Continental

Dresdner Kleinwort

German Investment Seminar 2009

January 14th, 2009

Dr. Alan Hippe
CFO & Vice Chairman

Agenda

- **Continental at a Glance**
- Recent financial performance 9M/08
- Status of the integration
- Schaeffler situation
- Latest developments
- Outlook 2008
- Status of amendment process

Continental at a glance
Organizational Changes

Sales 2007*/pro forma**	**€ 16,619.4 mn / € 26,400 mn**
EBIT 2007*	**€ 1,675.8 mn**
EBIT margin 2007*	**10.1%**

Automotive Group **Headed by: CEO K.-T. Neumann**			**Rubber Group** **Headed by: CFO and Vice Chairman A. Hippe**		
Chassis & Safety	**Powertrain**	**Interior**	**Passenger and Light Truck Tires**	**Commercial Vehicle Tires**	**ContiTech**
Headed by: **K.-T. Neumann** **COO R. Cramer**	**Headed by:** **K.-T. Neumann**	**Headed by:** **K.-T. Neumann** **COO H. Matschi**	**Headed by:** **A. Hippe**	**Headed by:** **H.-J. Nikolin**	**Headed by:** **H.-G. Wente**
• No.1 for foundation brakes • No.2 for EBS and brake boosters • No.1 for airbag electronics	• No.1 for transmission control • No.2 for diesel systems • No.2 for gasoline systems	• No.1 for instrument clusters • No.1 for tacho-graphs in CV • No.1 for telematics	• No.1 in Europe • No.1 in Europe for OE • No.1 in Europe for winter tires	• No.1 for industrial tires in Europe • No.2 in Europe in OE • No.3 in Europe	• No.1 in 6 out of 7 business units in Europe

* *Since December 1, 2007 including Siemens VDO*
** *Including 12 month of Siemens VDO*

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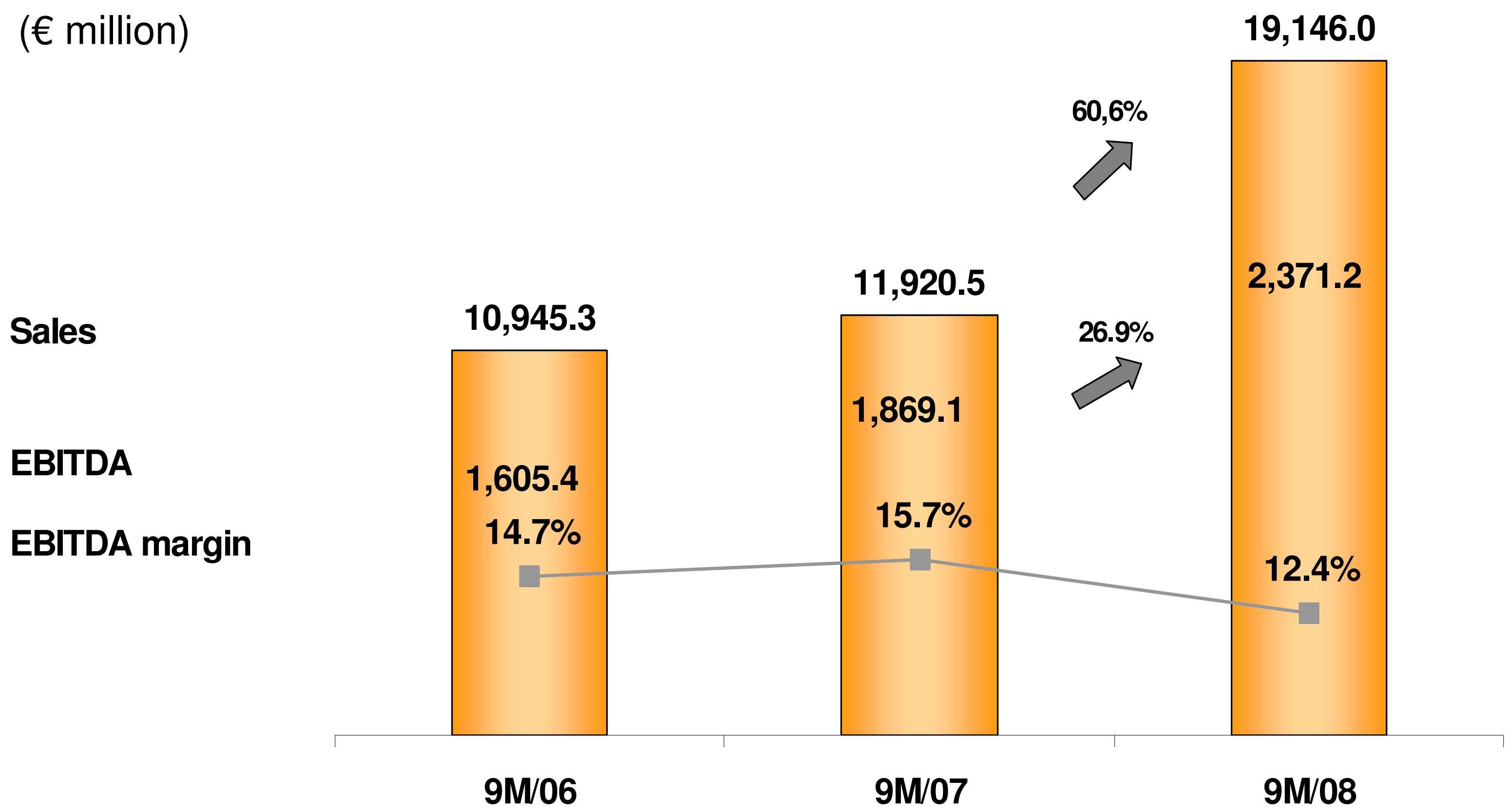
Recent Financial Performance 9M/2008
Corporation



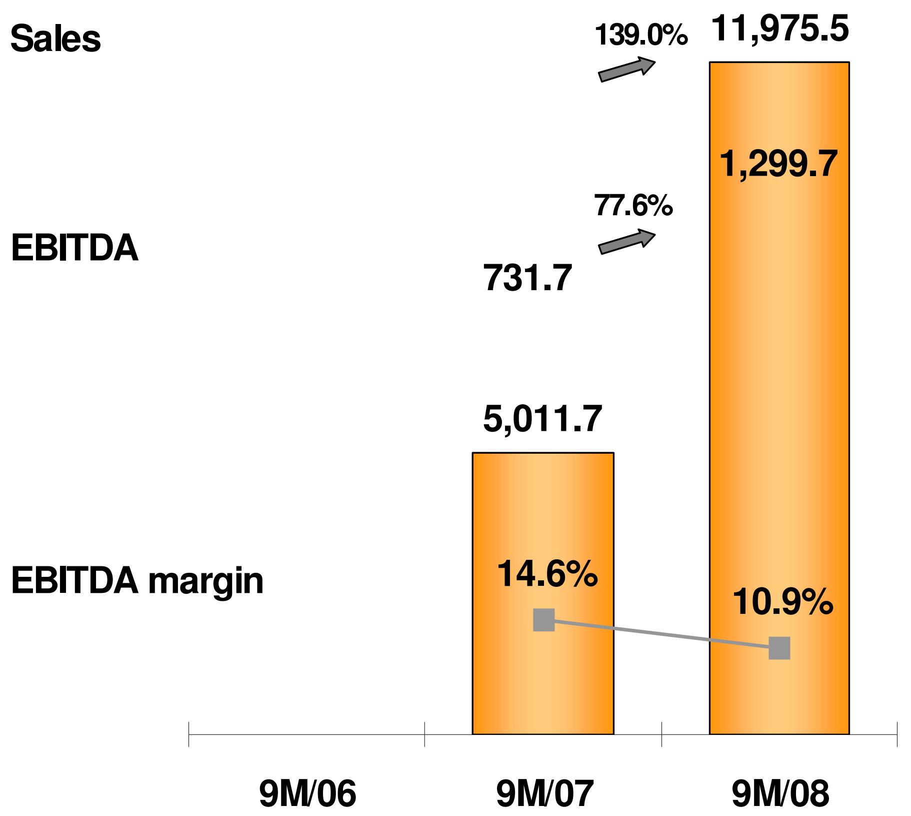
	9M/06	9M/07	9M/08
EBIT w/o PPA *		**1,356.6** **	**1,494.9** ***
EBIT margin w/o PPA		**11.4%**	**7.8%**

w/o PPA* and special effects 8.2% (Q3/08: 5.8%)

* *Amortization of intangibles from PPA and depreciation of tangibles from PPA (Siemens VDO only)*
** *EBIT w/o PPA after special effects (€ -45.8 mn)*
*** *EBIT w/o PPA after special effects (€ -74.7 mn)*

Recent Financial Performance 9M/2008
Automotive Group

(€ million)



EBIT w/o PPA	*	503.9	**	728.7	***
EBIT margin w/o PPA		10.1%		6.1%	

w/o PPA* and special effects 6.9 % (Q3/08: 4.1%)

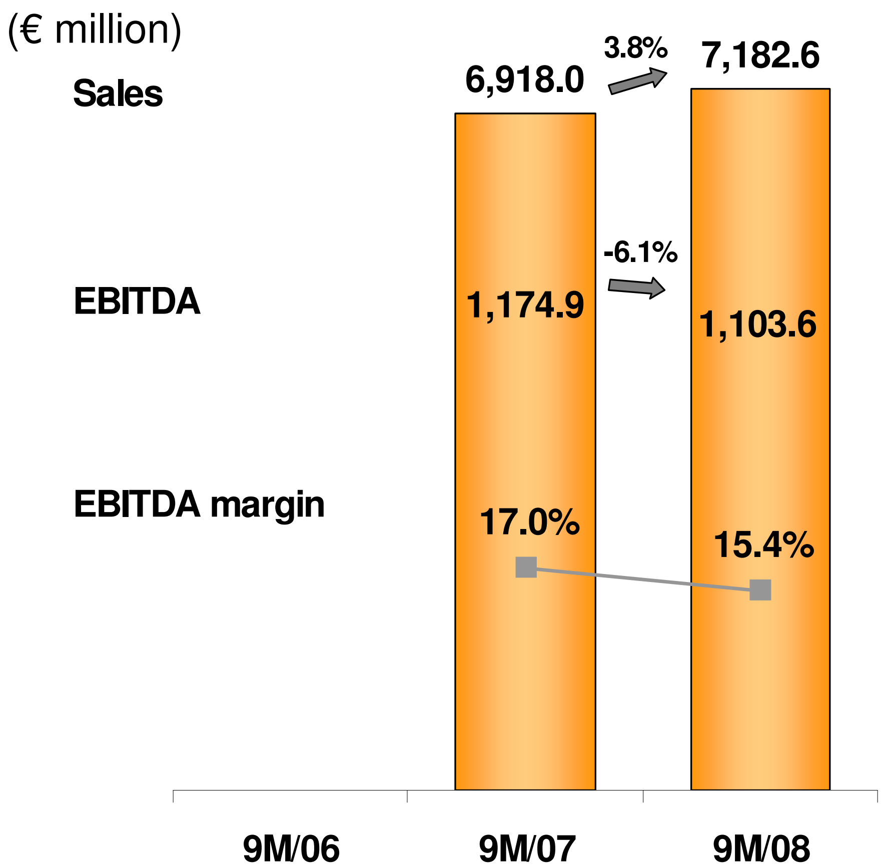
- Sales increase of 139.0%
- EBITDA increased by € 568.0 mn (+77.6%)
- EBIT w/o PPA* and special effects increased by € 303.7 mn to 831.8 mn (+57.5%)
- PPA* effect in 9M/08: € 415.1 mn
- Special effects 9M/08: € 103.1 mn
- EBIT margin w/o PPA* and special effects at 6.9% (9M/07: 10.5%)
- R&D expenses of € 1,041.3 mn (8.7% of sales)
- Capex spending of € 763.3 mn (6.4% of sales)

* *Amortization of intangibles from PPA and depreciation of tangibles from PPA (Siemens VDO, only)*

** *EBIT w/o PPA after special effects (€ -24.2 mn)*

*** *EBIT w/o PPA after special effects (€ -103.1 mn)*

Recent Financial Performance 9M/2008
Rubber Group



	9M/06	9M/07	9M/08
EBIT w/o PPA *		891.9**	800.1***
EBIT margin w/o PPA		12.9%	11.1%

w/o PPA*, consolidation and special effects 11.1% (Q3/08: 9.4%)

