Check against delivery.

(Please note that all data are preliminary figures subject to approval and adoption by the Supervisory Board.)

Statements by the Chief Executive Officer of Continental Aktiengesellschaft, Dr. Elmar Degenhart, and the company's Chief Financial Officer, Wolfgang Schäfer, at the Annual Financial Press Conference in Frankfurt/Main on March 7, 2013

"Continental achieves success in difficult environment."

Dr. Elmar Degenhart, Chief Executive Officer of Continental AG:

Good morning, Ladies and Gentlemen!

I would like to welcome you on behalf of the Executive Board of Continental AG to our Annual Financial Press Conference for the 2012 fiscal year. I am delighted to see you again.

Many of you were on hand just around the corner from here in the heart of Frankfurt when we were able to celebrate the announcement of our return to the DAX-30. That was at the

Deutsche Börse on September 6, 2012. At that time we marked this milestone by noting that “This step confirms the successful hard work of the more than 170,000 Continental employees worldwide in recent years”. Half a year later, our preliminary figures for fiscal 2012 again demonstrate that we have continued along our successful path:

1. **Continental has posted another record year in 2012.**
2. **Continental has slightly exceeded its targeted key data for sales and adjusted EBIT.**
3. **Continental has achieved medium-term milestones ahead of schedule.**

A year ago, facing an unclear market situation, we ourselves would not have dared to predict that we would today be able to present you this impressive list. Step by step, the global Continental team has again boosted its productivity. This is evident in the additional financial strength we have gained:

- We aimed to reduce our net indebtedness to below €6.5 billion by the end of 2012. On December 31, 2012 it actually amounted to €5.3 billion. This means that we beat our target by much more than a billion euros!
- We had targeted a gearing ratio of below 70% by the end of 2012 and below 60% in the medium term. At the end of 2012, the gearing ratio was, in fact, 58%. We clearly did better than we had targeted for the year. Medium-term target achieved early!
- We aimed for an equity ratio of 30% to 35% in the medium term. At the end of 2012, the equity ratio was 33.5% – meaning that we were in the middle of the target corridor much sooner than planned!

- We had set ourselves the target of achieving an investment grade rating: the rating agencies would then assess us according to Continental's key figures on a stand-alone basis. With our ratings from Standard & Poor’s (S&P) and Moody’s, we already succeeded in this in 2012.

In late January 2013, we successfully refinanced our bank loans, well in advance of their due date in 2014. When we take this into account as well, the results shape up overall as follows:

We have reduced our gearing to a competitive level and thereby significantly increased our financial flexibility.

Our own increasingly strong performance was the key factor in this development. The higher-than-anticipated growth of the North American and Asian markets helped us along here. In addition, the pricing pressure on the raw material front eased up. But ultimately it is thanks to Continental's successful hard work that the company continues to gain strength and trust at many different levels – especially among our customers, banks and investors.

They are all putting more and more stock in our reliability and our growing performance capability, our technological expertise and our ideas for future mobility. In 2012 alone, our Automotive Group nailed down a medium-term order volume of around €25 billion from our customers in the automotive industry – a record figure. We have gotten off to an early start in working with our customers on tomorrow's key mobility issues. Any uncertainties are now a thing of the past. Your Continental is back, and stronger than ever.

We are therefore better poised than in the past to further expand our position as a leading automotive supplier, tire

manufacturer and industrial partner – equally agile and flexible and bold and determined.

We thus look to 2013 and the coming years with great confidence. We realize that uncertain market developments will be our constant companion, at least in some of our markets. However, we also know that we can deal with this. In 2012, we demonstrated this in more than offsetting the effects of the recession in parts of Europe by profiting from the growth in North and South America and in Asia, particularly China.

All in all, we have achieved the best results in Continental's 142-year history.

- In 2012, we generated a profit of close to €1.9 billion. This corresponds to €9.42 per share, after €6.21 in fiscal 2011.
- We therefore intend to propose to the Annual Shareholders' Meeting in Hanover on May 15, 2013 that a dividend of €2.25 per share be paid out for fiscal 2012.
- Relative to net income attributable to the shareholders of the parent, this corresponds to a dividend payout ratio of around 24%, which is comparable to the ratio of 2011.

As in the previous year, out intention here is for our shareholders to participate directly in the company's success. In addition to the dividend, our shareholders also benefit from the extremely positive share price performance – with an increase of 82% in fiscal 2012 alone. As such, our shares displayed the highest price increase of any of the DAX companies.

It is fair to say that an investment in Continental shares paid off handsomely in 2012.

In our forecast for the current year we remain confident, albeit a bit more guarded, than in 2012. Essentially, we expect markets to develop much the same as in 2012: Europe will remain weak, while North America is likely to grow, though at a much slower pace than in 2012. We expect strong growth in Asia, with China as the driving force there.

