

Continental in Russia

Presentation Content

Continental Corporation Overview

Continental Footprint in Russia

Localization Challenges and Opportunities

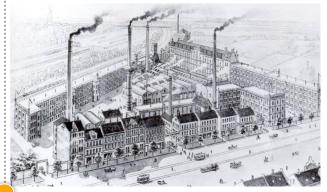
Key Messages



Continental Corporation

Over 140 Years of Innovation and Progress





Racing Success

Automotive Supplier

Ontinental Reifen

Ontinental Reifen

1871-1900

1901-1930

1931-1960

1961-1990

1991-2015

Inventive Spirit



Internationalization



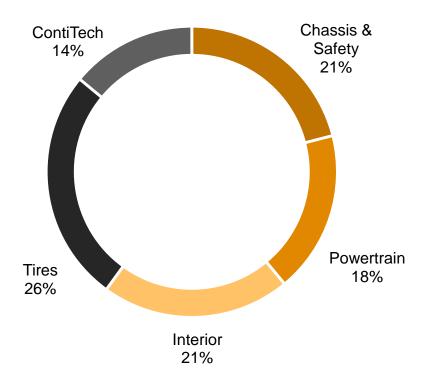


Continental Corporation

Overview 2015

- Since 1871 with headquarters in Hanover, Germany
- Sales of €39.2 billion
- > 207,899 employees worldwide
- > 430 locations in 55 countries

Sales by division in %



Status: December 31, 2015



We Shape the Megatrends in the Automotive Industry:

Safety, Environment, Information, Affordable Cars





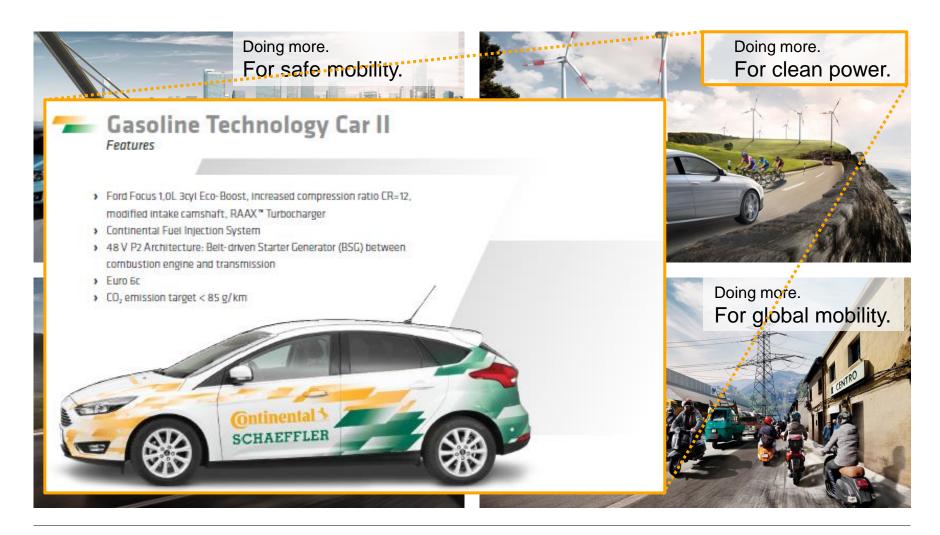






We Shape the Megatrends in the Automotive Industry:

Safety, Environment, Information, Affordable Cars





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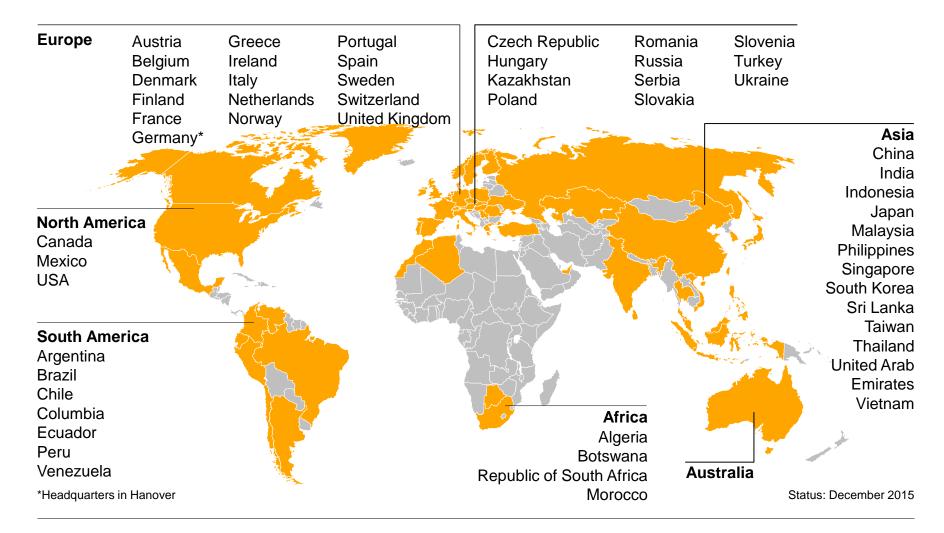