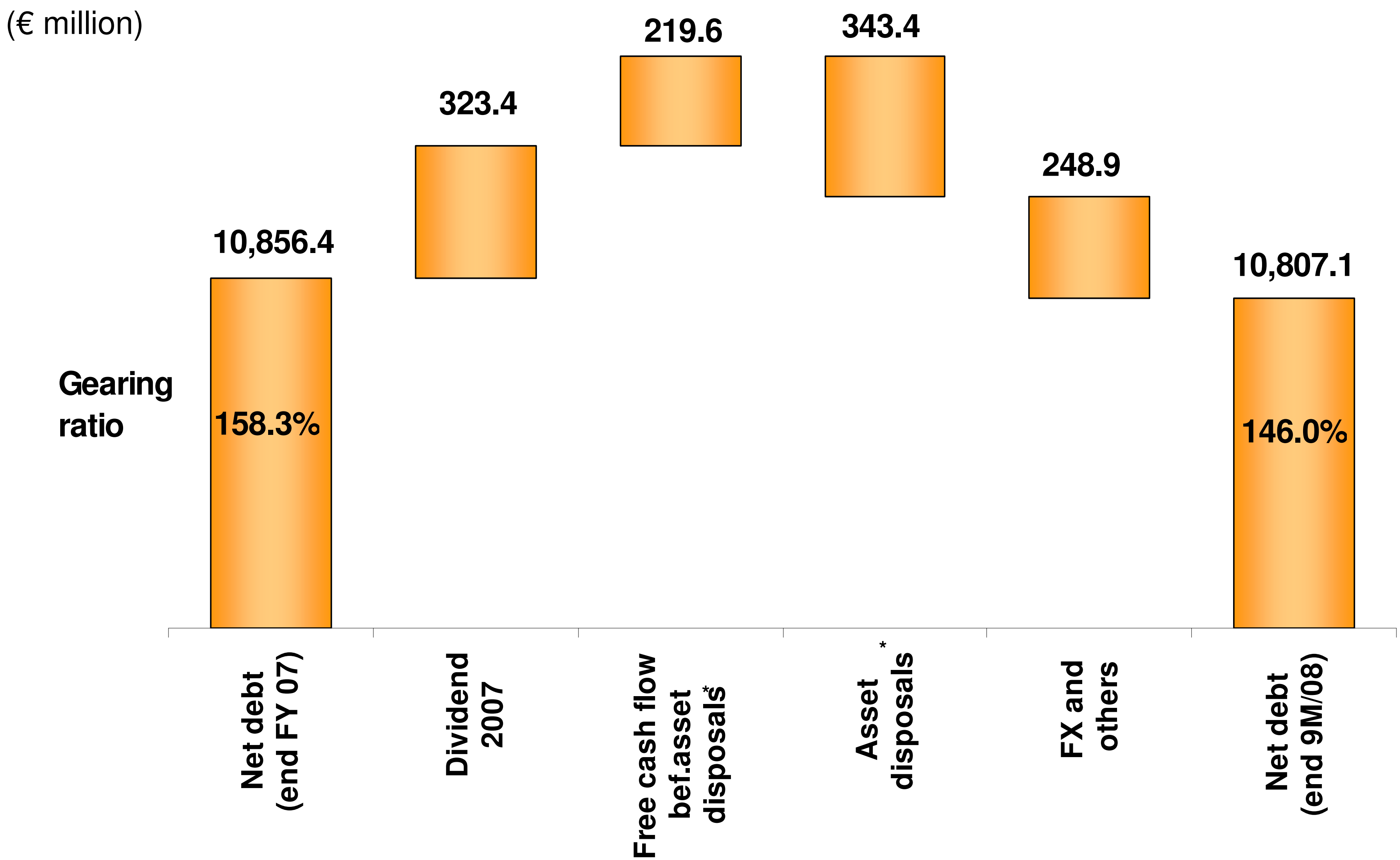
* *Amortization of intangibles from PPA*

** *EBIT w/o PPA after consolidation (€ -0.4 mn) and special effects (€ -21.6 mn)*

*** *EBIT w/o PPA after consolidation (€ -0.8 mn) and special effects (€ +28.4 mn)*

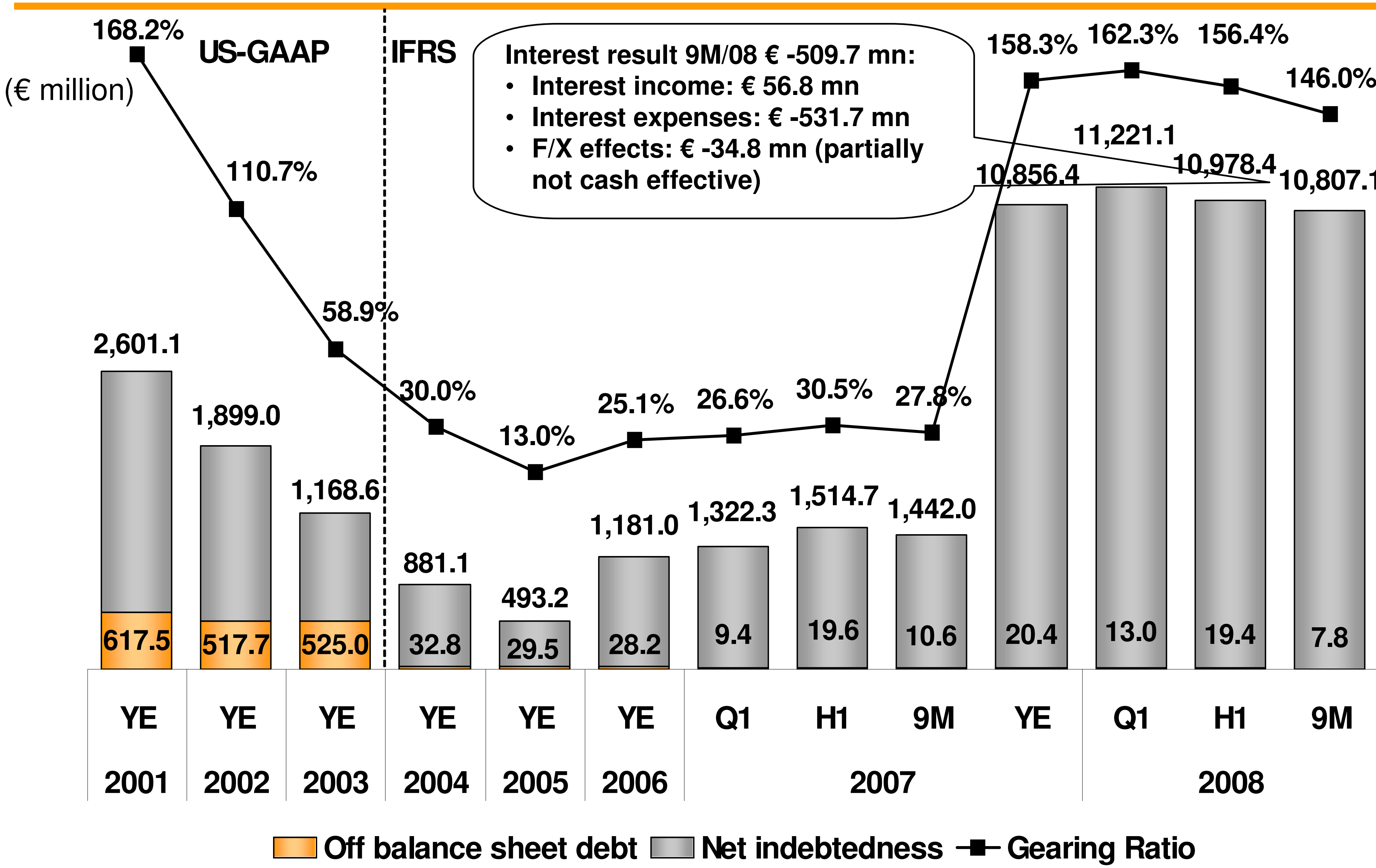
- **Sales increase of 4.0% before consolidation and FX effects**
- **EBITDA decreased by € 71.3 mn (-6.1%)**
- **Adjusted EBIT w/o PPA* decreased by € 141.4 mn to € 772.5 mn (-15.5%)**
- **Adjusted EBIT margin w/o PPA* at 11.1% (9M/07: 13.3%)**
- **Raw material impacted EBIT negatively with € 205 mn in 9M/08 vs. 9M/07**
- **R&D expenses of € 171.2 mn (2.4% of sales)**
- **Capex spending of € 348.5 mn (4.9% of sales)**

Recent Financial Performance 9M/2008
Net indebtedness walk-down (FY 2007 to 9M 2008)



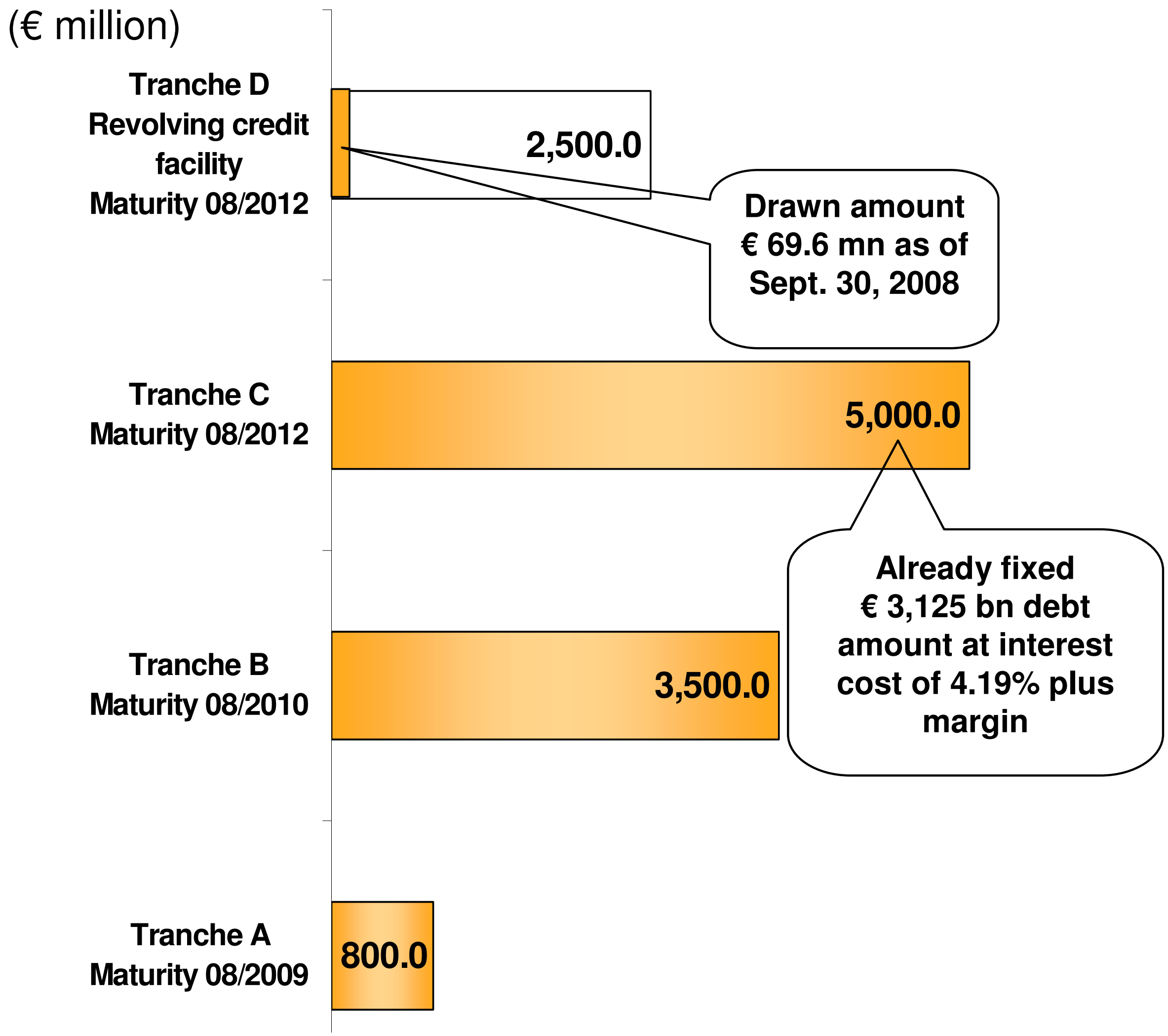
* *EMD, furniture covering business of Benecke-Kaliko, Phoenix Dichtungstechnik GmbH, HUF Hülsbeck, ETAS*

Recent Financial Performance 9M/2008
Net indebtedness & gearing ratio



Recent Financial Performance 9M/2008

Structure of multicurrency term loans and revolving credit facility (MTLRCF*)



- **Margin grid for the MTLRCF* is now 46,25 to 56,25** bps above EURIBOR or LIBOR**
- **Financial covenants are in force**
- **More than € 2.4 bn headroom under RCF*****

- **Current credit ratings**

  S&P rating
  - BBB- / credit watch negative
  - Since December 15, 2008

  Moody's rating
  - Ba1 / outlook negative
  - Since December 16, 2008

* *Multicurrency term loans and revolving credit facility (nominal value)*
** *Increased to 60-70 bps after Moody's downgrade from Dec. 18, 2008*
*** *Revolving credit facility (nominal value)*

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Status of the Integration
Roadmap to improvement in the Automotive Group

Next steps

- Reduction of R&D
- Delay/reduction of capex

Ongoing developments

- **Combined platform approach**
- **Transfer of production to LLCC**
- **Localization of suppliers for mechanical parts**
- **Portfolio screening**
- **Negotiate on pricing of loss making contracts**

