Number of employees as at December 31 ⁴	34,517	31,028	33,074

in € millions	Tires	ContiTech	Other/ Consolidation	Continental Corporation
External sales	9,648.4	3,583.7	–	32,736.2
Intercompany sales	16.6	128.1	-262.1	–
Sales (total)	9,665.0	3,711.8	-262.1	32,736.2
EBIT (segment result)	1,666.5	453.6	-68.4	3,186.2
in % of sales	17.2	12.2	–	9.7
- thereof income from at-equity accounted investees	8.2	0.1	1.1	63.4
Capital expenditure ¹	830.2	151.0	2.3	2,019.4
in % of sales	8.6	4.1	–	6.2
Depreciation and amortization ²	338.6	105.3	1.6	1,781.2
- thereof impairment ³	-25.1	0.0	–	49.9
Internally generated intangible assets	–	–	–	60.7
Significant non-cash expenses/income	-11.0	-5.9	126.9	87.2
Segment assets	6,075.7	1,796.9	20.9	23,110.7
- thereof investments in at-equity accounted investees	86.6	1.2	7.0	376.5
Operating assets as at December 31	4,154.3	1,179.4	-68.7	16,277.6
ROCE in % as at December 31	40.1	38.5	–	19.6
Operating assets (average)	4,430.8	1,159.9	-75.4	16,953.8
ROCE in % (average)	37.6	39.1	–	18.8
Segment liabilities	1,921.4	617.5	89.6	6,833.1
Number of employees as at December 31 ⁴	42,524	28,210	286	169,639

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

2 Excluding impairment on financial investments.

3 Impairment also includes necessary reversals of impairment losses.

4 Excluding trainees.

Reconciliation of EBIT to Net Income

Reconciliation of EBIT to net income in € millions	2013	2012
Chassis & Safety	598.9	672.7
Powertrain	179.5	48.3
Interior	380.6	413.5
Tires	1,752.7	1,666.5
ContiTech	462.1	453.6
Other/consolidation	-110.1	-68.4
EBIT	3,263.7	3,186.2
Net interest expense	-804.3	-498.8
Earnings before income taxes	2,459.4	2,687.4
Income tax expense	-449.6	-697.8
Net income	2,009.8	1,989.6
Non-controlling interests	-86.7	-84.4
Net income attributable to the shareholders of the parent	1,923.1	1,905.2
Basic earnings per share in €	9.62	9.53

Continental AG

in € millions	2013	2012
Net income	496.9	658.0
Accumulated profits brought forward from the previous year	416.5	208.5
Retained earnings	913.4	866.5

A dividend payment of €2.50 per share shall be proposed to the Annual Shareholders' Meeting on April 25, 2014.

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