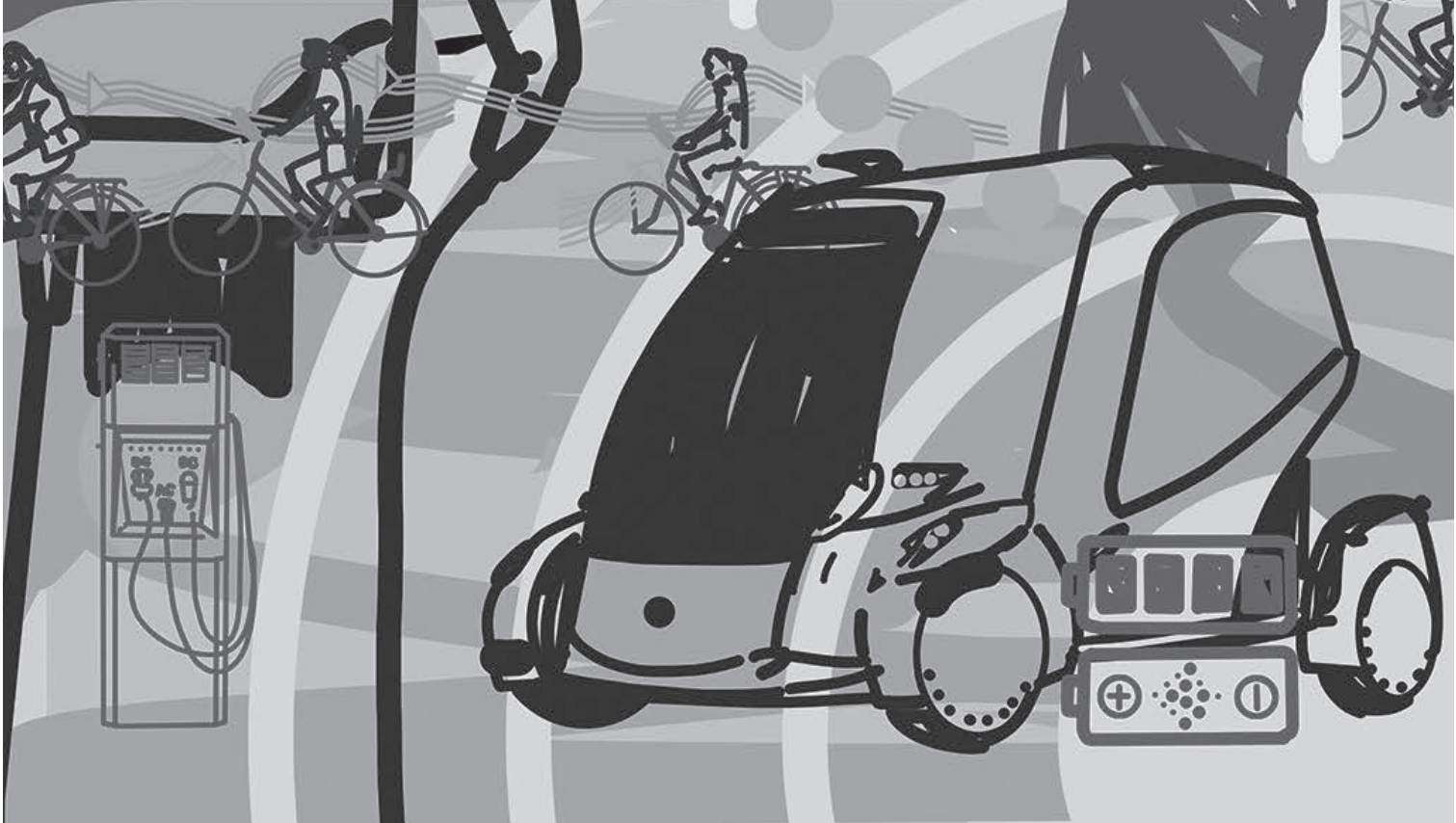


**Solutions for
Clean Air.**
2017 Annual Report of
Continental Aktiengesellschaft



The management report of Continental Aktiengesellschaft is combined with the management report of the Continental Corporation in accordance with Section 315 (5) of the German Commercial Code (*Handelsgesetzbuch*) and published in Continental's Annual Report for 2017.

The annual financial statements and the summarized management report of Continental Aktiengesellschaft for fiscal 2017 are published in the electronic German Federal Gazette (*elektronischer Bundesanzeiger*).

Annual Report of Continental Aktiengesellschaft

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Continental Aktiengesellschaft

Income Statement

€ millions	See Note	2017	2016
Sales	13	237.7	201.0
Cost of sales		-230.9	-194.8
Gross margin on sales		6.8	6.2
General administrative expenses		182.3	144.5
Other operating income	14	35.8	36.9
Other operating expenses	15	39.2	36.6
Net investment income	16	1,737.1	1,129.5
Income from other securities and long-term loans		10.3	10.4
Net interest result	17	-85.6	-95.7
Result from activities		1,482.9	906.2
Income tax expense	18	-265.6	-67.2
Net income		1,217.3	839.0
Accumulated profits brought forward from the previous year		253.1	264.1
Retained earnings		1,470.4	1,103.1

Balance Sheet

Assets

€ millions	See Note	Dec. 31, 2017	Dec. 31, 2016
Intangible assets	1	26.4	40.2
Property, plant and equipment	1	6.8	3.2
Investments	2	10,995.4	10,990.7
Non-current assets		11,028.6	11,034.1
Inventories	3	0.0	0.0
Receivables and other assets	4	7,487.1	7,421.5
Cash and cash equivalents	5	257.2	579.2
Current assets		7,744.3	8,000.7
Prepaid expenses and deferred charges	6	28.6	31.2
Total assets		18,801.5	19,066.0

Equity and liabilities

€ millions	See Note	Dec. 31, 2017	Dec. 31, 2016
Subscribed capital	8	512.0	512.0
Capital reserves	9	4,179.1	4,179.1
Revenue reserves	10	54.7	54.7
Accumulated profits brought forward from the previous year		253.1	264.1
Net income		1,217.3	839.0
Shareholders' equity		6,216.2	5,848.9
Provisions	11	963.1	755.6
Liabilities	12	11,622.2	12,461.5
Total equity and liabilities		18,801.5	19,066.0