Prepare for future growth

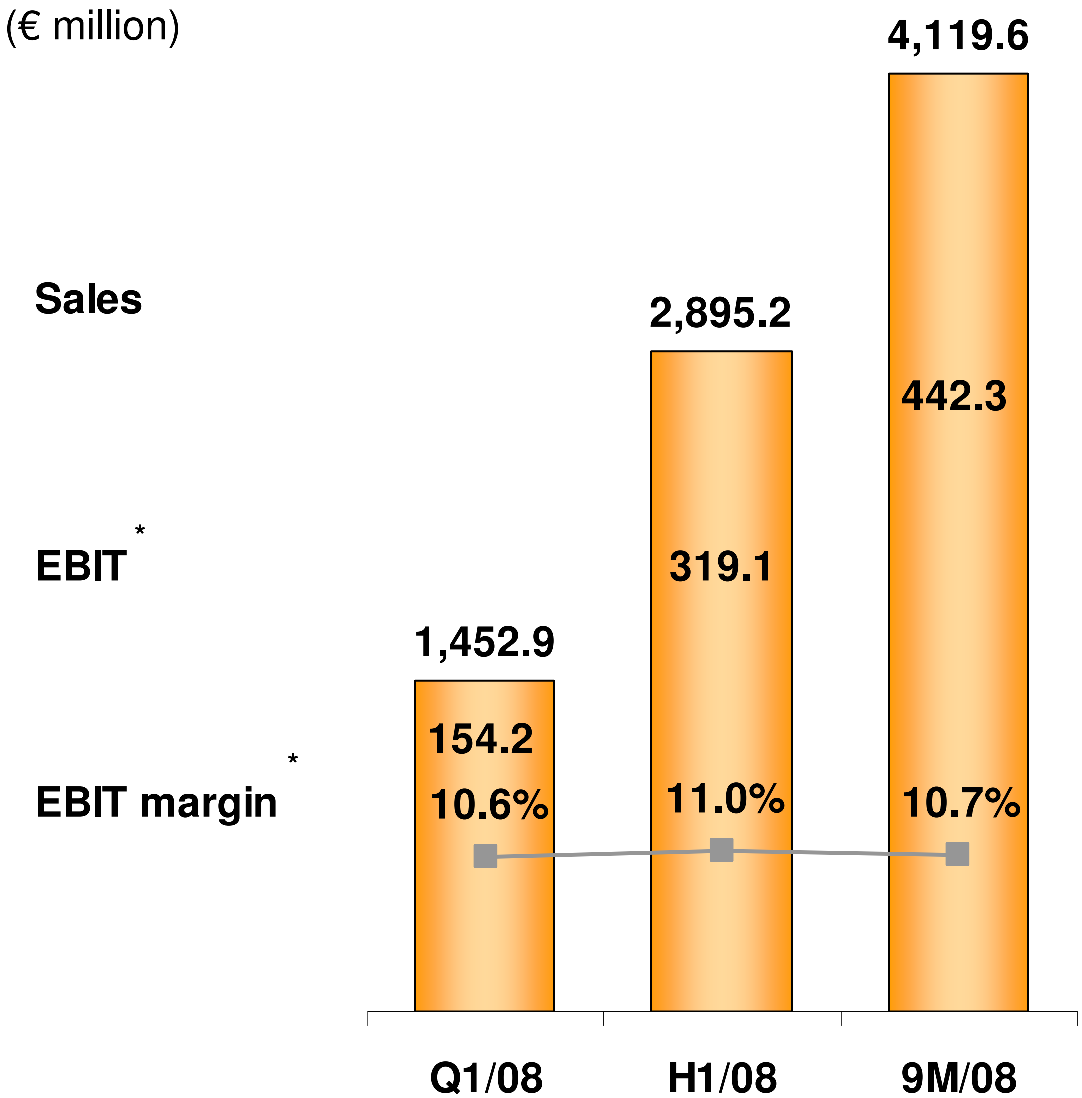
- Development of high-technology systems to comply with legal requirements, i.e. Powertrain
- Risk diversification through Joint Ventures

Catching the low hanging fruits

- Optimize organizational structure
- Disposal of underperforming or non-core assets
- Consolidation of locations
- Combined purchasing

LLCC = Low labor cost country

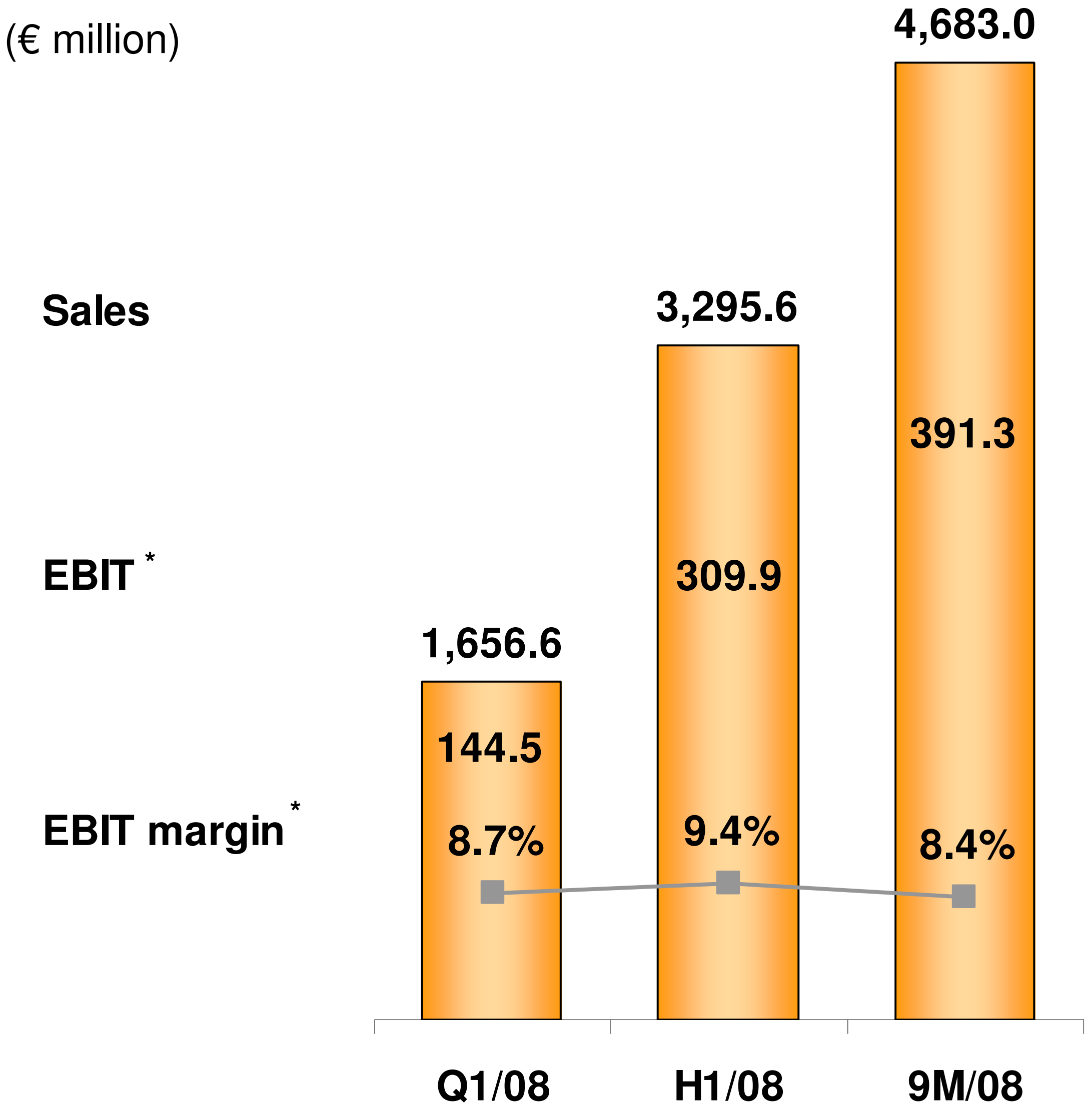
Status of the Integration
Chassis and Safety



- Sound financial performance
- EBIT margin* already above minimum target level despite the weak production volumes in Q3/08
- Integration efforts almost completed
- Focus over the next coming years is to stabilize at high margin level and to grow top line

* *Before amortization of intangibles from PPA and depreciation of tangibles from PPA (Siemens VDO only) and special effects*

Status of the Integration Interior

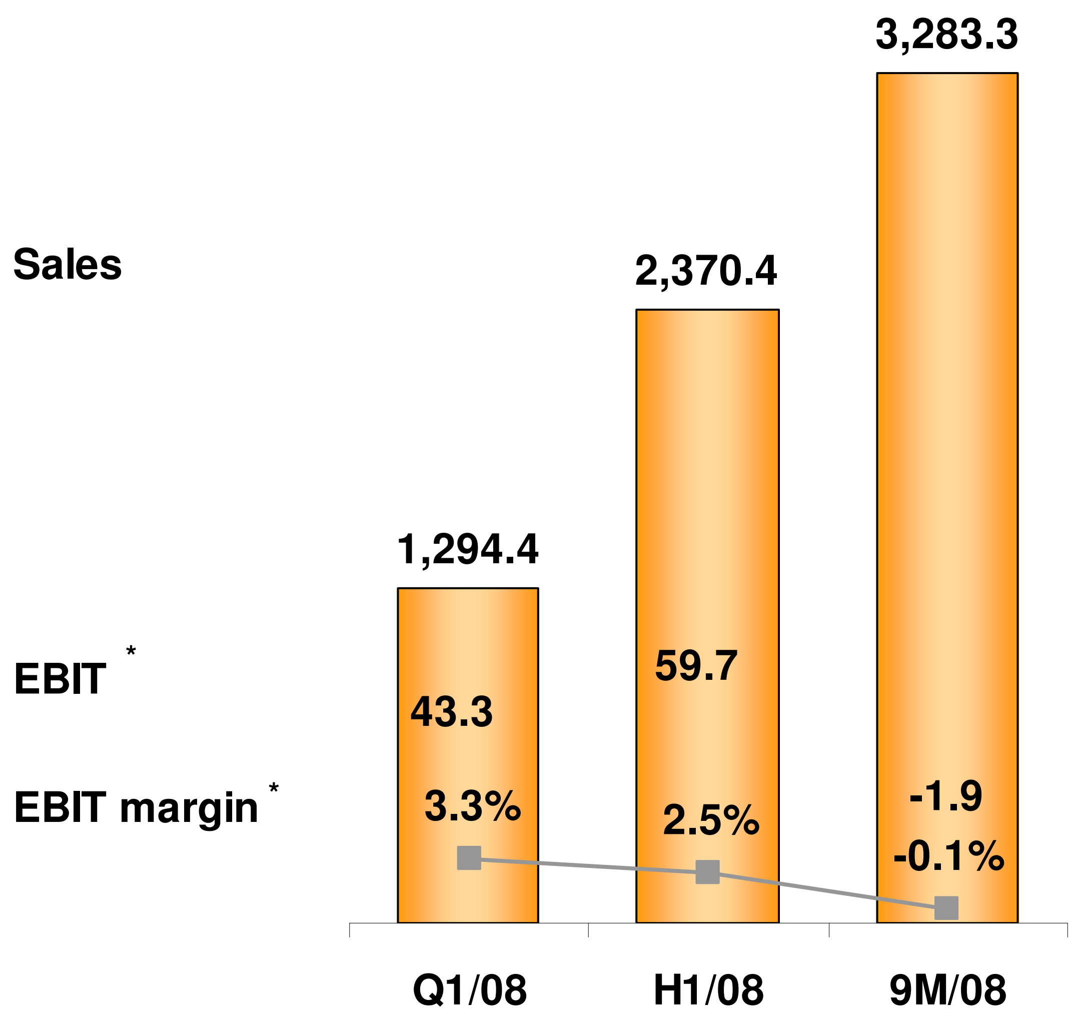


- Many restructuring & integration tasks were already implemented in 2008
- As a result financial performance showed a significant improvement already in H1/08 but suffered from weak production volumes in Q3/08
- Next efforts will focus on R&D consolidation and transfer of production in LLCC

* *Before amortization of intangibles from PPA and depreciation of tangibles from PPA (Siemens VDO only) and special effects*

Status of the Integration Powertrain

(€ million)



