



# Status of Vision 2025

## Continental Division Tires

### August 2015

[www.continental-tires.com](http://www.continental-tires.com)

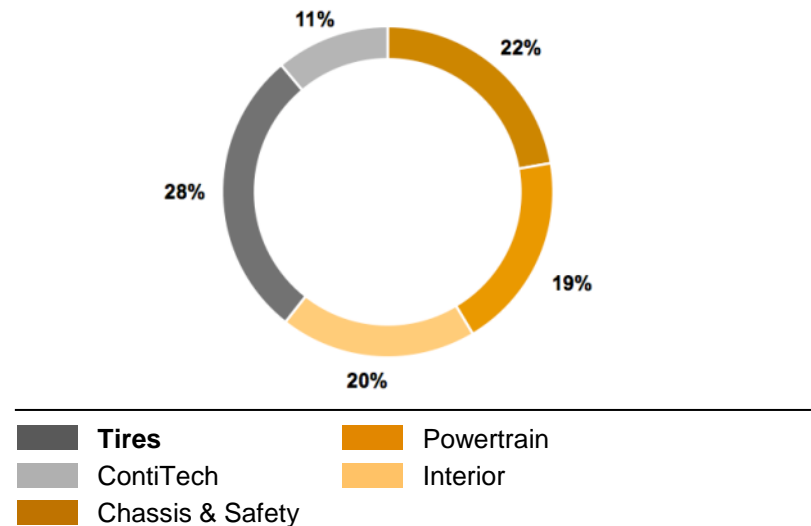
Division Tires

# 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

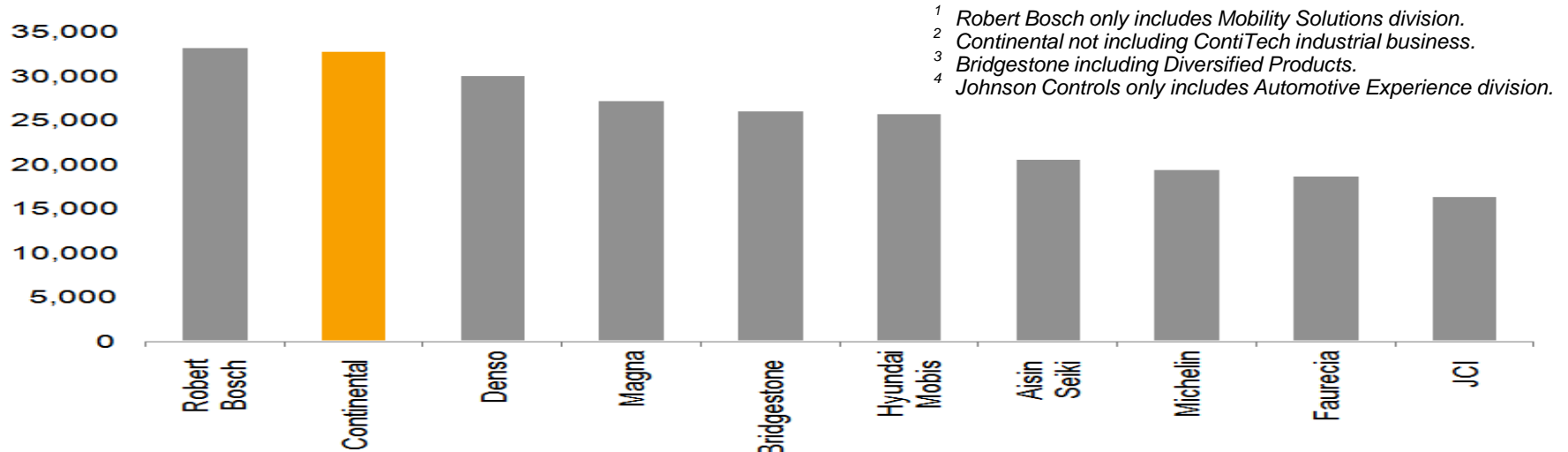
### Sales by division in %



# Continental Corporation

## One of the Top 3 Automotive Suppliers worldwide

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