Statement of Changes in Non-Current Assets

€ millions	Purchase and production costs				Dec. 31, 2017
	Jan. 1, 2017	Additions	Transfers	Disposals	
Acquired concessions, industrial and similar rights and assets, and licenses in such rights and assets	145.3	3.2	0.0	–	148.5
Prepayments	0.0	0.0	0.0	–	0.0
Intangible assets	145.3	3.2	0.0	–	148.5
Land, land rights and buildings including buildings on third-party land	2.1	–	–	0.1	2.0
Technical equipment and machinery	1.8	2.4	0.2	–	4.4
Other equipment, factory and office equipment	8.9	0.1	–	–	9.0
Advances to suppliers and assets under construction	0.3	2.2	-0.2	–	2.3
Property, plant and equipment	13.1	4.7	0.0	0.1	17.7
Shares in affiliated companies	10,789.4	–	–	–	10,789.4
Other long-term equity investments	39.2	–	–	–	39.2
Assets of Continental Pension Trust e. V.	111.3	–	–	–	111.3
Long-term securities	58.0	4.8	–	–	62.8
Investments	10,997.9	4.8	–	–	11,002.7
Non-current assets	11,156.3	12.7	–	0.1	11,168.9

Depreciation, amortization and write-downs				Book value	
Jan. 1, 2017	Additions	Disposals	Dec. 31, 2017	Dec. 31, 2017	Dec. 31, 2016
105.1	17.0	–	122.1	26.4	40.2
–	–	–	–	0.0	–
105.1	17.0	–	122.1	26.4	40.2
1.3	0.2	0.0	1.5	0.5	0.8
0.3	0.7	–	1.0	3.4	1.5
8.3	0.1	–	8.4	0.6	0.6
–	–	–	–	2.3	0.3
9.9	1.0	0.0	10.9	6.8	3.2
0.0	0.1	–	0.1	10,789.3	10,789.4
7.2	–	–	7.2	32.0	32.0
–	–	–	–	111.3	111.3
–	–	–	–	62.8	58.0
7.2	0.1	–	7.3	10,995.4	10,990.7
122.2	18.1	0.0	140.3	11,028.6	11,034.1

Continental Aktiengesellschaft Notes to the Annual Financial Statements

Continental Aktiengesellschaft has been entered in the commercial register of the Hanover Local Court (Amtsgericht) under HRB No. 3527.

The annual financial statements of Continental Aktiengesellschaft have been prepared in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch - HGB*) and the supplementary provisions of the German Stock Corporation Act (*Aktiengesetz - AktG*).

Individual items of the balance sheet and income statement have been combined to improve the clarity of presentation. These items are explained separately in the notes.

The income statement has been prepared using the cost of sales method in accordance with standard international practice.

Please note that differences may arise as a result of the use of rounded amounts and percentages.

Accounting Policies

Assets

Purchased intangible assets are carried at acquisition cost and amortized on a straight-line basis in accordance with the expected useful life. Internally generated intangible assets are not capitalized.

Tangible assets are measured at the cost of acquisition or production less depreciation if applicable. Movable assets that were acquired before fiscal 2008 are depreciated using the diminishing balanced method, while all other assets are depreciated on a straight-line basis. Where depreciation is carried out using the diminishing balance method, this switches to the straight-line basis when this results in higher depreciation. Diminishing balance depreciation takes place at the maximum taxably permissible level. Low-value asset items with an acquisition cost of less than €1,500 each are fully recognized as an expense in the year of addition.

The expected useful lives of intangible assets and tangible assets are based on the tax depreciation tables.

Shares in affiliated companies, other long-term equity investments, long-term securities and trust assets transferred to Continental Pension Trust e. V., Hanover, that do not represent plan assets are carried at their acquisition costs less the write-down entailed by expected permanent impairment. Write-downs are reversed up to the maximum of historical cost if the reasons for permanent impairment no longer apply.

Interest-bearing loans are carried at their nominal value while non-interest-bearing and low-interest loans are discounted to their net present value.

Raw materials and supplies are measured at the lower of cost or fair value. The inventory risks resulting from decreased marketability or excessive storage periods are taken into account by means of appropriate value deductions.

Receivables and other assets are carried at nominal amount. All discernible specific risks are taken into account by means of appropriate discounts. Global discounts are recognized for general credit risk. Non-interest-bearing and low-interest receivables with a remaining term of more than one year are discounted to the balance sheet date. If hedged, receivables in foreign currencies are measured at the hedging rate.

Securities classified as current assets are carried at the lower of cost or market on the balance sheet date.

Expenses before the reporting date are reported as prepaid expenses if they represent expense for a certain subsequent period.

Deferred taxes include expected tax payments and refunds from temporary differences between the commercial and tax values of assets, liabilities, deferred income and prepaid expenses and from the use of loss carryforwards. Deferred tax assets are not recognized in the balance sheet.

Equity and liabilities

The amount of provisions for pension-related obligations is determined on the basis of actuarial calculations using the projected unit credit method and the 2005 G Heubeck mortality tables. Future increases in compensation and pensions are included in the calculation. The discount rate is based on the average market interest rate of the past 10 fiscal years published by Deutsche Bundesbank where a remaining term of 15 years is assumed. Assets that serve to fulfill pension obligations only and that are withdrawn from access by all other creditors are stated at their fair value and offset against the corresponding obligations from the old-age pension. Any surplus obligations are recognized in provisions.

The other provisions have been recognized for all identifiable risks, uncertain obligations and expected losses on the basis of prudent business practice at their respective fulfillment amount. Future price and cost increases are taken into consideration if there are indications of their occurrence. Provisions with a remaining term of more than one year are discounted according to the average market interest rate of the past seven fiscal years published by Deutsche Bundesbank in line with their remaining term.

The liabilities are recognized at their settlement amounts unless they are hedged. Hedged liabilities in foreign currencies are measured at the hedging rate.

Income statement

General administrative expenses relate to function costs for the finance, administration, human resources and holding functions.

Net investment income includes income and expense from profit and loss transfer agreements, income from investments, the result from the disposal of investments, and write-downs and reversals of write-downs on investments.

Transactions in foreign currencies are measured using the exchange rate at the date of addition or, if hedged, at the hedging rates. If unrealized losses result from the mean spot rates as at the balance sheet date, earnings-reducing provisions are recognized. Unrealized exchange gains are accounted for only if they pertain to receivables and liabilities with a remaining term of less than one year.

Notes to the Balance Sheet, Assets

1. Intangible Assets and Tangible Assets

The breakdown of asset items and their development in the year under review are shown in the statement of changes in non-current assets.

2. Investments

As at December 31, 2017, the trust assets reported under investments and transferred to Continental Pension Trust e. V. are invested in shares in ContiTech AG, Hanover, Germany, an indirect subsidiary of Continental AG.