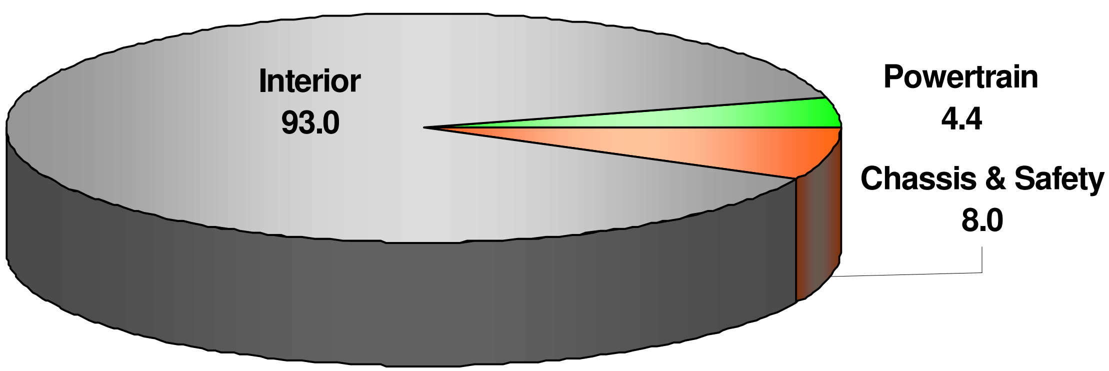
- EBIT margin* turned negative to 9M/08 and shows the lowest level within the Automotive Group
- Financial performance driven amongst others by high R&D spending (10.3% of sales after 9M/08)
- Many efforts have been initiated with focus on R&D consolidation, purchasing, LLCC production

* *Before amortization of intangibles from PPA and depreciation of tangibles from PPA (Siemens VDO only) and special effects*

Status of the Integration
Restructuring and integration efforts

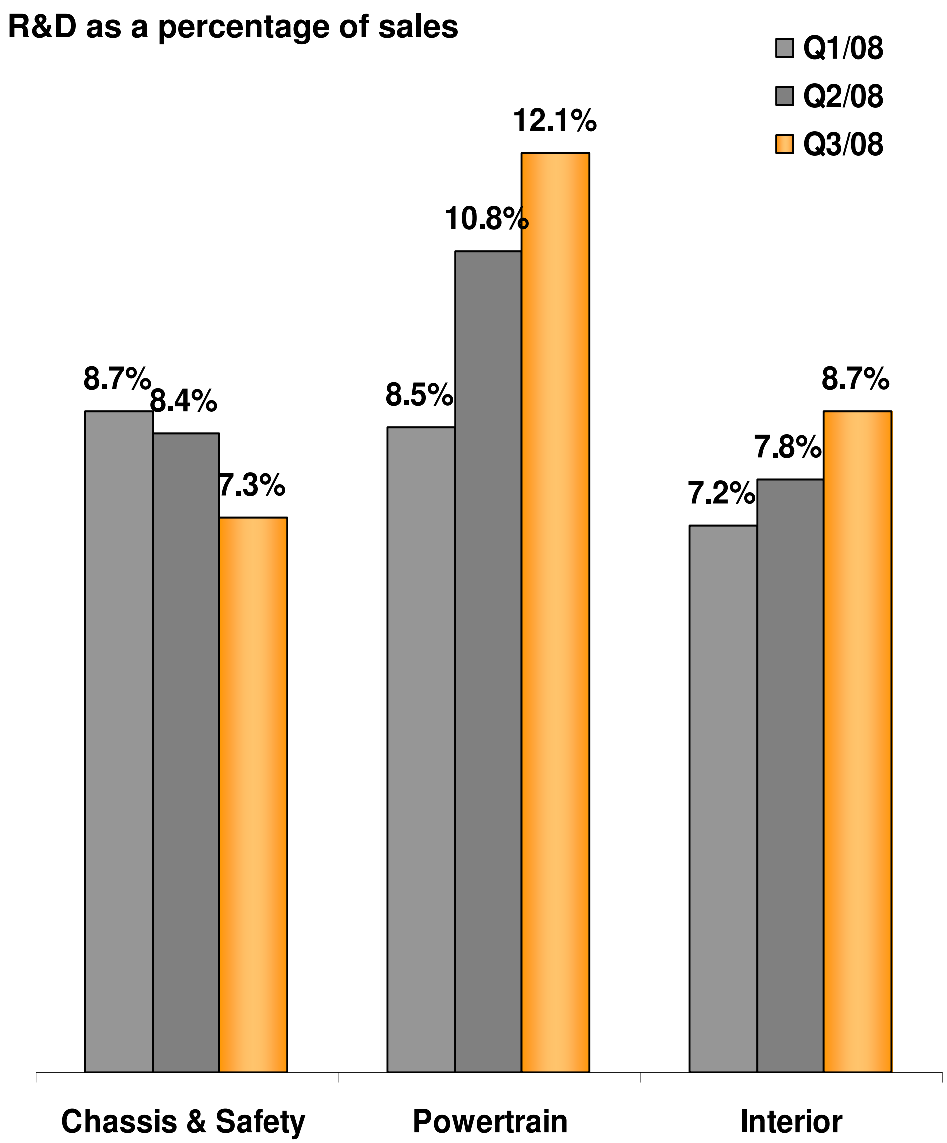
Chassis & Safety	• Suspension of sensor production in Dortmund • Consolidation and transfer of R&D activities
Interior	• Closure of plant in Bangalore • Suspension of production in Wetzlar • Transfer of production from Rambouillet to LLCC* • Consolidation and transfer of R&D activities • Initiation of disposal of non core assets
Powertrain	• Combining diesel with gasoline engine systems to BU** Engine Systems • Disposal of EMD*** business to Brose (€ EUR 740 mn in sales) • Suspension of sensor production in Dortmund • Consolidation and transfer of R&D activities • Initiation of disposal of Fuel Supply business

Integration & restructuring costs 2007 and 9M 2008: € 117.6m



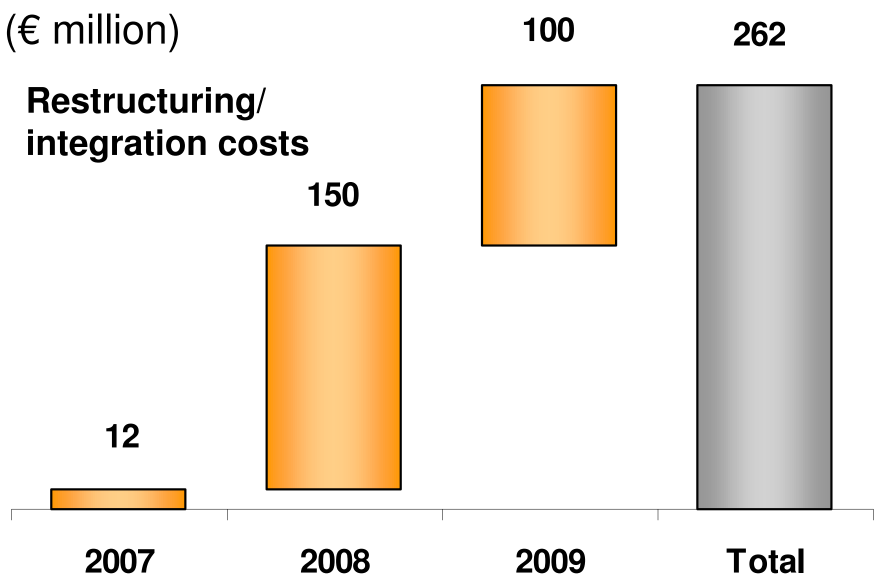
*   *LLCC = Low labor cost country*
**   *BU = Business Unit*
*** *Electric Motor Drives*

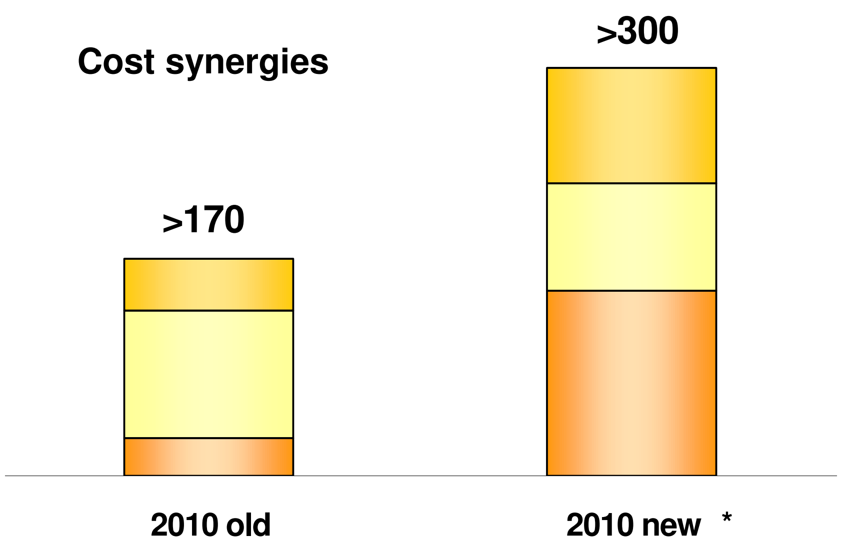
Status of the Integration
Opportunity cutting R&D spending



- Automotive Group spent € 1,041 mn on R&D in the first 9 month
- R&D efforts remain high to help OEMs i.e. meeting future emission targets
- R&D ratio of Chassis & Safety on appropriate and sustainable level
- Efforts initiated to bring down R&D spending at Interior
- Focus over the next month is clearly to significantly consolidate and reduce R&D spending at Powertrain

Status of the Integration
Restructuring/integration costs & cost synergies





- **Original cost expectation of a low triple digit million amount of restructuring/ integration costs will be achieved**
- **By 2010 € 300-350 mn net synergies expectation unchanged , thereof**
  - **R&D ~25%**
  - **SG&A/IT/Processes ~25%**
  - **Purchasing ~50%**
- **No sales synergies included**

** Updated: February 2008*

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Schaeffler situation
Main elements of the investment agreement

Investment agreement fully in force since Jan. 8, 2009	• Open ended investment agreement • Investment agreement cannot be terminated before spring 2014 • Limitation of Schaeffler's shareholding to 49.99% until 2012 • Preemption right for the 49.99% stake of a third party named by guarantor and Continental • Compensation of up to € 522 mn for certain tax and financial damages
Investment agreement guarantees	• Continuation of management's current business strategy for all divisions and business units • Potential cooperation between Schaeffler and Continental on a project basis (arm's length) – no disadvantage for Continental
Investment agreement restrictions for Schaeffler	• NO merger, NO domination agreement, NO profit transfer agreement, • NO increase of financial leverage, NO special dividend, • NO delisting
Current Shareholder structure	• Offer was closed on January 8, 2009 • Schaeffler holding increased to 49,90% as of Jan 8, 2009* • B. Metzler seel. Sohn & Co 19.50% as of Jan. 8, 2009 • Sal. Oppenheim jr. & Cie 5.48% as of Dec. 22 • Total number of shares outstanding 169,005,983 per Dec. 31, 2008

Note: according to Schaeffler's press release dated January 8, 2009 (www:schaeffler-angebot.de)

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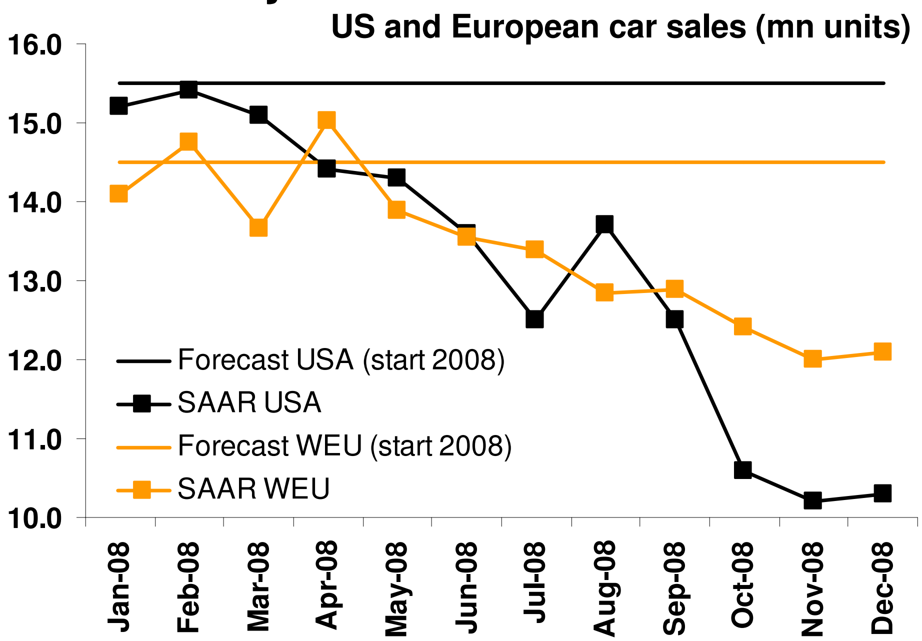
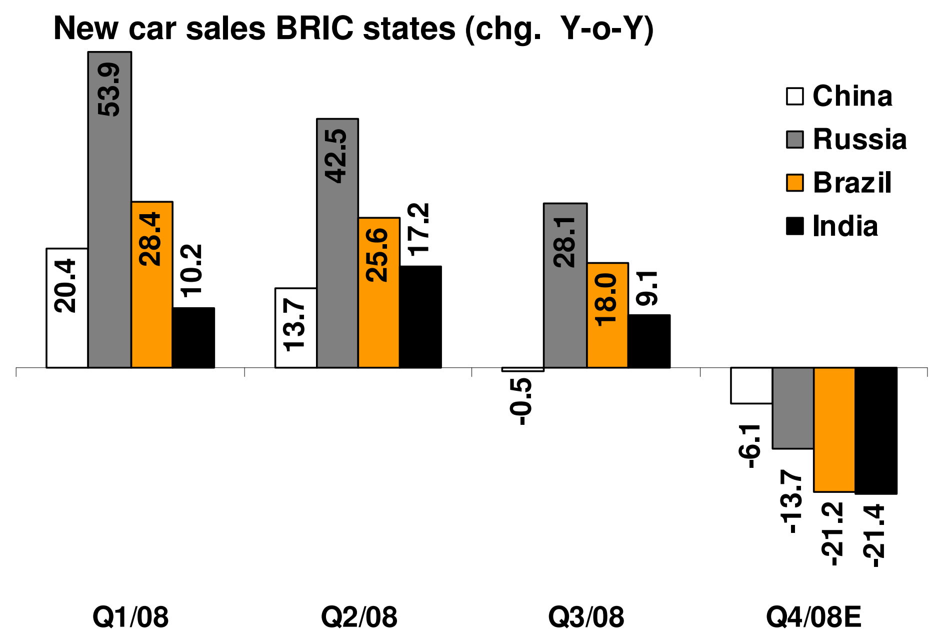
Latest Developments
New car sales Europe, US and BRIC…