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

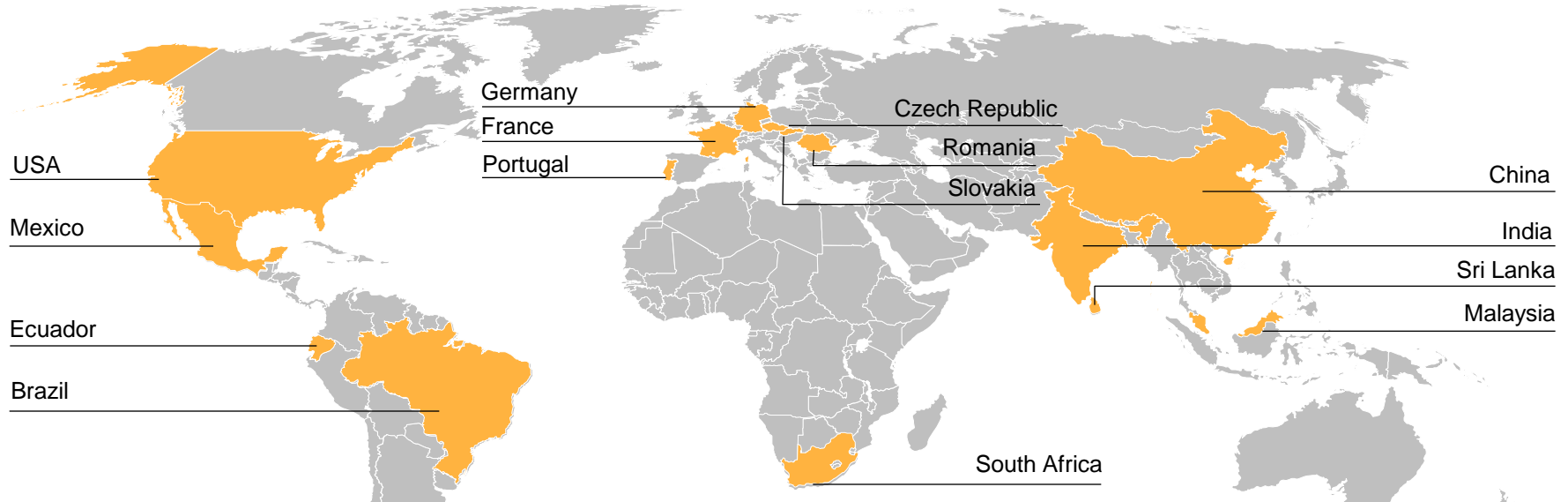
**We are condemned to perform!**



### Excellence

**Reach podium position  
in products & operations!**

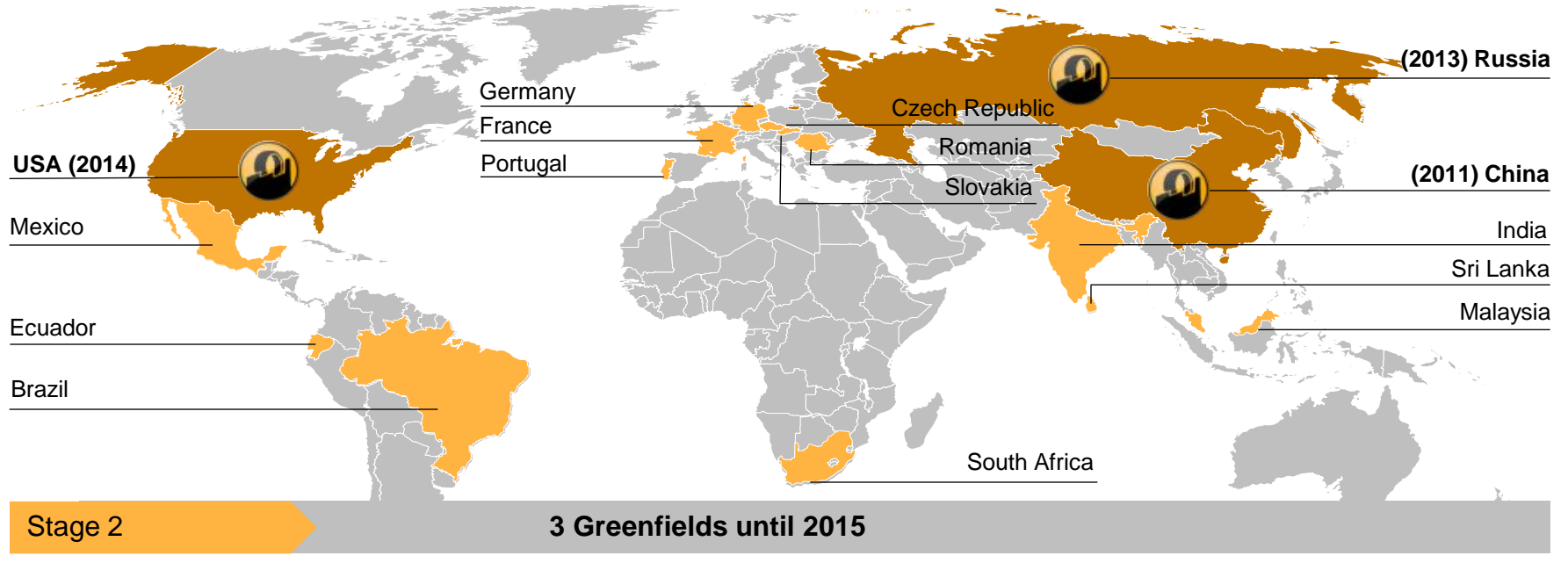
# Continental Tire Division: Global Manufacturing Footprint Status 2011 – Starting point for stage 2 of Vision 2025