3. Inventories

€ thousands	Dec. 31, 2017	Dec. 31, 2016
Operating supplies	7	29
Inventories	7	29

4. Receivables and Other Assets

€ thousands	Dec. 31, 2017		Dec. 31, 2016	
	Total	With term to maturity over 1 year	Total	With term to maturity over 1 year
Trade accounts receivable	43	–	–	–
Receivables from affiliated companies	7,442,506	–	7,367,979	–
Receivables from companies in which the company has a participating interest	7	–	2	–
Other assets	44,599	–	53,483	–
Receivables and other assets	7,487,155	–	7,421,464	–

Receivables from affiliated companies relate mainly to financial receivables from the provision of loans or call deposits and

receivables from the transfer of profits from subsidiaries.

5. Cash and Cash Equivalents

€ thousands	Dec. 31, 2017	Dec. 31, 2016
Bank balances	257,189	579,249
Cash and cash equivalents	257,189	579,249

6. Prepaid Expenses and Deferred Charges

€ thousands	Dec. 31, 2017	Dec. 31, 2016
Syndicated loan fees	4,114	5,348
Other deferred charges	24,492	25,801
Prepaid expenses and deferred charges	28,606	31,149

In fiscal 2014, expenses for the revolving credit facility originally amounting to €9.6 million were recognized as prepaid expenses for expenses in connection with the conclusion of the syndicated loan agreement.

The prepaid expenses will be reversed until 2021 using the straight

line method in line with the term of the revolving credit facility under the syndicated loan. Reversals in the fiscal year amounted to €1.2 million.

Other prepaid expenses mainly comprise advance payments of fees, insurance premiums, and prepaid costs.

7. Deferred Tax Assets

The temporary measurement differences calculated between the commercial accounts and the tax accounts result in a future tax reduction overall. They mainly relate to intangible assets, non-current assets, pension provisions and other provisions. An asset item for this future tax relief has not been recognized as per the option under Section 274 (1) Sentence 2 *HGB*.

The average tax rate used in measuring deferred taxes was 30.6%. This reflects a corporation tax rate of 15.0%, a solidarity surcharge of 5.5% and a trade tax rate of 14.8%.

Notes to the Balance Sheet, Equity and Liabilities

8. Subscribed Capital

The subscribed capital of Continental AG was unchanged year- on-year. At the end of the reporting period it amounted to €512,015,316.48 and was composed of 200,005,983 no-par-value shares with a notional value of €2.56 per share.

9. Capital Reserves

Capital reserves were unchanged at €4,179.1 million as at December 31, 2017.

10. Revenue Reserves

The other revenue reserves were unchanged at €54.7 million as at December 31, 2017.

Information on the block on distribution

The pension obligations of €348.5 million, discounted at the average market interest rate of the past 10 years, are €45.3 million lower than the recognition of the pension obligations of €393.8 million, discounted at the average market interest rate of the past seven years.

To safeguard pension obligations, funds have been earmarked and transferred to Continental Pension Trust e. V. with protection against insolvency. These plan assets are measured at fair value. As of the end of the reporting period, they amounted to €115.8 million and

were thus €4.3 million higher than the acquisition cost of €111.5 million.

The difference from the calculation of the pension obligations at the average market interest rate of the past 10 years compared with the average market interest rate of the past seven years and the difference from the fair value and the acquisition costs of the Continental Pension Trust e. V. assets totaling €49.6 million were offset by freely available revenue reserves of €54.7 million. There is therefore no block on the distribution of the retained earnings of €1,470.4 million.

11. Provisions

€ thousands	Dec. 31, 2017	Dec. 31, 2016
Provisions for pensions and similar obligations	175,260	166,490
Provisions for taxes	697,025	515,917
Other provisions	90,769	73,216
Provisions	963,054	755,623

Pension obligations were calculated using a discount rate of 3.68% (PY: 4.01%) applying the projected unit credit method. As in the previous year, an annual salary increase of 3.00% and an annual pension increase of 1.75% were assumed.

The difference from the calculation of the pension obligations at the average market interest rate of the past 10 years (€348.5 million) compared with the pension obligation discounted at the average market interest rate of the past seven years (€393.8 million) amounted to €45.3 million.

Pension obligations of €348.5 million (PY: €327.5 million) were offset against the fair value of corresponding claims from reinsurance policies of €57.4 million (PY: €58.2 million). The fair value is the cost of acquisition.

The trust assets transferred to Continental Pension Trust e. V., with the exception of the shares in ContiTech AG, Hanover, Germany, serve exclusively to fund the employee pension plan and are protected against insolvency in line with the legal requirements and access has been withdrawn from all other creditors.

The plan assets consist of securities and cash and cash equivalents. They were measured at fair value in the amount of €115.8 million (PY: €102.8 million) and offset against the underlying pension obligations. The costs of acquisition of the plan assets amount to €111.5 million (PY: €100.1 million). The fair value is the market price.

Other provisions cover recognizable risks and other uncertain obligations. In particular, they include provisions for personnel and social security expenses (€65.6 million) and for outstanding invoices (€19.8 million).

As at the balance sheet date, there were obligations to employees on long-term work accounts of €1.1 million. The claims are hedged with a trustee agreement. The fair value of the claims is €1.2 million and is offset against the corresponding obligations as the trust assets are earmarked and access by all other creditors has been withdrawn. The surplus of the trust assets over the corresponding obligations is reported under other assets, since the payments from the trust assets are time delayed. The acquisition costs of the trust assets amount to €1.1 million.

12. Liabilities

€ thousands	Dec. 31, 2017	With term to maturity			Dec. 31, 2016	With term to maturity		
		<1 year	>1 Year	>5 years		<1 year	>1 Year	>5 years
Bonds, non-convertible	2,168,192	768,192	1,400,000	50,000	2,168,261	18,261	2,150,000	50,000
Liabilities to banks	214,002	214,002	–	–	471,474	471,474	–	–
Trade accounts payable	25,509	25,509	–	–	32,988	32,988	–	–
Liabilities to affiliated companies	9,208,099	9,208,099	–	–	9,783,606	9,783,606	–	–
Other liabilities	6,448	6,082	366	–	5,098	4,619	479	–
thereof taxes	1,908				1,931			
thereof social security obligations	1,406				1,178			
Liabilities	11,622,250	10,221,884	1,400,366	50,000	12,461,427	10,310,948	2,150,479	50,000

From a sale of receivables, liabilities to banks in the amount of €118.5 million have been secured by collateral in kind consisting of ceded receivables.

The syndicated loan comprises a revolving credit facility of €3.0 billion as at the end of the reporting period. This revolving credit facility is available to Continental AG until April 2021 and had not been utilized as at the reporting date.