- US SAAR fell below 13 mn in August and did not recover since; was 10.3 mn in December
- New car sales in the US came down to 13.2 mn (-18% Y-o-Y)
- European markets held up in H1 but deteriorated in H2; New car sales down by 8%

- BRIC countries held up very well in H1 and got affected as well in H2/08
- Q4 sales declined in China, Russia Brazil and India
- Russian growth decelerated from 54% in Q1 to -14% in Q4



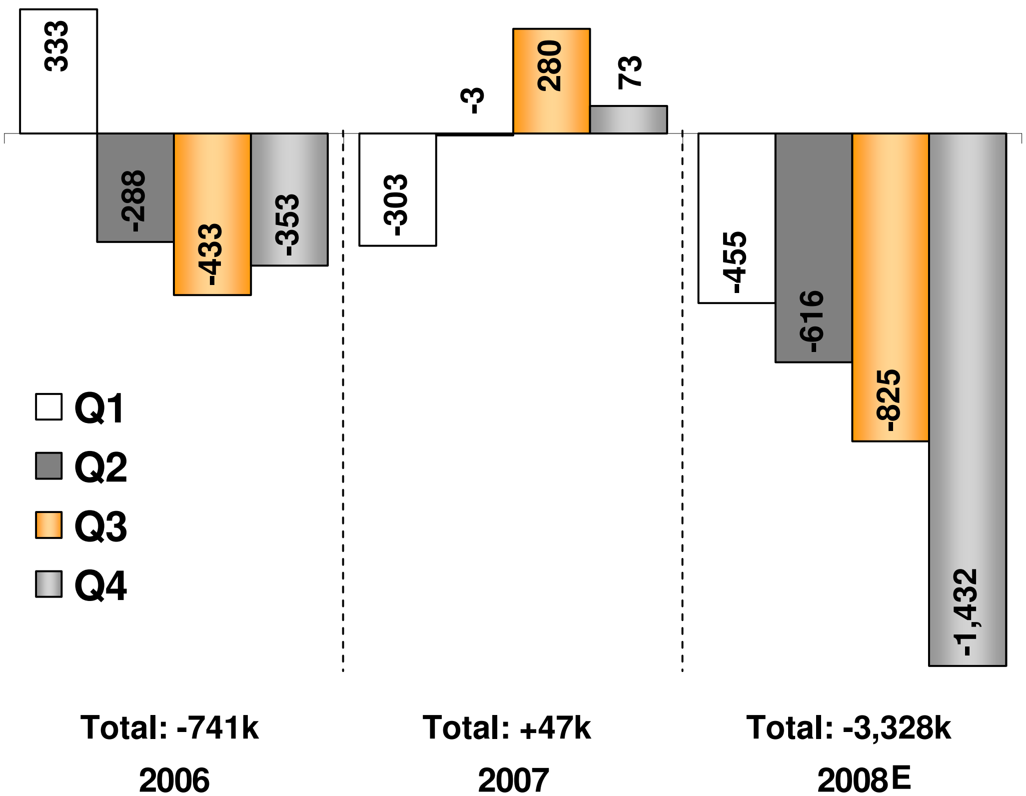
Source: US Dept. of Commerce, ACEA



Source: CAI, AMR, Anfavea and SIAM

Latest Developments
…Leading to production cuts in Continental's key markets

Quarterly production for WEU & NAFTA (k units)



- Continental sales are mainly exposed to Europe (c. 68%) and NAFTA (c. 21%)
- Production cuts in H1/08 amounted to 1.1 mn vehicles, mostly related to US manufacturers
- Production cut announcements from all OEMs suggest that Q4/08 will be even more severe than Q3/08

Q4/08 Production Cutbacks (k units) vs. Q4/07

	Europe	NAFTA	Japan	Total
GM	-235	-207		
DAI	-80			
BMW	-40			
PSA	-110			
FIAT	n/a			
Renault	-80			
Ford	-129	-215		
VW	-40			
Chrysler		-120		
New Domestic		-85		
Toyota*			-532	
Total	**-714**	**-627**	**-532**	**-1,873**

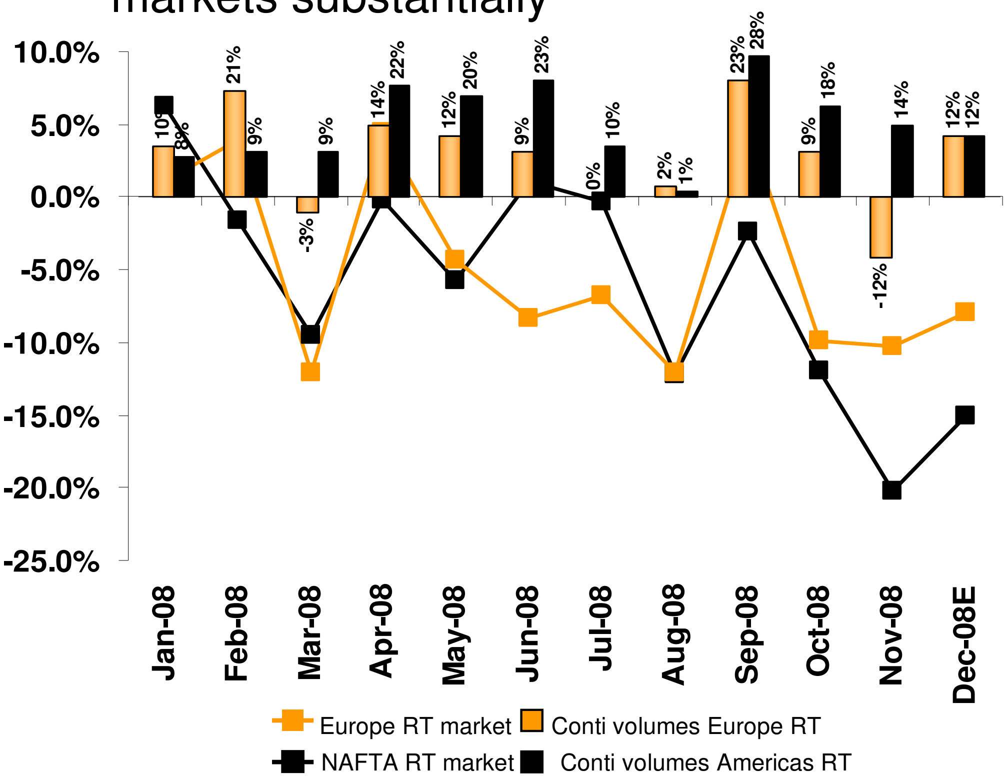
** For Q4/08 & Q1/09 worldwide*

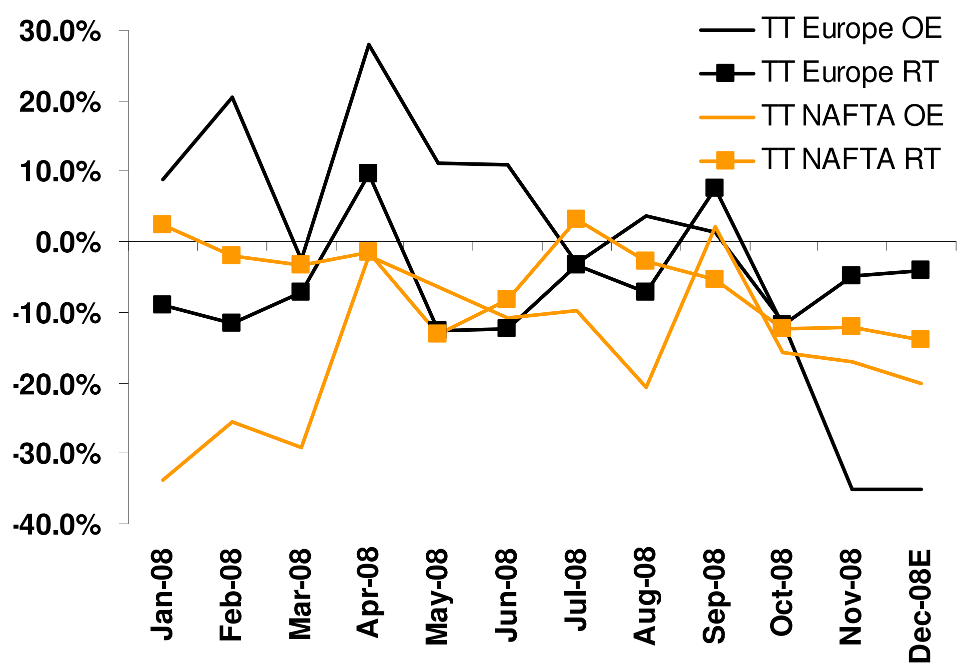
Source: CSM, JD Power, company data & Continental estimates as per Dec. 16th, 2008

Latest developments
Tire markets deteriorating in 2008

- **Firstly**, impacted by **price increase** in oil and natural rubber
- **Secondly**, by **fears of recession** (which later materialized)
- Continental volumes outperformed markets substantially

- OEM market for Truck Tires in Europe held up well in 1H/08
- All other Truck Tire markets fell significantly
- Replacement Tire market was hit less hard than that for OEM



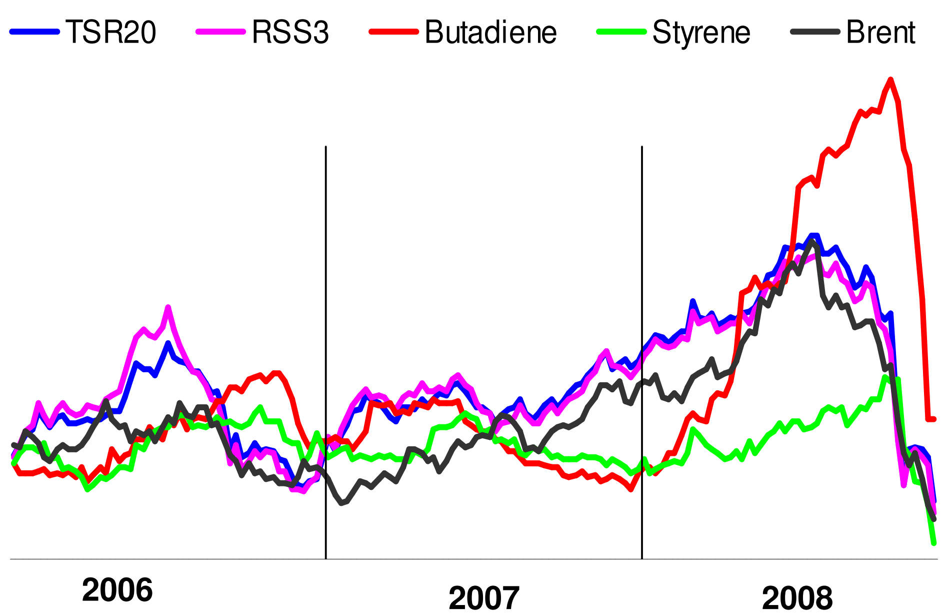


Source: Michelin monthly market data
OE: Original Equipment
RT: Replacement Tires

Latest Developments
Raw materials: Exploded in H1 and deflated in H2

- All tire related raw materials reached peak in Jul 2008 and fell by 50-65% since then
- Time lag until peak prices hit P&L is 3-6 month
- Relief expected for 2009
- Due to the time lag effect Rubber Group massively impacted in H2
- Cumulative H1 burden € 84 mn vs. c. € 186 mn in H2