Continental Corporation

430 Locations in 55 Countries





Continental Footprint in Russia

6 Locations, 4 Plants, 1200+ Employees

St. Petersburg Office

Quality Key Account Management

Moscow Offices (100+ employees)

➢Powertrain Division

≯Tires

ContiTech

Жey Account Management

Kaluga - 3 Production Plants (1000+ employees)

Powertrain / Electronics :

- Fuel Rails
- Engine Control Units
- Fuel Supply Units
- Instrument Cluster PCB

➤Tires and ContiTech:

- -Tires (Continental, Matador)
- Air Conditioning Lines
- Hydraulic Power Steering lines







Legal Entities

Continental Automotive RUS LLC (JV)
Continental Tires RUS LLC
Continental Kaluga LLC (Rubber Group)
ContiTech RUS LLC
Continental Automotive Systems RUS LLC

Omsk Office

➤Tire Sales

Chistopol - Production Plant (120+ employees)

- > Electronics & other products :
 - Instrumental Clusters
 - Ergonomic DWP with multiplex E/Earchitecture
 - Tachographs & Telematics System









Togliatti Office

➢owertrain Division

Жey Account Management

Quality Key Account Management



Continental Automotive RUS

Plant Chistopol, Tatarstan

- Founded 1996
- Production of tachographs, pulse sensors, speedometers, instrument clusters for passenger cars and commercial vehicles
- > Plant production area 7000 sq. m







Continental Automotive Systems RUS

New high-tech automotive production facility in Kaluga

- > SOP in July 2014
- > EUR 25 million investments
- Production of Engine Control Units, Fuel Supply Units,
 Fuel Rail Assemblies, Printed Circuit Board Assemblies





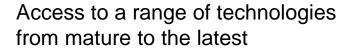




Continental's Local Operations in Russia

Russian companies with global support





Economies of scale

Global production footprint

Financially stable, naturally hedged



Appropriate technology for the market, desire to bring new know-how

Balance of local and global suppliers for optimum value and risk

Local production when viable, with global backup for risk/cost management

More resilient to market fluctuations



Continental's Localization in Russia

Challenges and Opportunities

	<u>Challenges</u>	<u>Opportunities</u>	
	FX fluctuations	Increase local content	
W.	Local market depressed	Export - support Russian OEMs with Continental technologies	
	Underdeveloped local supply base	Co-invest in local suppliers and increase the know how	
411	Low volume for local suppliers	Partner to pool volumes, get Government support	
	Implementation of 566	Government support	
1	Anomalies with taxes/duties discourage localization	Support of the Government to correct the anomalies	
1000	Continental perceived as a foreign company	Promote Continental's local entities as Russian companies	
Many thanks to the governments of Kaluga region and Republic of Tatarstan for for their continuous support!			



Continental's Localization in Russia

Key Messages

For the Government

- Thank you for your support of the automotive industry please continue!
- Continental entities in Russia are Russian companies, expanding local production, building local know-how and supporting local jobs.
- >We wish to bring new technologies to Russia and we could use your help!

For the OEMs

- > Continental offers a range of technologies with global and local production.
- > We are the right partner for domestics and export markets.
- > We are in Russia to do business with you and help you succeed!

For the Suppliers

- > We welcome local sub-suppliers for our products.
- Our needs include metal stamping, casting, drawing, plastic molding, electronic components.... Let's talk!



Thank you for your attention!