Liabilities to affiliated companies mainly relate to financial liabilities from loans or call deposits provided to Continental AG by subsidiaries.

Contingent liabilities

Guarantees, sureties and warranty liabilities have been provided only on behalf of subsidiaries except for the amount of €3.8 million. Pension-related obligations account for €172.1 million. €950.0 million of additional warranty liabilities relate to capital market finance of Continental Rubber of America, Corp., Wilmington, Delaware, U.S.A., and Continental Tire the Americas LLC, Columbus, Ohio, U.S.A. To the best of our knowledge, the underlying obligations will be fulfilled by the companies concerned in all cases. Utilization is not anticipated.

€ thousands	Dec. 31, 2017	Dec. 31, 2016
Liabilities on guarantees and guarantees for checks and bills of exchange	37,130	40,924
Liabilities on warranties	1,761,245	2,430,756

Other financial obligations

Other financial obligations amounted to a total of €18.1 million. Obligations scheduled for 2018 and later relate primarily to outsourced hardware and software (€3.1 million; €3.1 million of which in 2018) and machinery, operating and office equipment (€1.8 million;

€1.0 million of which in 2018). There are also obligations for fiscal 2018 from the purchase of land in the amount of €11.7 million. Purchase commitments for tangible assets and major repairs amount to €1.5 million.

Notes to the Income Statement

13. Sales

€ thousands	2017	2016
By area of activity		
from corporate services	234,858	198,725
from sales of licenses	2,140	1,915
from other services	709	416
Sales	237,707	201,056
By region		
Germany	216,174	184,956
Rest of Europe	9,651	8,439
Outside Europe	11,882	7,661
Sales	237,707	201,056

14. Other Operating Income

€ thousands	2017	2016
Income from currency translation	17,930	18,347
Income from reversal of provisions	5,364	10,818
Other income	12,558	7,690
Other operating income	35,852	36,855

Other income for the fiscal year contains mainly the general cost allocation to other corporation companies of €8.9 million (PY: €4.5 million).

15. Other Operating Expenses

€ thousands	2017	2016
Expenses arising from currency translation	18,292	8,893
Losses due to write-downs on current assets (except inventories)	0	929
Other expenses	20,371	26,283
Other taxes	513	499
Other operating expenses	39,176	36,604

Other expenses for the fiscal year chiefly include cost allocation expenses of €4.6 million (PY: €4.4 million) and expenses and commitment fees for the syndicated loan in the amount of €4.2 million (PY: €5.1 million).

16. Income from Investments

€ thousands	2017	2016
Income from profit transfer agreements	1,751,787	1,014,122
Income from long-term equity investments		
from affiliated companies	49	101,437
from associated companies	21,275	18,545
from other companies	12	10
Cost of loss absorption	-36,034	-89,926
Amortization on investments	-12	-
Gains from the disposal of investments	-	85,283
Net investment income	1,737,077	1,129,471

17. Net Interest Result

€ thousands	2017	2016
Other interest and similar income		
from affiliated companies	31,182	32,495
from other companies	1,541	5,284
thereof negative interest income	-4	-3
Interest and similar expense		
to affiliated companies	-50,286	-67,762
to other companies	-60,866	-58,814
thereof positive interest expense	1,040	411
from interest cost from pensions and long-term provisions (net)	-7,212	-6,870
Net interest result	-85,641	-95,667

Expenses of €12.9 million from the interest cost for pension provisions and long-term provisions have been offset against interest income from reinsurance policies in the amount of

€2.4 million and income from the measurement of the plan assets from Continental Pension Trust e. V. at market value in the amount of €3.3 million.

18. Income Tax Expense

The tax expense of €265.6 million resulted primarily from current expenses in Germany, from expense for previous years as a result of tax audits and from non-imputable foreign withholding tax.

Other Disclosures

Cost of materials

€ thousands	2017	2016
Expenses for raw materials and supplies and for purchased goods	3,046	1,974
Expenses for purchased services	163,816	137,603
Cost of materials	166,862	139,577

Personnel expenses

€ thousands	2017	2016
Wages and salaries	112,472	100,266
Social security, post-employment and other employee benefit costs	34,770	13,209
thereof pension costs	24,286	3,352
Personnel expenses	147,242	113,475

Number of employees (quarterly average)

	2017	2016
Wage recipients	–	2
Salary recipients	844	792
Number of employees (quarterly average)	844	794

Derivative instruments

Continental AG and the companies of the Continental Corporation are exposed to interest and exchange-rate risks due to their business activities. These risks are hedged on a case-by-case basis by using derivative instruments. The specified fair value of derivative instruments is generally calculated by discounting the expected cash flows on the basis of yield curves. For example, the fair value of currency forwards is calculated as the difference from the nominal amounts discounted with the risk-free interest rates of the respective currencies and translated at the current spot exchange rate. The value of forex options is determined by applying recognized option pricing models. To calculate the fair value of interest-

rate swaps and cross-currency interest-rate swaps, the future cash flows are discounted with the interest rates for the respective maturities, with deposit rates used as short-term interest rates while long-term interest rates are based on the swap rates in the respective currency.

As at December 31, 2017, the nominal volume of the derivatives concluded was €2,278.7 million. This comprises only micro hedges and portfolio hedges.

The derivative instruments were composed of the following items as at the reporting date:

€ millions	Dec. 31, 2017			Dec. 31, 2016		
	Nominal value	Market value		Nominal value	Market value	
		Active	Passive		Active	Passive
Forex future transactions	1,278.7	12.8	-21.8	3,035.9	27.1	-39.7
Cross-currency interest-rate swaps	1,000.0	51.5	-51.5	1,000.0	9.4	-9.4
Derivative instruments	2,278.7	64.3	-73.3	4,035.9	36.5	-49.1

For the purposes of currency management, Continental AG nets actual foreign-currency cash flows from the operations of its subsidiaries around the world with those expected in the future. The net cash flow per currency on a trailing 12-month basis determines the corporation's overall transaction risk.

The interest-rate and currency committee meets weekly to decide on the hedging measures, which may not exceed 30% of the 12-month exposure without the express authorization of the Executive Board.

In currency management, forex future, forex swap and forex option transactions in particular are utilized for the purpose of risk control. The selection and use of instruments depends on the individual hedging purpose. The basis for the utilization of hedging instruments comprises the Foreign Exchange Management Policy, adherence to which is regularly reviewed by the Corporate Audit department. The interest-rate and currency committee convenes weekly to review and initiate hedging measures.