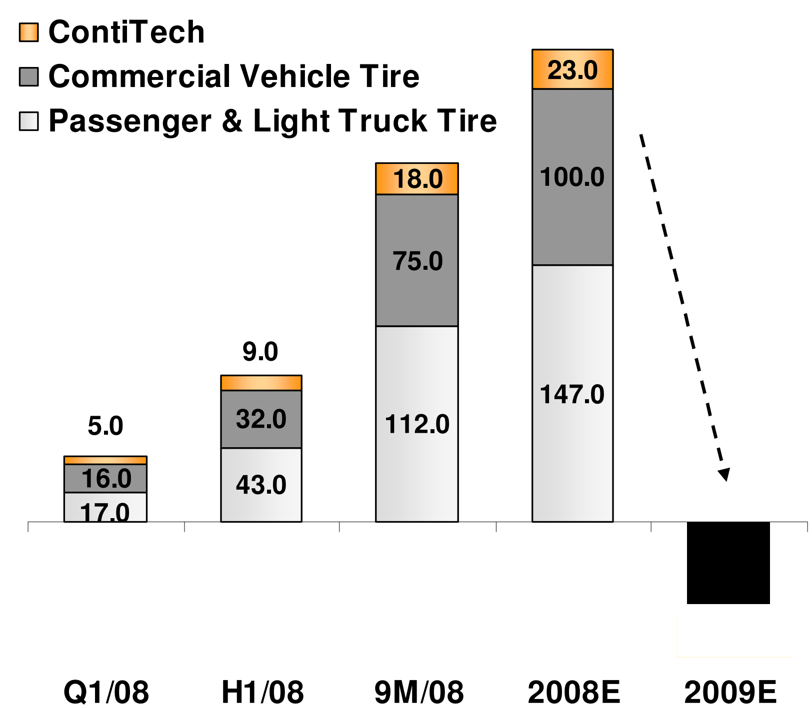
Raw material price development 2006 – 2008td, (indexed 2006)



TSR 20: Technically specified natural rubber
RSS 3: Ribbed smoked sheets natural rubber

Source: Bloomberg

Raw material cost burden (in mn €)



Latest developments
Actions taken in 2008 to support profitability and cash flow

Reduction of temporary workforce	• Reduction of approximately 50% of Continental's 10,000 temporary workers announced • Short time work introduced wherever necessary
Extension of Christmas holidays	• Extension of Christmas holidays within the Automotive and Rubber Group of up to 4 weeks
Cutting capex	• Reduction of capex by approximately € 270 mn in 2008 • Reduction of capex by approximately € 500 m in 2009 vs. plan • Focus on identifying asset disposals
Working capital	• Ongoing focus on working capital, especially inventory
Cutting R&D expense	• R&D spending cut by approximately € 200 mn in 2009 vs. plan
Considering cancellation of dividend for 2008 and 2009	• Top priority and focus on debt reduction • Cancellation of dividend would limit cash out and save € 676* mn over a 2 year period
Conversion of convertible bond	• By October 23, 2008 convertible bond was entirely repaid. High conversion rate strengthened equity substantially

** Dividend payment in 2008 for FY 2007: € 2 per share*

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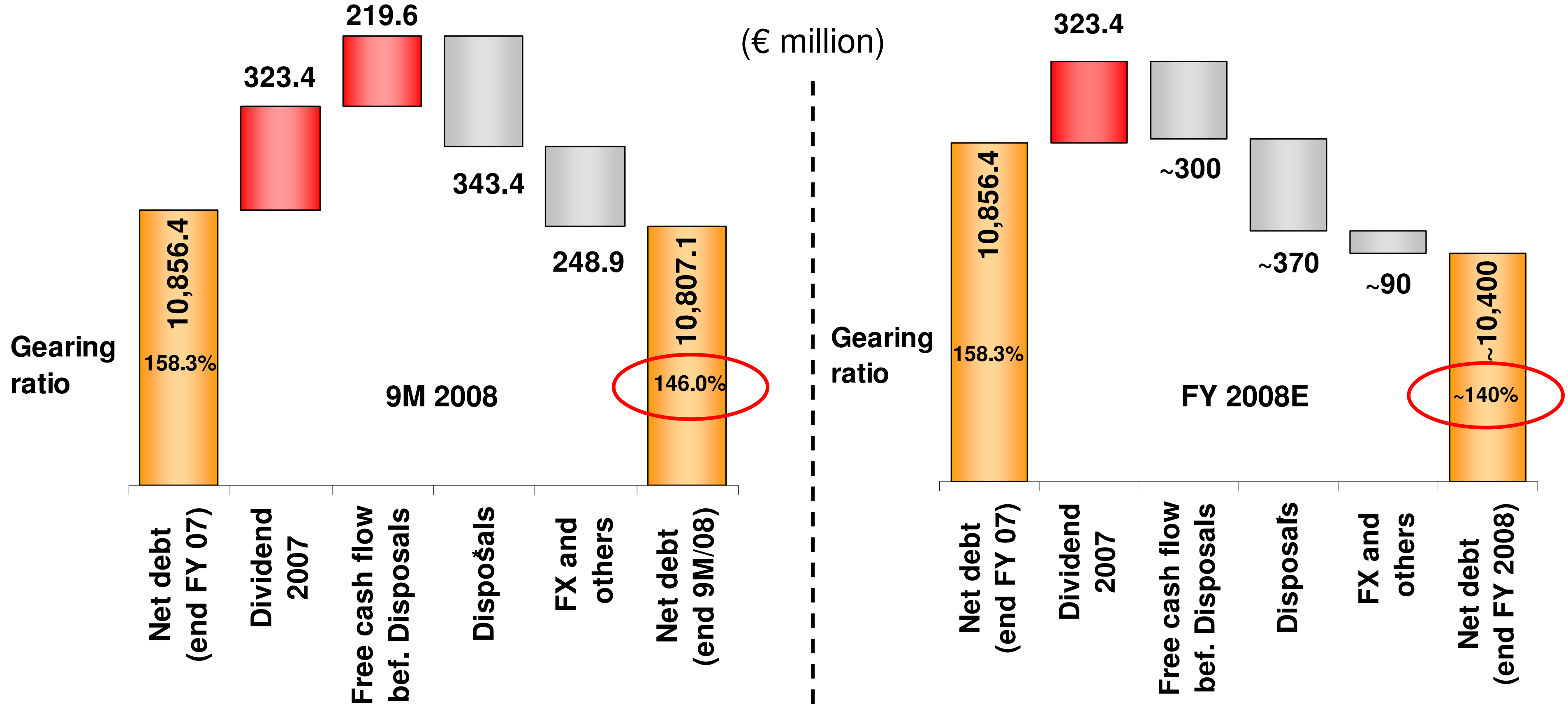
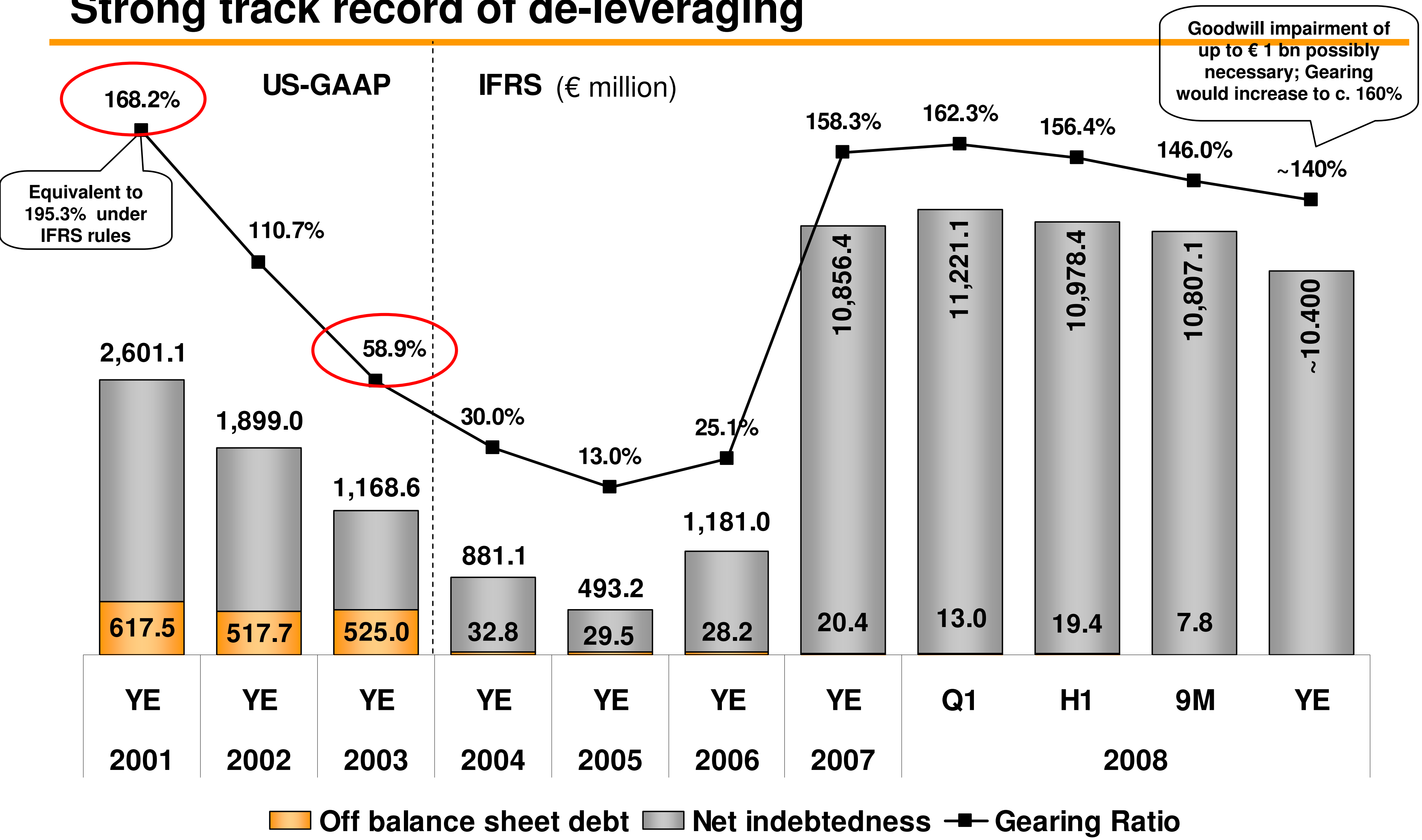
Outlook 2008
Ongoing reduction of net debt in 2008



	Net debt (end FY 07)	Net debt (end 9M/08)	Net debt (end FY 07)	Net debt (end FY 2008)
Cash Balance	**2,199.4**	**968.6**	**2,199.4**	**~1,500.0**
Undrawn Credit Lines	**2,201.2**	**3,060.0**	**2,201.2**	**~2,300.0**
Total Liquidity	**4,400.6**	**4,028.6**	**4,400.6**	**~3,800.0**

** EMD, furniture covering business of Benecke-Kaliko, Phoenix Dichtungstechnik GmbH, HUF Hülsbeck, ETAS*

Outlook 2008
Strong track record of de-leveraging



Outlook 2008
Continental

- Sales of appr. € 25 bn in 2008
- EBIT margin w/o PPA*, integr. & restr. cost expected at 7.5% – 8.0%; Q4 however holds uncertainties due to declining economy; total PPA* will amount € 555.9 mn in 2008
- Restructuring & integration cost of appr. € 150 mn in 2008
- Negative impact from raw material price increases for 2008 expected at appr. € 270 mn for the Rubber Group
- Capex at around 6% of sales in 2008
- Substantial reduction of financial indebtedness due to extensive conversion and early repayment of convertible bond and Free Cash Flow

* *Amortization of intangibles from PPA and depreciation of tangibles from PPA (Siemens VDO, only), PPA amount may vary due to FX changes*

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Status of the amendment process with credit lenders for the € 11.8 bn Syndicated Loan Facilities

Financial covenants situation at year end	• Continental expects to comply with financial covenants at year-end 2008 • Net Leverage expected to be close to 3.5x; interest cover comfortably met
Breach of covenants possible in 2009	• Actions taken to support cash flow are: capex reduction, cut in R&D spending, reduction of workforce, cutting dividends & asset disposals • However, a continuing tough operating environment in 2009 could not allow Continental to stay compliant with covenants despite actions taken
Adjustment of financial covenants	• Continental is seeking the support and approval from its majority lenders (defined as holding 2/3 of outstandings under the facilities) to adjust the financial covenants
Key facility changes	• Increased pricing • Certain changes in documentation for enhanced market driven lender protection in full compliance with the Investment agreement with Schaeffler from August 20, 2008
Status of negotiations	• Continental expects amendment process to be finalized by end of January

Thank you for your attention

SOUTH AFRICA 2010
FIFA WORLD CUP

Continental
Do it with German Engineering.