Global production of cars with a weight of up to six metric tons overall is expected to increase only slightly from approximately 81 million units in 2012 to 82.5 million units this year. In 2013, we are, nonetheless, targeting an increase in sales of around 5% to more than €34 billion, with the adjusted margin remaining above 10%. But before I present our detailed outlook for 2013, Wolfgang Schäfer will first discuss the key facts and figures for fiscal 2012.

Wolfgang Schäfer, Chief Financial Officer:

Thank you, Dr. Degenhart. As CFO, it is of course a pleasure to be able to present key figures like these:

- In 2012 we achieved a 7.3% increase in sales to €32.7 billion, slightly exceeding our target.
- At the same time, we generated EBIT of close to €3.1 billion.
- Our EBIT margin rose from 8.5% to 9.4%.
- Adjusted EBIT – adjusted in particular for acquisition-related amortization and special effects – amounts to approximately €3.5 billion.
- The adjusted EBIT margin increased from 10.0% to 10.8%. As such, we slightly exceeded our forecast for fiscal 2012.
- The net income of almost €1.9 billion also exceeded our forecasts.

Free cash flow was considerably higher than expected, amounting to more than €1.6 billion. This is, of course, due primarily to strong net income and successful efforts to reduce the working capital ratio. However, we were also helped along by the fact that business was comparatively quiet in December, which caused fewer customer receivables that month. In the same month, customer receivables were also reduced to a greater extent by payments than expected. You are welcome to take this as an indication that the total amount does not reflect our business performance and therefore is not necessarily to be viewed as sustainable.

Furthermore, cash flow is always measured as of the reporting date: On December 31, 2012, we had a lower level of receivables than would be expected on a long-term basis. The situation was just the opposite at the end of 2011: Compared to the previous year, operating receivables declined in 2012 by around €360 million. Overall, working capital fell by a good €560 million to a little over €3.6 billion.

One last word on the free cash flow: Although what I have just said put the figure in perspective to some extent, we are still very satisfied, especially since we were, at the same time, investing more than ever – over €2 billion – and thereby strengthening the foundation for further growth.

Dr. Degenhart has already mentioned the refinancing of our bank loans that was successfully agreed upon ahead of schedule in January. We reduced the credit volume to €4.5 billion and split it into two tranches: firstly, a loan of €1.5 billion with a term of three years; due to our higher business volume, we, secondly, increased the 5-year revolving line of credit from €2.5 billion to €3.0 billion.

Among other things, we are no longer required to furnish physical securities. Because our bonds fulfill the conditions of this bank facility, all of the bonds have also been “unsecured” as of this date.

This development provides further evidence of our “return to normality” and of the growing confidence placed in us. At the same time, it will allow us to take advantage of favorable market opportunities for much more flexibly financing in the future.

Our strong key figures and our company's stable financing base are clearly paying off in terms of our interest expenses, which fell by almost €100 million in 2012, to approximately €564 million. By way of comparison, in both 2009 and 2010 interest expenses amounted to more than €760 million. In each of these years, we thus expended a good €200 million more in interest payments than in 2012. In the current year, interest expenses for bonds and bank loans are expected to decrease further. We are also holding open the option of calling in ahead of schedule one or more of the bonds maturing in 2015 or later. This would be possible from the second half of 2013 onward. In view of the current situation on the credit market, this step would further reduce interest expenses in later years.

Bear in mind that I am talking only about interest expenses here. The positive effect of the early bond redemption options also impacts favorably on net interest – to the tune of around €113 million. This has no effect on cash. However, not only will this effect not be repeated in 2013. It will be reversed. In the worst case, this could result in a negative impact of around €250 million, which will not affect cash, either.

In addition to net interest, the positive development of our net income was supported by a tax rate of just 26%. It was also boosted by the strong business performance in North America, where we were able to take advantage of tax loss carryforwards.

Overall, we are very satisfied both with our financing and with our statement of financial position. This can lastly also be seen in our liquidity: As of December 31, 2012, Continental had liquidity reserves totaling €5.2 billion. This was almost €1.5 billion more than at the end of 2011. Cash and cash equivalents amounted to €2.4 billion. There were also committed and unutilized lines of credit of €2.8 billion. This allows a business like ours to develop further on a secure and solid basis and with the necessary speed and agility.

Dr. Elmar Degenhart, Chief Executive Officer:

Thank you, Mr. Schäfer.

Ladies and Gentlemen, right at the start, I already addressed the topic of automated driving. It is clear to us that automated driving will be a key element of future mobility. As a system supplier, we are well equipped for this. We have a sound combination of driver assistance systems that have already been tested millions of times. And we have specific development projects. We therefore have a clear roadmap in mind:

- By 2016, we will develop new solutions for many more driver assistance systems for our customers and start series production of these. Starting in 2016, such systems may be serving highway drivers in stop-and-go situations at low speeds of up to 30 kilometers per hour.
- Together with our customers, we will be able to have initial applications for highly automated driving ready to go into

production by 2020. These will include applications for use at higher speeds and in more complex driving situations.
- Fully automated driving is expected to be technically possible by 2025.