Continental AG has taken out forex swaps with external contractual partners with a nominal amount of €924.3 million to hedge the currency risks from corporate loans taken out and distributed in foreign currencies by Continental AG and to pay interest due on maturity. The net fair value is -€9.0 million. The foreign-currency loans with the same nominal amount issued and borrowed by Continental AG and the hedging forex swaps form a hedge until they mature in 2018. The hedges are considered highly effective due to the consistency of the value-determining parameters. This is demonstrated using the critical terms match method. The transactions are not recognized on the balance sheet.

To hedge currency risks from foreign-currency loans at corporation companies, their currency risks are transferred to Continental AG by means of internal forex swaps, the hedges are combined with their counterpart transactions that were entered into by Continental AG with external banks for hedging purposes. The nominal values of the intra-corporate forex swaps and the external counterpart hedges are each €177.2 million. The net fair values as at the balance sheet date were -€1.0 million for intra-corporate forex swaps and €1.0 million for forex swaps outside the corporation. The hedges are considered highly effective due to the consistency of the value-determining parameters. This is demonstrated using the critical terms match method. The transactions mature in 2018 and are not recognized in the balance sheet.

Interest-rate swaps, interest-rate options and combined cross-currency interest-rate swaps in particular are utilized for the purpose of interest management. Above all, they serve to manage interest-rate risks, especially those arising from financial liabilities with floating interest rates, and to optimize financing costs. The Interest-Rate Management Policy forms the basis for interest management.

Continental AG had cross-currency interest-rate swaps as at the balance sheet date. These serve to hedge currency risks. They were not used to hedge interest-rate risk. The cross-currency interest-rate swaps relate to hedging of the bond issued on November 19, 2015, by Continental Rubber of America, Corp., Wilmington, Delaware, U.S.A. The currency risks for Continental Rubber of America, Corp., Wilmington, Delaware, U.S.A., from the denomination in euros are hedged and the euro fixed interest rate is swapped for a U.S.-dollar-based fixed interest rate.

To hedge these currency risks transferred from Continental Rubber of America, Corp., Wilmington, Delaware, U.S.A., to Continental AG by means of internal cross-currency interest-rate swaps, the hedges are combined with their counterpart transactions that were entered into by Continental AG with external banks for hedging purposes. The nominal values of the intra-corporate cross-currency interest-rate swaps and the external counterpart hedges are each €500.0

million. The net fair values as at the reporting date were -€51.5 million for intra-corporate cross-currency interest-rate swaps and €51.5 million for cross-currency interest-rate swaps outside the corporation. The hedges are considered highly effective due to the consistency of the value-determining parameters. This is demonstrated using the critical terms match method. The transactions mature in 2019 and are not recognized in the balance sheet.

Besides these cross-currency interest-rate swaps, Continental AG had no other interest-rate swaps or interest-rate options as at the reporting date.

Auditor's fees

The Annual Shareholders' Meeting on April 28, 2017, elected KPMG AG Wirtschaftsprüfungsgesellschaft, Hanover, Germany, as the auditor for fiscal 2017. Details of the auditor's fees in fiscal 2017 can be found in Note 36 of the Notes to the Consolidated Financial Statements of Continental AG.

Accounting in accordance with Section 6b of the German Energy Industry Act (*Energiewirtschaftsgesetz - EnWG*)

On the coming into effect of the law for new regulations on the energy industry on August 4, 2011, all former property grids are subject to the supplementary accounting regulations pursuant to *EnWG*. The *EnWG* regulatory requirements do not apply if the former property grid is classified as a "customer installation". There are material arguments that the energy installations operated by Continental AG in Germany are "customer installations" as defined by the law.

Notices in Accordance with the German Securities Trading Act (*Wertpapierhandelsgesetz - WpHG*)

The cited provisions of the *WpHG* relate to the version of the *WpHG* valid until January 2, 2018.

From the start of the fiscal year to the time of the preparation of the financial statements, we received the following notifications in accordance with Section 21 (1) *WpHG* on holdings in Continental AG. In the event of the threshold stated in this provision being reached, exceeded or falling below on multiple occasions by the same party, only the most recent notification has been shown here. Notifications from earlier fiscal years about the existence of voting rights shares of at least 3% are still disclosed as at the end of the reporting period.

BlackRock, Inc., Wilmington, Delaware, United States, notified us that its share of voting rights in Continental AG on November 30, 2016, amounted to 3.22%.

3.08% of these voting rights (6,166,331 voting rights) are attributed to the company in accordance with Section 22 *WpHG*.

0.05% of these voting rights (105,065 voting rights) are attributed to the company as instruments in accordance with Section 25 (1) No. 1 *WpHG* (Lent Securities).

0.08% of these voting rights (163,606 voting rights) are attributed to the company as instruments in accordance with Section 25 (1) No. 2 *WpHG* (Contract for Difference).

By way of letter dated January 4, 2016, we received notification that:

- › the share of voting rights in Continental AG held by Schaeffler Familienholding Eins GmbH, Herzogenaurach, Germany, fell below the threshold of 3% of voting rights on December 31, 2015, due to restructuring within the corporation and amounted to 0.00% at this time.
- › the share of voting rights in Continental AG held by Schaeffler Familienholding Zwei GmbH, Herzogenaurach, Germany, fell below the threshold of 3% of voting rights on December 31, 2015, due to restructuring within the corporation and amounted to 0.00% at this time.
- › the share of voting rights in Continental AG held by IHO Verwaltungs GmbH (still operating as Schaeffler Verwaltung Zwei GmbH as at December 31, 2015), Herzogenaurach, Germany, on December 31, 2015, amounted to 35.99%.
- › the share of voting rights in Continental AG held by IHO Beteiligungs GmbH (still operating as Schaeffler Verwaltungs GmbH as at December 31, 2015), Herzogenaurach, Germany, on December 31, 2015, amounted to 10.01%. Another 35.99% of the voting rights in Continental AG are attributed to the company in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.
- › 46.00% of the voting rights in Continental AG are attributed to IHO Holding GmbH & Co. KG (still operating as Schaeffler Holding GmbH & Co. KG as at December 31, 2015), Herzogenaurach, Germany, on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.
- › 46.00% of the voting rights in Continental AG are attributed to IHO Management GmbH (still operating as Schaeffler Management GmbH as at December 31, 2015), Herzogenaurach, Germany, on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.
- › 46.00% of the voting rights in Continental AG are attributed to INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, Germany, on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.
- › 46.00% of the voting rights in Continental AG are attributed to Schaeffler Holding LP, Dallas, Texas, U.S.A., on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.
- › 46.00% of the voting rights in Continental AG are attributed to Mrs. Maria-Elisabeth Schaeffler-Thumann on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.
- › 46.00% of the voting rights in Continental AG are attributed to Mr. Georg F. W. Schaeffler on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.