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Continental
Share data / ADR data

Share Data

Bloomberg ticker	CON GY
Reuters ticker	CONG.DE
ISIN number	DE0005439004
Shares outstanding as of Dec. 31, 2008	169,005,983

ADR Data

Ratio (Ordinary share ADR)	1:1
Bloomberg ticker	CTTAY
Reuters ticker	CTTAY.PK
ISIN number	US2107712000
Type	Level 1
Trading	OTC
Sponsor	Deutsche Bank Trust Company Americas

Back-up

Quarterly Sales Analysis

	2006	2007					2008		
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
C&S	4,521.7	1,191.6	1,182.8	1,074.5	1,199.7	4,648.6	1,452.9	1,442.3	1,224.4
Powertrain	650.7	221.7	228.6	237.7	489.0	1,177.0	1,294.4	1,076.0	912.9
Interior	858.6	324.0	301.1	284.6	621.9	1,531.6	1,656.6	1,639.0	1,387.4
Passenger and Light Truck Tires	4,693.6	1,147.8	1,242.2	1,256.6	1,329.0	4,975.6	1,202.9	1,332.9	1,326.0
Commercial Vehicle Tires	1,468.3	344.5	361.9	363.5	382.5	1,452.4	328.3	357.1	385.5
ContiTech	2,868.7	780.9	780.1	749.7	753.2	3,063.9	798.4	832.5	741.4
Other / Consolidation	-174.6	-45.7	-47.6	-60.0	-76.4	-229.7	-94.1	-65.2	-85.6
Continental Corporation	14,887.0	3,964.8	4,049.1	3,906.6	4,698.9	16,619.4	6,639.4	6,614.6	5,892.0

Change Y-o-Y	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
C&S						2.8%	21.9%	21.9%	14.0%
Powertrain						80.9%	483.9%	370.7%	284.1%
Interior						78.4%	411.3%	444.3%	387.5%
Passenger and Light Truck Tires	5.6%	5.4%	7.6%	9.3%	2.2%	6.0%	4.8%	7.3%	5.5%
Commercial Vehicle Tires	6.5%	-0.5%	-3.1%	-1.2%	0.4%	-1.1%	-4.7%	-1.3%	6.1%
ContiTech	-0.9%	1.4%	10.6%	8.9%	6.8%	6.8%	2.2%	6.7%	-1.1%
Continental Corporation	7.6%	9.8%	11.9%	5.2%	19.2%	11.6%	67.5%	63.4%	50.8%

Quarterly EBITDA Analysis

	2006	2007					2008		
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
C&S	744.8	191.2	198.5	196.5	210.2	796.4	224.1	233.1	186.8
Powertrain	19.2	19.5	9.0	9.8	-32.4	5.9	121.8	72.2	-4.8
Interior	69.9	44.7	30.7	31.8	-5.9	101.3	192.3	184.1	90.1
Passenger and Light Truck Tires	871.0	208.0	250.3	222.6	288.7	969.6	197.7	237.3	192.7
Commercial Vehicle Tires	203.7	47.6	48.8	43.9	62.1	202.4	31.6	36.7	27.2
ContiTech	429.8	116.6	122.9	114.3	112.6	466.4	125.6	137.8	117.0
Other / Consolidation	-36.9	-14.0	-10.2	-13.4	-13.8	-51.4	-9.1	-10.4	-12.6
Continental Corporation	2,301.5	613.6	650.0	605.5	621.5	2,490.6	884.0	890.8	596.4
EBITDA-Margin	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
C&S	16.5	16.0	16.8	18.3	17.5	17.1	15.4	16.2	15.3
Powertrain	3.0	8.8	3.9	4.1	-6.6	0.5	9.4	6.7	-0.5
Interior	8.1	13.8	10.2	11.2	-0.9	6.6	11.6	11.2	6.5
Passenger and Light Truck Tires	18.6	18.1	20.1	17.7	21.7	19.5	16.4	17.8	14.5
Commercial Vehicle Tires	13.9	13.8	13.5	12.1	16.2	13.9	9.6	10.3	7.1
ContiTech	15.0	14.9	15.8	15.2	14.9	15.2	15.7	16.6	15.8
Continental Corporation	15.5	15.5	16.1	15.5	13.2	15.0	13.3	13.5	10.1
Change Y-o-Y	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
C&S						6.9%	17.2%	17.4%	-4.9%
Powertrain						-69.3%	524.6%	702.2%	-149.0%
Interior						44.9%	330.2%	499.7%	183.3%
Passenger and Light Truck Tires		32.9%	64.0%	37.5%	-27.8%	11.3%	-5.0%	-5.2%	-13.4%
Commercial Vehicle Tires		28.6%	19.9%	-26.1%	-6.8%	-0.6%	-33.6%	-24.8%	-38.0%
ContiTech		4.9%	4.2%	15.9%	10.4%	8.5%	7.7%	12.1%	2.4%
Continental Corporation		20.8%	23.8%	5.8%	-10.7%	8.2%	44.1%	37.0%	-1.5%

Quarterly Analysis of EBIT w/o PPA* and special effects

	2006	2007					2008		
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
C&S	558.5	136.2	143.4	143.1	159.8	582.5	154.2	164.9	123.2
Powertrain	21.8	12.4	7.2	1.8	-26.7	-5.3	43.3	16.4	-61.6
Interior	60.8	37.4	24.0	22.6	-6.7	77.3	144.5	165.4	81.4
Passenger and Light Truck Tires	655.7	157.4	199.8	188.0	219.7	764.9	142.8	180.4	137.3
Commercial Vehicle Tires	109.6	28.2	30.3	25.9	26.9	111.3	12.4	16.4	7.0
ContiTech	320.7	94.5	99.0	90.4	81.0	364.9	101.2	106.6	67.6
Other / Consolidation	-36.0	-14.0	-11.3	-13.9	-14.9	-54.1	-10.0	-10.8	-13.0
Continental Corporation	1,691.1	452.1	492.4	457.9	439.1	1,841.5	588.4	639.3	341.9
EBIT margin w/o PPA and special effects	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
C&S	12.4	11.4	12.1	13.3	13.3	12.5	10.6	11.4	10.1
Powertrain	3.4	5.6	3.1	0.8	-5.5	-0.5	3.3	1.5	-6.7
Interior	7.1	11.5	8.0	7.9	-1.1	5.0	8.7	10.1	5.9
Passenger and Light Truck Tires	14.0	13.7	16.1	15.0	16.5	15.4	11.9	13.5	10.4
Commercial Vehicle Tires	7.5	8.2	8.4	7.1	7.0	7.7	3.8	4.6	1.8
ContiTech	11.2	12.1	12.7	12.1	10.8	11.9	12.7	12.8	9.1
Continental Corporation	11.4	11.4	12.2	11.7	9.3	11.1	8.9	9.7	5.8
Change Y-o-Y	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
C&S						4.3%	13.2%	15.0%	-13.9%
Powertrain						-124.3%	249.2%	127.8%	-3522.2%
Interior						27.1%	286.4%	589.2%	260.2%
Passenger and Light Truck Tires						16.7%	-9.3%	-9.7%	-27.0%
Commercial Vehicle Tires						1.6%	-56.0%	-45.9%	-73.0%
ContiTech						13.8%	7.1%	7.7%	-25.2%
Continental Corporation						8.9%	30.1%	29.8%	-25.3%

* Amortization of intangibles from PPA and depreciation of tangibles from PPA (Siemens VDO, only)

Quarterly EBIT Analysis

	2006	2007					2008		
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
C&S	528.3	135.7	143.0	142.5	145.8	567.0	141.1	150.4	103.2
Powertrain	-21.2	6.5	-2.8	-2.7	-74.5	-73.5	-10.1	-38.8	-127.5
Interior	25.1	31.4	18.6	16.5	-55.7	10.8	81.0	46.9	-32.6
Passenger and Light Truck Tires	650.9	157.1	199.5	170.1	212.0	738.7	142.2	179.1	133.5
Commercial Vehicle Tires	136.2	28.1	30.2	24.9	40.9	124.1	12.2	16.1	6.8
ContiTech	318.6	92.0	97.5	88.7	84.6	362.8	100.4	112.7	92.3
Other / Consolidation	-36.0	-14.0	-11.3	-13.9	-14.9	-54.1	-10.1	-10.7	-13.0
Continental Corporation	1,601.9	436.8	474.7	426.1	338.2	1,675.8	456.7	455.7	162.7

EBIT margin	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
C&S	11.7	11.4	12.1	13.3	12.2	12.2	9.7	10.4	8.4
Powertrain	-3.3	2.9	-1.2	-1.1	-15.2	-6.2	-0.8	-3.6	-14.0
Interior	2.9	9.7	6.2	5.8	-9.0	0.7	4.9	2.9	-2.3
Passenger and Light Truck Tires	13.9	13.7	16.1	13.5	16.0	14.8	11.8	13.4	10.1
Commercial Vehicle Tires	9.3	8.2	8.3	6.9	10.7	8.5	3.7	4.5	1.8
ContiTech	11.1	11.8	12.5	11.8	11.2	11.8	12.6	13.5	12.4
Continental Corporation	10.8	11.0	11.7	10.9	7.2	10.1	6.9	6.9	2.8

Change Y-o-Y	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
C&S						7.3%	4.0%	5.2%	-27.6%
Powertrain						-246.7%	-255.4%	-1285.7%	-4622.2%
Interior						-57.0%	158.0%	152.2%	-297.6%
Passenger and Light Truck Tires	-2.7%	45.5%	92.0%	50.4%	-34.9%	13.5%	-9.5%	-10.2%	-21.5%
Commercial Vehicle Tires	-11.0%	42.6%	23.3%	-41.3%	-17.5%	-8.9%	-56.6%	-46.7%	-72.7%
ContiTech	98.6%	11.0%	5.5%	21.3%	20.5%	13.9%	9.1%	15.6%	4.1%
Continental Corporation	6.3%	24.0%	28.4%	8.1%	-30.4%	4.6%	4.6%	-4.0%	-61.8%

Consolidated Income Statements

Reconciliation of EBIT to net income*	1-9 2008	1-9 2007	Q3 2008	Q3 2007
Chassis & Safety	394.7	421.2	103.2	142.5
Powertrain	-176.4	1.0	-127.5	-2.7
Interior	95.3	66.5	-32.6	16.5
Passenger and Light Truck Tires	454.8	526.7	133.5	170.1
Commercial Vehicle Tires	35.1	83.2	6.8	24.9
ContiTech	305.4	278.2	92.3	88.7
Other / consolidation	-33.8	-39.2	-13.0	-13.9
EBIT	**1,075.1**	**1,337.6**	**162.7**	**426.1**
Net interest expense	-509.7	-63.6	-133.7	-39.3
Earnings before income taxes	**565.4**	**1,274.0**	**29.0**	**386.8**
Income tax expense	-165.7	-430.3	-15.5	-128.7
Minority interests	-36.2	-18.5	-11.1	-6.7
Net income attributable to the shareholders of the parent	**363.5**	**825.2**	**2.4**	**251.5**
Earnings per share (in €)	**2.24**	**5.63**	**0.01**	**1.71**
Diluted earnings per share (in €)	**2.23**	**5.39**	**0.01**	**1.66**

* attributable to the shareholders of the parent

Consolidated Balance Sheets
Assets

Assets in € millions	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2007
Goodwill	7,277.8	7,289.2	1,733.9
Other intangible assets	2,656.2	2,979.8	235.4
Property, plant, and equipment	6,184.0	5,968.6	3,575.2
Investment properties	26.8	29.5	12.3
Investments in associates	773.4	766.4	133.7
Other investments	13.2	23.8	15.0
Deferred tax assets	260.6	162.6	117.1
Deferred pension charges	95.3	77.5	70.1
Long-term derivative instruments and interest-bearing investments	52.0	19.5	54.3
Other long-term financial assets	34.4	48.0	30.9
Other assets	19.7	19.0	2.2
Non-current assets	**17,393.4**	**17,383.9**	**5,980.1**
Inventories	2,836.3	2,535.9	1,850.2
Trade accounts receivable	4,564.3	3,943.6	2,947.4
Other short-term financial assets	184.5	190.3	136.2
Other assets	634.0	577.3	380.7
Income tax receivable	112.7	257.9	22.2
Short-term derivative instruments and interest-bearing investments	25.6	51.5	15.0
Cash and cash equivalents	968.6	2,199.4	748.9
Assets held for sale	261.7	597.8	10.5
Current assets	**9,587.7**	**10,353.7**	**6,111.1**
Total assets	**26,981.1**	**27,737.6**	**12,091.2**

Consolidated Balance Sheets
Shareholder's Equity and Liabilities

Total equity and liabilities in € millions	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2007
Common stock	432.3	414.0	376.3
Capital reserves	3,090.9	2,808.7	1,362.6
Retained earnings	3,708.5	3,614.4	3,419.0
Other comprehensive income	-107.6	-253.9	-209.3
Minority interests	276.5	272.9	243.0
Total equity	**7,400.6**	**6,856.1**	**5,191.6**
Provisions for pension liabilities and other post-employment benefits	688.3	688.6	522.6
Deferred tax liabilities	490.3	525.2	168.8
Long-term provisions for other risks	438.6	466.0	320.6
Long-term portion of indebtedness	9,623.9	9,872.6	1,338.6
Other long-term financial liabilities	46.8	73.5	0.0
Other non-current liabilities	51.5	42.4	30.7
Non-current liabilities	**11,339.4**	**11,668.3**	**2,381.3**
Trade accounts payable	2,697.5	2,758.9	1,443.5
Income tax payable	519.2	532.7	479.4
Short-term provisions for other risks	867.3	842.6	507.9
Indebtedness	2,229.4	3,254.2	921.6
Other short-term financial liabilities	1,028.5	902.9	661.5
Other liabilities	784.4	679.1	504.4
Liabilities held for sale	114.8	242.8	0.0
Current liabilities	**8,241.1**	**9,213.2**	**4,518.3**
Total equity and liabilities	**26,981.1**	**27,737.6**	**12,091.2**
Gearing ratio in %	**146.0**	**158.3**	**27.8**