Stage 2      2011: 17 plants in 15 countries

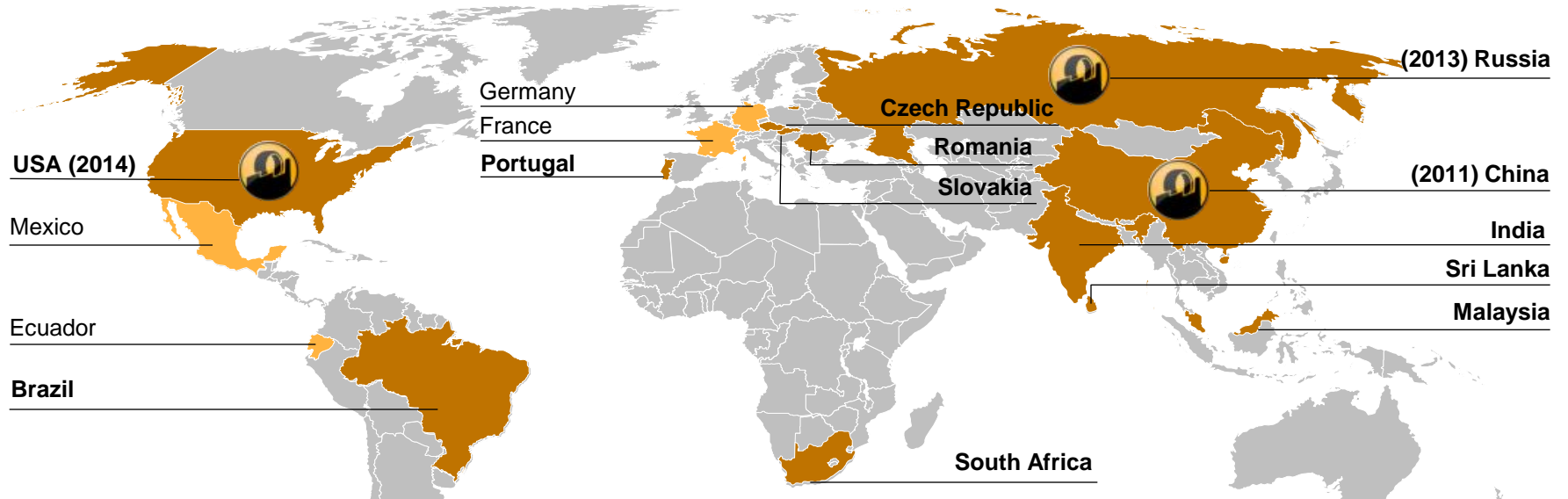
# Continental Tire Division: Global Manufacturing Footprint