As a result of the withdrawal of Schaeffler Familienholding Drei GmbH & Co. KG, Herzogenaurach, Germany, from Schaeffler Beteiligungsholding GmbH & Co. KG, Herzogenaurach, Germany, on December 31, 2015, the investment held by Schaeffler Beteiligungsholding GmbH & Co. KG, Herzogenaurach, Germany, in Continental AG accrued to IHO Verwaltungs GmbH (still operating as Schaeffler Verwaltung Zwei GmbH as at December 31, 2015), Herzogenaurach, Germany. The investment held by Schaeffler Familienholding Drei GmbH & Co. KG, Herzogenaurach, Germany, as well as the investment by its co-owner; by Schaeffler Familienholding Eins GmbH, Herzogenaurach, Germany; and by Schaeffler Familienholding Zwei GmbH, Herzogenaurach, Germany, in Continental AG accordingly ceased to exist. As a result of a subsequent further accrual and termination without liquidation of Schaeffler Familienholding Drei GmbH & Co. KG, Herzogenaurach, Germany, this company's notification obligation in accordance with *WpHG* ceased to apply on January 1, 2016.

In 2017 and until February 8, 2018, inclusively, the members of the Executive Board held shares representing a total interest of less than 1% of the share capital of the company. Shares representing 46.0% of the share capital of the company were attributable to the members of the Supervisory Board Mrs. Maria-Elisabeth Schaeffler-Thumann and Mr. Georg F. W. Schaeffler. In 2017 and until February 8, 2018, inclusively, the other members of the Supervisory Board held shares representing a total interest of less than 1% of the share capital of the company.

Consolidated Financial Statements

Continental AG is the parent company that prepares the consolidated financial statements for the smallest group of companies. Continental AG is also included in the consolidated financial statements of INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, Germany, which prepares the consolidated financial statements for the largest group of companies. These consolidated financial statements are published in the electronic German Federal Gazette (elektronischer Bundesanzeiger).

German Corporate Governance Code/Declaration in Accordance with Section 161 of the German Stock Corporation Act (*Aktiengesetz*)

The declaration required in accordance with Section 161 *AktG* was issued by the Executive Board and the Supervisory Board in December 2017, and is available to our shareholders on the following website: www.continental-corporation.com in the Company section under Corporate Governance.

Remuneration of the Executive Board and the Supervisory Board

The basic elements of the Executive Board remuneration system and the amounts granted to the Executive Board and the Supervisory Board in the year under review are explained in the Remuneration report, which supplements the Corporate Governance report and is part of the combined management report with the Continental Corporation.

The total remuneration granted to the Executive Board of Continental AG in 2017 amounted to €35.8 million (PY: €25.6 million). That total remuneration also includes, in addition to short-term benefits of €17.3 million (PY: €15.5 million), the first payment of €5.1 million for the 2013/2017 LTI tranche, a newly granted long-term incentive plan totaling €7.3 million (PY: €5.7 million) and the long-term component of variable remuneration totaling €6.1

million (PY: €4.4 million), which is converted into virtual shares of the company. In 2017, this resulted in the long-term component for 2016 being converted into 22,339 virtual shares.

Moreover, former members of the Executive Board and their surviving dependents received payments totaling €6.8 million (PY: €6.8 million). Provisions for pension obligations for former members of the Executive Board and their surviving dependents amounted to €121.5 million (PY: €128.9 million).

Remuneration paid to the members of Continental AG's Supervisory Board, including meeting fees, totaled €5.2 million in the past fiscal year (PY: €4.9 million).

As in 2016, no advances or loans were granted to members of Continental AG's Executive Board or Supervisory Board in 2017.

List of Shareholdings of Continental AG

I. Affiliated companies

Continental AG's list complies with Section 285 No. 11 in conjunction with Section 286 (3) of the German Commercial Code (*Handelsgesetzbuch - HGB*). The share of capital is the share held by

Continental AG or by one or more of its dependent companies. The share of capital calculated therefore fully takes into account the shares held by subsidiaries, even if the corporation's share in these subsidiaries is less than 100%.

Company	Footnote	Registered office	Share of capital in %	Equity in €'000s	Annual result in €'000s
Germany					
ADC Automotive Distance Control Systems GmbH	2)	Lindau	100.00	1,080	0
Alfred Teves Beteiligungsgesellschaft mbH	21)	Frankfurt am Main	100.00	59	40
A-Z Formen- und Maschinenbau GmbH	21)	Runding-Langwitz	100.00	13,029	1,248
balance GmbH, Handel und Beratungsservice im Gesundheitswesen	2)	Hanover	100.00	38	0
Benecke-Kaliko AG	2)	Hanover	100.00	46,084	0
Carrel Grundstücksverwaltungsgesellschaft mbH Co. Vermietungs KG	4) 23)	Mainz	94.00	n/s	n/s
CAS München GmbH	2)	Hanover	100.00	25	0
CAS-One Holdinggesellschaft mbH	2)	Hanover	100.00	3,076,882	0
Conseo GmbH	2)	Hamburg	100.00	102	0
Conti Temic microelectronic GmbH	2)	Nuremberg	100.00	266,964	0
Conti Versicherungsdienst Versicherungsvermittlungsges. mbH	2)	Hanover	100.00	26	0
Continental Aftermarket GmbH	2)	Eschborn	100.00	40	0
Continental Automotive GmbH	2)	Hanover	100.00	2,954,847	0
Continental Automotive Grundstücksges. mbH	21)	Frankfurt am Main	100.00	21,587	49
Continental Automotive Grundstücksvermietungsges. mbH & Co. KG	1) 21)	Frankfurt am Main	100.00	3,529	1,569
Continental Bicycle Systems GmbH & Co. KG	1) 21)	Hofheim am Taunus	100.00	-13,575	-7,754
Continental Bicycle Systems Verwaltungs GmbH	4) 21)	Hofheim am Taunus	100.00	18	1
Continental Caoutchouc-Export-GmbH	2)	Hanover	100.00	1,863,196	0
Continental Emitec GmbH	2)	Lohmar	100.00	740	0
Continental Emitec Verwaltungs GmbH	21)	Lohmar	100.00	52,993	294
Continental Engineering Services & Products GmbH	2)	Ingolstadt	100.00	25	0
Continental Engineering Services GmbH	2)	Frankfurt am Main	100.00	3,038	0
Continental Finance GmbH	2)	Hanover	100.00	847,581	0
Continental Mechanical Components Germany GmbH	2)	Roding	100.00	364	0
Continental Reifen Deutschland GmbH	2)	Hanover	100.00	120,033	0
Continental Safety Engineering International GmbH	2)	Alzenau	100.00	4,500	0
Continental Secure Data Germany GmbH	21)	Regensburg	100.00	-5,408	-5,285
Continental Teves AG & Co. OHG	1) 5) 21)	Frankfurt am Main	100.00	993,340	-83,446
Continental Trading GmbH	2)	Schwalbach am Taunus	100.00	57,879	0
ContiTech AG	2)	Hanover	75.10	491,960	0
ContiTech Antriebssysteme GmbH	2)	Hanover	100.00	5,138	0
ContiTech Elastomer-Beschichtungen GmbH	2)	Hanover	100.00	6,195	0
ContiTech Kühner Beteiligungsgesellschaft mbH	2)	Hanover	100.00	3,350	0
ContiTech Kühner GmbH & Cie. KG	1) 21)	Oppenweiler	86.00	2,045	-4,994
ContiTech Luftfedersysteme GmbH	2)	Hanover	100.00	26	0
ContiTech MGW GmbH	2)	Hannoversch Münden	100.00	8,773	0
ContiTech Schlauch GmbH	2)	Hanover	100.00	1,595	0
ContiTech Techno-Chemie GmbH	2)	Karben	100.00	18,581	0