Consolidated Cash Flow Statements

in € millions	January 1 to September 30		Third Quarter	
	2008	**2007**	**2008**	**2007**
EBIT	1,075.1	1,337.6	162.7	426.1
Interest paid	-448.9	-79.7	-160.3	-28.6
Interest received	54.9	34.0	18.4	13.3
Income tax paid	-184.6	-340.8	-54.8	-111.3
Dividends received	36.0	8.9	4.3	0.4
Depreciation and amortization	1,296.1	531.5	433.7	179.4
At-equity share in earnings of associates and accrued dividend income from other investments	-54.6	-20.9	-13.9	-5.6
Gains from the disposal of assets, subsidiaries and business units	-12.2	-5.4	-31.2	-2.0
Changes in				
inventories	-318.0	-279.3	-65.0	-62.9
trade accounts receivable	-617.4	-622.0	59.9	-112.9
trade accounts payable	-86.4	-19.3	-139.4	-2.3
pension and post-employment provisions	24.8	9.0	4.1	14.1
other assets and liabilities	164.9	157.1	75.0	57.1
Cash flow provided by operating activities	**929.7**	**710.7**	**293.5**	**364.8**
Proceeds on disposal of property, plant, equipment and intangible assets	34.5	12.1	2.4	3.1
Capital expenditure on property, plant, equipment and software	-1,123.1	-560.4	-391.6	-224.4
Capital expenditure on intangible assets from development projects	-3.7	-6.1	-2.1	-2.2
Proceeds on disposal of subsidiaries and business units, including surrendered cash and cash equivalents	343.4	1.0	93.5	0.0
Acquisition of subsidiaries and business units, incl. acquired cash and cash equivalents	-69.4	-105.1	-31.9	-64.2
Interest bearing advances	12.4	9.4	7.2	0.0
Cash used for investing activities	**-805.9**	**-649.1**	**-322.5**	**-287.7**
Cash flow before financing activities	**123.8**	**61.6**	**-29.0**	**77.1**
Change in indebtedness	-1,008.7	421.8	-201.5	-206.5
Proceeds from the issuance of shares	1.0	7.7	-0.6	7.3
Dividends paid	-323.4	-293.1	0.0	0.0
Dividends paid and repayment of capital to minority interests	-33.5	-9.4	-5.9	-2.4
Cash flow used for/provided by financing activities	**-1,364.6**	**127.0**	**-208.0**	**-201.6**
Change in cash and cash equivalents	**-1,240.8**	**188.6**	**-237.0**	**-124.5**
Cash and cash equivalents at the beginning of the reporting period	2,199.4	571.1	1,181.1	885.7
Effect of exchange rate changes on cash and cash equivalents	10.0	-10.8	24.5	-12.3
Cash and cash equivalents at the end of the reporting period	**968.6**	**748.9**	**968.6**	**748.9**

Nine Month Results 2008 Reported and Adjusted

	Interior		Chassis & Safety		Powertrain		PLT		CVT		ContiTech		Cons./Corr.		Group	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
EBIT	66.5	95.3	421.2	394.7	1.0	-176.4	526.7	454.8	83.2	35.1	278.2	305.4	-39.2	-33.8	1,337.6	1,075.1
ROS	7.3%	2.0%	12.2%	9.6%	0.1%	-5.4%	14.4%	11.8%	7.8%	3.3%	12.0%	12.9%			11.2%	5.6%
Amortization of intangibles from PPA	8.1	163.1	1.5	39.1	5.6	129.1	0.9	2.1	0.2	0.7	2.7	2.0	0.0	0.0	19.0	336.1
EBIT w/o amortization of intangibles from PPA	74.6	258.4	422.7	433.8	6.6	-47.3	527.6	456.9	83.4	35.8	280.9	307.4	-39.2	-33.8	1,356.6	1,411.2
ROS	8.2%	5.5%	12.3%	10.5%	1.0%	-1.4%	14.5%	11.8%	7.8%	3.3%	12.2%	13.0%			11.4%	7.4%
Total special effects	9.4	92.7	0.0	6.5	14.8	3.9	17.6	3.6	1.0	0.0	3.0	-32.0	0.0	0.0	45.8	74.7
EBIT w/o special effects	75.9	188.0	421.2	401.2	15.8	-172.5	544.3	458.4	84.2	35.1	281.2	273.4	-39.2	-33.8	1,383.4	1,149.8
ROS	8.3%	4.0%	12.2%	9.7%	2.3%	-5.3%	14.9%	11.9%	7.9%	3.3%	12.2%	11.5%			11.6%	6.0%
EBIT w/o amortization of intangibles from PPA & special effects	84.0	351.1	422.7	440.3	21.4	-43.4	545.2	460.5	84.4	35.8	283.9	275.4	-39.2	-33.8	1,402.4	1,485.9
ROS	9.2%	7.5%	12.3%	10.7%	3.1%	-1.3%	15.0%	11.9%	7.9%	3.3%	12.3%	11.6%			11.8%	7.8%
EBIT w/o amortization of intangibles from PPA and depreciation of tangibles from PPA (total) (Siemens VDO, only) & special effects	84.0	391.3 #	422.7	442.3 #	21.4	-1.9 #	545.2	460.5	84.4	35.8	283.9	275.4	-39.2	-33.8	1,402.4	1,569.6
ROS	9.2%	8.4%	12.3%	10.7%	3.1%	-0.1%	15.0%	11.9%	7.9%	3.3%	12.3%	11.6%			11.8%	8.2%
Total consolidation effects *								-0.3	2.7	2.1	-2.3	-1.0				
Total consolidation & special effects							17.6	3.3	3.7	2.1	0.7	-33.0				
EBIT w/o consolidation and special effects							544.3	458.1	86.9	37.2	278.9	272.4				
ROS							14.9%	12.4%	8.5%	3.7%	12.2%	11.6%				
EBIT w/o amortization of intangibles from PPA & consolidation and special effects							545.2	460.2	87.1	37.9	281.6	274.4				
ROS							15.0%	12.4%	8.5%	3.7%	12.3%	11.7%				

* Note: Matador since 11/2007, Thermopol since 02/2007, Oltas since 09/2008, Tikka since 09/2008, disposal Dichtungstechnik since 07/2008

Third Quarter Results 2008 Reported and Adjusted

	Interior		Chassis & Safety		Powertrain		PLT		CVT		ContiTech		Cons./Corr.		Group	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
EBIT	16.5	-32.6	142.5	103.2	-2.7	-127.5	170.1	133.5	24.9	6.8	88.7	92.3	-13.9	-13.0	426.1	162.7
ROS	5.8%	-2.3%	13.3%	8.4%	-1.1%	-14.0%	13.5%	10.1%	6.9%	1.8%	11.8%	12.4%			10.9%	2.8%
Amortization of intangibles from PPA	3.7	53.1	0.6	13.0	1.7	43.1	0.3	0.8	0.0	0.2	0.9	0.6	0.0	0.0	7.2	110.8
EBIT w/o amortization of intangibles from PPA	20.2	20.5	143.1	116.2	-1.0	-84.4	170.4	134.3	24.9	7.0	89.6	92.9	-13.9	-13.0	433.3	273.5
ROS	7.1%	1.5%	13.3%	9.5%	-0.4%	-9.2%	13.6%	10.1%	6.9%	1.8%	12.0%	12.5%			11.1%	4.6%
Total special effects	2.4	47.6	0.0	6.5	2.8	10.0	17.6	3.0	1.0	0.0	0.8	-25.3	0.0	0.0	24.6	41.8
EBIT w/o special effects	18.9	15.0	142.5	109.7	0.1	-117.5	187.7	136.5	25.9	6.8	89.5	67.0	-13.9	-13.0	450.7	204.5
ROS	6.6%	1.1%	13.3%	9.0%	0.0%	-12.9%	14.9%	10.3%	7.1%	1.8%	11.9%	9.0%			11.5%	3.5%
EBIT w/o amortization of intangibles from PPA & special effects	22.6	68.1	143.1	122.7	1.8	-74.4	188.0	137.3	25.9	7.0	90.4	67.6	-13.9	-13.0	457.9	315.3
ROS	7.9%	4.9%	13.3%	10.0%	0.8%	-8.1%	15.0%	10.4%	7.1%	1.8%	12.1%	9.1%			11.7%	5.4%
EBIT w/o amortization of intangibles from PPA and depreciation of tangibles from PPA (total) (Siemens VDO, only) & special effects	22.6	81.4	143.1	123.2	1.8	-61.6	188.0	137.3	25.9	7.0	90.4	67.6	-13.9	-13.0	457.9	341.9
ROS	7.9%	5.9%	13.3%	10.1%	0.8%	-6.7%	15.0%	10.4%	7.1%	1.8%	12.1%	9.1%			11.7%	5.8%
Total consolidation effects *								2.4	0.9	3.8	-2.3	-0.1				
Total consolidation & special effects							17.6	5.4	1.9	3.8	-1.5	-25.4				
EBIT w/o consolidation and special effects							187.7	138.9	26.8	10.6	87.2	66.9				
ROS							14.9%	11.0%	7.7%	2.9%	11.9%	9.2%				
EBIT w/o amortization of intangibles from PPA & consolidation and special effects							188.0	139.7	26.8	10.8	88.1	67.5				
ROS							15.0%	11.0%	7.7%	3.0%	12.0%	9.3%				

* Note: Matador since 11/2007, Thermopol since 02/2007, Oltas since 09/2008, Tikka since 09/2008, disposal Dichtungstechnik since 07/2008

Nine Month / Third Quarter Results 2008 Reported and Adjusted Automotive and Rubber Group

	Q3 Results 2008								Nine month Results 2008							
	Automotive		Rubber		Cons./Corr.		Group		Automotive		Rubber		Cons./Corr.		Group	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
EBIT	156.3	-56.9	283.7	232.5	-13.9	-12.9	426.1	162.7	488.7	313.6	888.1	795.3	-39.2	-33.8	1,337.6	1,075.1
ROS	9.9%	-1.6%	12.2%	9.7%			10.9%	2.8%	9.8%	2.6%	12.8%	11.1%			11.2%	5.6%
Amortization of intangibles from PPA	5.9	109.2	1.3	1.6	0.0	0.0	7.2	110.8	15.2	331.4	3.8	4.8	0.0	-0.1	19.0	336.1
EBIT w/o amortization of intangibles from PPA	162.2	52.3	285.0	234.1	-13.9	-12.9	433.3	273.5	503.9	645.0	891.9	800.1	-39.2	-33.9	1,356.6	1,411.2
ROS	10.2%	1.5%	12.3%	9.7%			11.1%	4.6%	10.1%	5.4%	12.9%	11.1%			11.4%	7.4%
Total special effects	5.2	64.1	19.4	-22.3	0.0	0.0	24.6	41.8	24.2	103.1	21.6	-28.4	0.0	0.0	45.8	74.7
EBIT w/o special effects	161.5	7.2	303.1	210.2	-13.9	-12.9	450.7	204.5	512.9	416.7	909.7	766.9	-39.2	-33.8	1,383.4	1,149.8
ROS	10.2%	0.2%	13.0%	8.7%			11.5%	3.5%	10.2%	3.5%	13.1%	10.7%			11.6%	6.0%
EBIT w/o amortization of intangibles from PPA & special effects	167.4	116.4	304.4	211.8	-13.9	-12.9	457.9	315.3	528.1	748.1	913.5	771.7	-39.2	-33.9	1,402.4	1,485.9
ROS	10.6%	3.3%	13.1%	8.8%			11.7%	5.4%	10.5%	6.2%	13.2%	10.7%			11.8%	7.8%
EBIT w/o amortization of intangibles from PPA and depreciation of tangibles from PPA (total) (Siemens VDO, only) & special effects	167.4	143.0	304.4	211.8	-13.9	-12.9	457.9	341.9	528.1	831.8	913.5	771.7	-39.2	-33.9	1,402.4	1,569.6
ROS	10.6%	4.1%	13.1%	8.8%			11.7%	5.8%	10.5%	6.9%	13.2%	10.7%			11.8%	8.2%
Total consolidation effects *			-1.4	6.1							0.4	0.8				
Total consolidation & special effects			18.0	-16.2							22.0	-27.6				
EBIT w/o consolidation and special effects			301.7	216.3							910.1	767.7				
ROS			13.2%	9.4%							13.3%	11.1%				
EBIT w/o amortization of intangibles from PPA & consolidation and special effects			303.0	217.9							913.9	772.5				
ROS			13.2%	9.4%							13.3%	11.1%				

* Note: Matador since 11/2007, Thermopol since 02/2007, Oltas since 09/2008, Tikka since 09/2008, disposal Dichtungstechnik since 07/2008