## More than EUR 1.3 Billion for additional Capacities



# Continental Tire Division: Global Manufacturing Footprint

## Extension of existing Plants

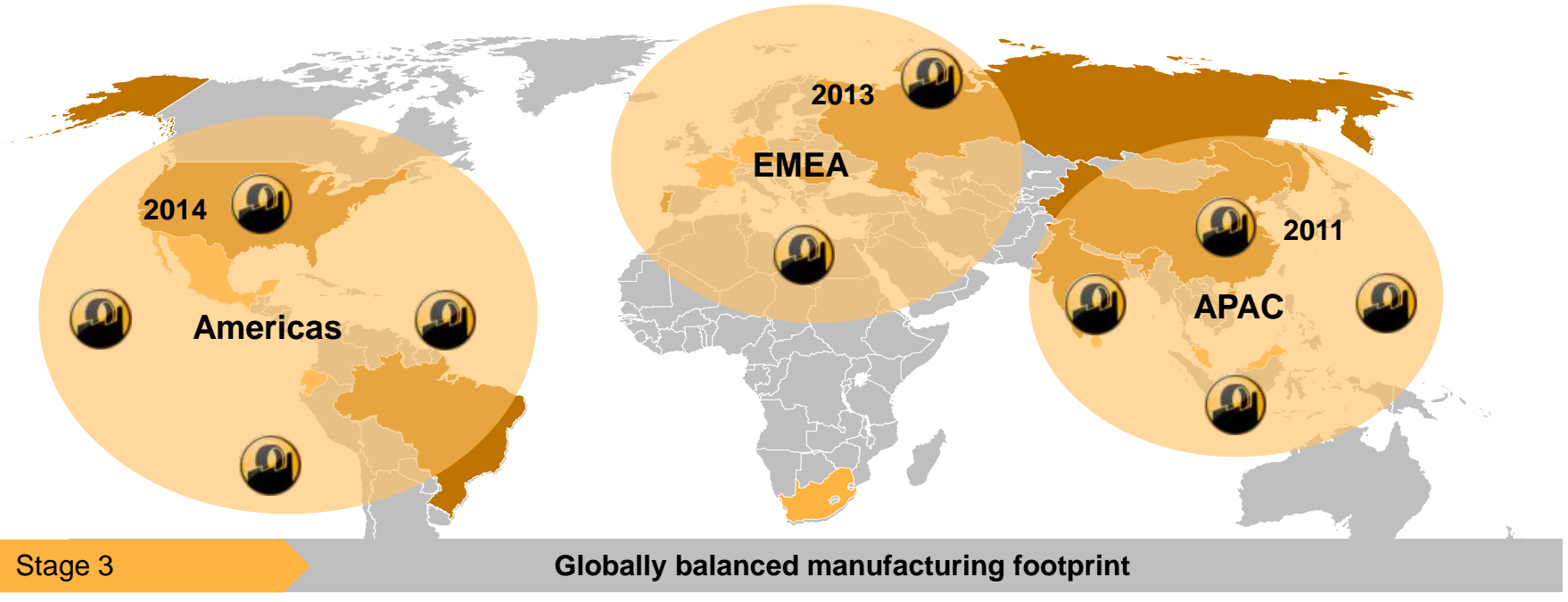


Stage 2

Brownfields/Expansion projects: € > 350 mio p/a



# Continental Tire Division: Global Manufacturing Footprint Vision 2025



# Continental Tire Division: Vision 2025

## Investments into Growth – Status close to end of Stage 2

### Record Invests in 2013 & 2014

- › By amount - ≈ 800 Mio € / 724 Mio € - as well as in % of sales

### Production

- › Capacity increase on track, GF SOP's ahead of schedule



### Technology

- › AIBA: Development tool of the year, Contidrom award
- › ContiLifeCycle: Retreading and Recycled Rubber
- › R&D Campus
- › High Performance Technology Center Korbach



### Markets

- › Retail presence extension reaches next stage



# Continental Tire Division: Supporting Elements

## Research & Development Focus Areas

### Passenger & Light Truck Tires

- › Globalization & market specific products per segment
- › Broaden Ultra High Performance competence
- › Best-in-class winter products
- › Hybrid and Electric Vehicle
- › Labeling



### Truck Tires

- › Best-in-class in rolling resistance and mileage
- › Leading in “lowest overall driving costs”
- › Maximum retreadability



### 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



# 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.”



# Continental Tire Division: Investment into Premium Mold Technology Know-how + Capacity



- › 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 Tire Division: Passenger & Light Truck Tires

## Numerous Awards for Continental Summer Tires in 2015

Highest recommendations for our summer products:



# Continental Tire Division: Supporting Elements

## Numerous Awards for Continental Bicycle Tires in 2014

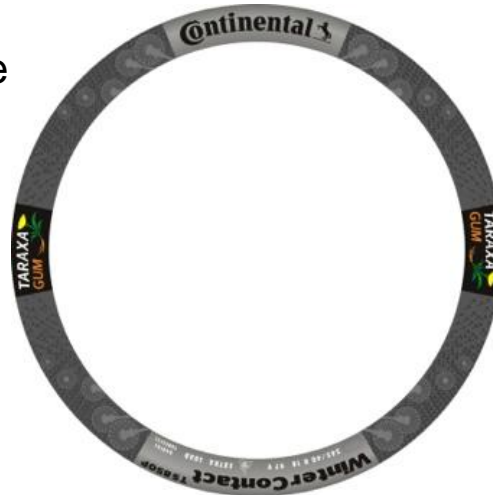


# Continental Tire Division: Supporting Elements

## 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 build 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

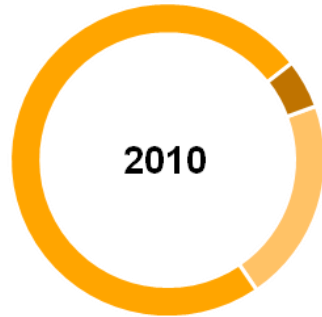
› **Republication and activation by all partners is requested.**



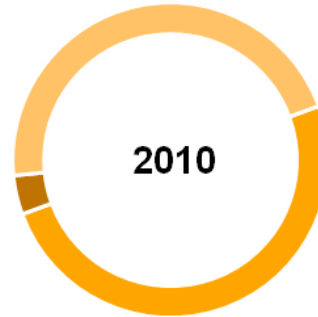
# Continental Tire Division: Supporting Elements

## Vision 2025 – Our Efforts will lead to Podium Position

### Passenger & Light Truck Tires<sup>1</sup>



### Truck Tires<sup>1</sup>



### Specialty Commercial<sup>2</sup>



### Specialty Consumer<sup>2</sup>



EMEA APAC Americas

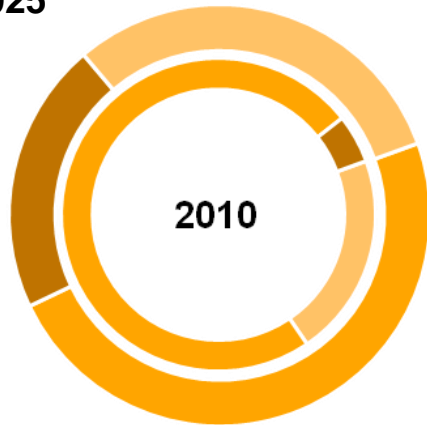
<sup>1</sup> Unit sales based <sup>2</sup> Net sales based

# Continental Tire Division: Supporting Elements

## Vision 2025 – Our Efforts will lead to Podium Position

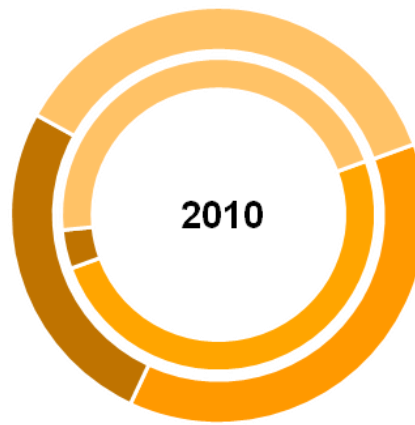
### Passenger & Light Truck Tires<sup>1</sup>

2025



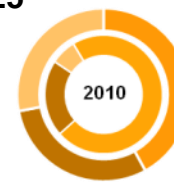
### Truck Tires<sup>1</sup>

2025



### Specialty Commercial<sup>2</sup>

2025



### Specialty Consumer<sup>2</sup>

2025



EMEA APAC Americas

<sup>1</sup> Unit sales based <sup>2</sup> Net sales based



# Continental Tire Division: Passenger & Light Truck Tires

## “World Record” technology co-operation with adidas



Find out more @ [www.getyourgrip.com](http://www.getyourgrip.com)!



**Thank you for your attention!**