Company	Footnote	Registered office	Share of capital in %	Equity in €'000s	Annual result in €'000s
ContiTech Transportbandsysteme GmbH	2)	Hanover	100.00	657	0
ContiTech Verwaltungs-GmbH	2)	Hanover	100.00	751,846	0
ContiTech Vibration Control GmbH	2)	Hanover	100.00	22,717	0
ContiTech-Universe Verwaltungs-GmbH	2)	Hanover	100.00	1,055,967	0
co-pace GmbH	2)	Hanover	100.00	3,096	0
Correx Handelsgesellschaft für Kautschukprodukte mbH	21)	Hanover	100.00	66	0
DEGETRINUM Grundstücksverwaltungsgesellschaft mbH & Co. Immobilien-Vermietungs KG	4) 21)	Mainz	94.00	24	29
Eddelbüttel + Schneider GmbH	2)	Hamburg	100.00	308	0
Elektrobit Automotive GmbH	2)	Erlangen	100.00	-7,305	604
Emitec Eisenach Verwaltungs GmbH	2)	Hörselberg-Hainich	100.00	5,138	0
Formpolster GmbH	2)	Hanover	100.00	348,852	0
FUCATUS Vermietungsgesellschaft mbH & Co. Objekt Schwalbach Kommanditgesellschaft	1) 4) 21)	Frankfurt am Main	94.90	0	57
Göppinger Kaliko GmbH	2)	Eislingen	100.00	17,485	0
Grundstücksverwaltungsgesellschaft Butan GmbH & Co. Objekt Waltershausen OHG	4) 21)	Mainz	94.00	-75	-3
Hoosier Racing Tire Europe GmbH	4) 21)	Cologne	100.00	-202	-227
Hornschuch Consulting GmbH	4) 21)	Weißbach	100.00	101	13
Hornschuch GmbH	2)	Weißbach	100.00	68,301	0
Hornschuch Group GmbH	21)	Weißbach	100.00	100,055	25,849
Hornschuch Stolzenau GmbH	2)	Stolzenau	100.00	1,910	0
Hornschuch-Markt GmbH	2) 4)	Weißbach	100.00	105	0
inotec Innovative Technologie GmbH	2)	Kohren-Sahlis	100.00	2,690	0
INTECH Thüringen GmbH	4) 21)	Waltershausen	100.00	-989	0
kek-Kaschierungen GmbH	2)	Herbolzheim	100.00	1,559	0
Konrad Hornschuch AG	2)	Weißbach	100.00	22,272	0
Konrad Hornschuch International GmbH	21)	Weißbach	100.00	514	274
Konrad Hornschuch USA GmbH	21)	Weißbach	100.00	567	242
OTA Grundstücks- und Beteiligungsverwaltung GmbH	2)	Frankfurt am Main	100.00	12,587	0
Parkpocket GmbH	4) 21)	Stuttgart	100.00	66	-242
Phoenix Beteiligungsgesellschaft mbH	2)	Hamburg	100.00	43	0
Phoenix Compounding Technology GmbH	2)	Hamburg	100.00	16,304	0
Phoenix Conveyor Belt Systems GmbH	2)	Hamburg	100.00	69,942	0
Phoenix Fluid Handling Industry GmbH	2)	Hamburg	100.00	42,497	0
Phoenix Service GmbH & Co. KG	1) 21)	Hamburg	100.00	52,963	1,950
Phoenix Vermögensverwaltungsgesellschaft mbH	2)	Hamburg	100.00	-475	0
Präzisionstechnik Geithain GmbH	2)	Geithain	100.00	847	0
REG Reifen-Entsorgungsgesellschaft mbH	2)	Hanover	100.00	4,534	0
Reifen Apel GmbH	4) 21)	Korbach	89.86	450	318
Reifen Kauffmann GmbH	4) 21)	Wilhelmshaven	60.00	420	55
Reifen-Service Clemens & Hegel GmbH	4) 21)	Bielefeld	100.00	225	73
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hannover-Stöcken KG	4) 21)	Grünwald nr. Munich	100.00	15	-120
Senior Experts Services GmbH	2)	Hanover	100.00	21	-1
STEINEBRONN BETEILIGUNGS-GMBH	20)	Oppenweiler	86.00	84	1
TON Tyres Over Night Trading GmbH	2)	Schondra-Schildeck	100.00	1,377	0
UMG Beteiligungsgesellschaft mbH	2)	Hanover	100.00	335,673	0
Union-Mittelland-Gummi-GmbH & Co. Grundbesitz KG	1) 2)	Hanover	100.00	8,000	0
Unterstützungskasse mbH der Göppinger Kaliko- und Kunstleder-Werke GmbH	4) 21)	Eislingen	100.00	522	-6
Vergölst GmbH	2)	Bad Nauheim	75.00	19,061	0
Veyance Technologies Germany GmbH	3) 4) 21)	Frankfurt am Main	100.00	195	-12

Company	Footnote	Registered office	Share of capital in %	Equity in €'000s	Annual result in €'000s
Vogtländische Reifenwerke Sitz Bad Nauheim GmbH	21)	Bad Nauheim	100.00	-103	0