Automated driving can increase traffic safety enormously and therefore save lives. We are familiar with this in the aviation industry. Automated driving will certainly not lead to the frequently evoked disempowerment of drivers, anymore than it did for pilots. Instead, an interactive and optionally automated car will give the driver even more individual mobility freedom.

For example, drivers taking the same route to work every day will no doubt be happy to let the vehicle take charge. The same applies to long hauls on the highway, as monotonous and tiring as this kind of driving is. With suitable systems on board, future drivers will be able to decide whether to do the driving themselves or to let the vehicle take over. We strongly believe in this beneficial effect for all drivers. We also expect the growing number of older drivers to additionally boost demand.

More than 1,250 specialists at Continental are already busy laying the groundwork for automated driving – with driver assistance systems such as adaptive cruise control and emergency brake assist. These systems warn, support and relieve the driver in various situations using sophisticated technology such as mono cameras, infrared and radar. New and more advanced components such as stereo cameras are being added. This steadily enhances the functionality of the systems.

Innovations like this are what drives future growth. This is why we spent considerably more than €1.7 billion on research and development in various key future areas in 2012 – roughly 10% more than in the previous year. This corresponded to a healthy 5.4% of sales. The Automotive divisions accounted for the lion's share of R&D expenditure, amounting to approximately

€1.5 billion. At almost 8%, the ratio in the Automotive Group was thus above average for this sector of industry.

As announced, we have ensured our future growth not only with spending on research and development, but also with capital expenditure totaling more than €2 billion. This was again €300 million more than in 2011. The strong 6.2% ratio followed on an already record-setting 5.6% in 2011.

In the current year, we will continue to put our growth plans into action with a capital expenditure ratio of around 6% again. However, we will continue to keep a close eye on the longer-range development in the markets.

Which brings us to the outlook for the future.

Ladies and Gentlemen,
I would now like to discuss **what we see up ahead** in the current fiscal year.

I would like to start by taking a look at our business performance so far: As expected, 2013 got off to a difficult start. Current assessments indicate that combined light vehicle production in Europe and NAFTA will fall by around 8% in the first quarter of 2013. For Europe alone, we anticipate a decline in production of 12%. We still generate approximately 50% of our Automotive Group sales in this region. This year, the downturn in the first quarter cannot be offset by growth in other regions, as was possible, for example, in the fourth quarter of 2012. Demand on the replacement tire markets in Europe and NAFTA is, moreover, also showing continued sluggish development.

Overall, we therefore expect consolidated sales to drop 1% to 3%

in the first quarter vis-à-vis the record sales in the first quarter of 2012. For the remainder of the year, we expect to see a pickup in consolidated sales, particularly in the latter half of 2013, buoyed by an increase in global light vehicle production and demand on the replacement tire markets.

As mentioned earlier, for all of 2013, we anticipate an increase in global production of passenger cars, station wagons and light commercial vehicles from 80.9 million units in 2012 to approximately 82.5 million in 2013. We also expect demand on Continental's key replacement tire markets to grow by around 2%. These assumptions form the basis for the following projections:

- We anticipate an increase in sales of around 5% to more than €34 billion.
- Following the record year 2012, we aim to keep the adjusted EBIT margin at the high level of over 10% in 2013 as well.
- In the current year, risks could arise from a slowdown in global economic growth. This particularly applies to the possibility of a further decline in economic activity within the eurozone.
- A more positive development of the global economy may generate added opportunities.
- We do not currently anticipate any significant negative impact from higher raw material prices in 2013.
- We expect interest expenses for bank loans and bonds to decrease further in the current year.
- For 2013, we anticipate special effects of approximately €50 million.
- Amortization from the purchase price allocation relating chiefly to the acquisition of Siemens VDO in 2007 will amount to around €370 million in 2013. By the end of 2014 it will then be fully amortized.

- The tax rate will be under 30% in the current year.
- Capital expenditure in 2013 is expected to remain at the previous year's high level.
- We are planning for free cash flow of more than €700 million in the current year.
- Net indebtedness is expected to decrease further in 2013.
- Despite the negative influences on equity resulting from the first-time application of new accounting standards, the gearing ratio should remain below 60% as of the end of 2013.
- In spite of the new accounting standards, we expect 2013 to close with an equity ratio above 32%.

Ladies and Gentlemen,

that's it for our outlook. Although we are focusing on automated driving as a key future trend, we are not assuming “automatic growth” as well. As in the previous years, consistent hard work will be required in order to achieve our goals. However, in light of the experiences of the past years, we are convinced that we will be among the winners in the automotive industry. Both the technology trends and the growth of emerging markets in Asia, Russia and South America work in our favor.

Buoyed by the growing trust of our customers and investors and supported by highly motivated employees, we look to this year and beyond with confidence.

I now look forward to your questions!