Company	Footnote	Registered office	Country	Share of capital in %	Local currency	Equity in '000s	Annual result in '000s
Outside Germany							
AAPICO QI Sdn. Bhd.	4) 23)	Selangor	Malaysia	100.00	MYR	n/s	n/s
Adam Touring AG	21)	Triesen	Liechtenstein	100.00	CHF	3,435	15
Adam Touring GmbH	21)	Aarau	Switzerland	100.00	CHF	10,966	-560
Advance Tyre Company Ltd.	21)	Dublin	Ireland	100.00	EUR	-7,497	-795
Advanced Imaging Technologies (Pty) Ltd	4) 23)	Pinetown	South Africa	100.00	ZAR	n/s	n/s
AIMutlak Continental Company, Limited Liability Company	23)	Jeddah	Saudi Arabia	51.00	SAR	n/s	n/s
ALPHALOR 3 EURL	4) 21)	Sarreguemines	France	100.00	EUR	0	0
Application Solutions (Electronics and Vision) Ltd.	21)	Lewes	United Kingdom	100.00	GBP	6,070	528
Argus Cyber Security Ltd	23)	Tel Aviv	Israel	100.00	ILS	n/s	n/s
AZ-CZECH s.r.o.	21)	Horšovský Týn	Czechia	100.00	CZK	61,565	1,630
Bandvulc Tyres Limited	8)	Ivybridge	United Kingdom	100.00	GBP	14,095	-1,600
Belt Concepts of America, Inc.	12)	Wilmington, DE	U.S.A.	100.00	USD	n/s	n/s
BeltTrade, Inc.	12)	Wilmington, DE	U.S.A.	100.00	USD	n/s	n/s
Benecke Changshun Auto Trim (Zhangjiagang) Co., Ltd.	21)	Zhangjiagang	China	51.00	CNY	426,991	118,769
Benecke Changshun Eco Trim (Changzhou) Co., Ltd.	21)	Changzhou	China	75.00	CNY	168,356	25,650
BENECKE-KALIKO S.A.	21)	Wągrowiec	Poland	100.00	PLN	19,102	-3,397
BENECKE-KALIKO, S.A.	21)	Pamplona	Spain	100.00	EUR	10,031	1,534
BEST DRIVE CTM, S.A. de C.V.	12)	San Luis Potosí	Mexico	100.00	MXN	-4,319	-3,702
Bestdrive Benelux B.V.B.A.	21)	Leuven	Belgium	100.00	EUR	-4,064	-862
BestDrive Sverige AB	21)	Hisings Kärra	Sweden	100.00	SEK	10,891	21
BestDrive, LLC	11)	Wilmington, DE	U.S.A.	100.00	USD	n/s	n/s
Brahler's Truckers Supply, Inc.	13)	Wilmington, DE	U.S.A.	100.00	USD	n/s	n/s
BV Environmental Limited	8)	Ivybridge	United Kingdom	100.00	GBP	39,272	207
BV F1rst Limited	8)	Ivybridge	United Kingdom	100.00	GBP	-239	-43
CAC Philippines, Inc.	21)	Calamba	Philippines	100.00	PHP	-101,503	-177,068
Cadna Rubber Company, Inc.	11)	Gardena, CA	U.S.A.	100.00	USD	n/s	n/s
CAS UK Holding Ltd.	20)	Ebbw Vale	United Kingdom	100.00	GBP	6,053	-594
CGH Holding BV.	21)	Maastricht	Netherlands	100.00	EUR	1,017,367	305,180
CGT Referral Resources, Inc.	15)	Charlotte, NC	U.S.A.	100.00	USD	342	0
Changshu ContiTech Trading Ltd.	21)	Changshu	China	100.00	CNY	12,873	1,295
Conti Automotive Servicios, S.A. de C.V.	21)	Silao	Mexico	100.00	MXN	56,895	8,436
Conti Trade Australia Pty. Ltd.	21)	Bundoora	Australia	100.00	AUD	946	-715
Conti Trade Italia S.r.l.	4) 21)	Milan	Italy	100.00	EUR	73	-1
Conticlub SAS	4) 21)	La Croix-Saint-Ouen	France	100.00	EUR	174	26
Conti-Gummi Finance B.V.	21)	Maastricht	Netherlands	100.00	EUR	7,493	342
Continental - Indústria Textil do Ave, S.A.	21)	Lousado	Portugal	100.00	EUR	18,760	7,252
Continental Adria pnevmatike d.o.o.	21)	Maribor	Slovenia	100.00	EUR	637	671
Continental Advanced Lidar Solutions US, LLC	20)	Wilmington, DE	U.S.A.	100.00	USD	81,428	17,810
Continental Automotive (Thailand) Co., Ltd.	21)	Rayong	Thailand	100.00	THB	1,448,208	724,482

Company	Footnote	Registered office	Country	Share of capital in %	Local currency	Equity in '000s	Annual result in '000s
Continental Automotive AB	23)	Gothenburg	Sweden	100.00	SEK	n/s	n/s
Continental Automotive Austria GmbH	21)	Vienna	Austria	100.00	EUR	14,879	4,286
Continental Automotive Bajio, S.A. de C.V.	21)	Silao	Mexico	100.00	MXN	72,022	9,418
Continental Automotive Benelux BVBA	21)	Mechelen	Belgium	99.99	EUR	84,885	27,311
Continental Automotive Brake Systems (I) Private Limited	6)	Manesar	India	100.00	INR	465,228	-331,734
Continental Automotive Changchun Co., Ltd.	21)	Changchun	China	100.00	CNY	4,516,262	754,964
Continental Automotive Components (India) Private Ltd.	7)	Bangalore	India	100.00	INR	6,732,250	-64,190
Continental Automotive Components Malaysia Sdn. Bhd.	21)	Prai	Malaysia	100.00	MYR	291,333	17,855
Continental Automotive Corporation	21)	Yokohama	Japan	65.00	JPY	48,546,358	6,789,722
Continental Automotive Corporation (Lianyungang) Co., Ltd.	21)	Lianyungang	China	60.00	CNY	962,083	223,077
Continental Automotive Corporation Korea Ltd.	21)	Seongnam-si	South Korea	100.00	KRW	11,539,361	-359,320
Continental Automotive Czech Republic s.r.o.	21)	Jičín	Czechia	100.00	CZK	10,190,619	-1,099,217
Continental Automotive d.o.o. Novi Sad	23)	Belgrade	Serbia	100.00	RSD	n/s	n/s
Continental Automotive do Brasil Ltda.	21)	Várzea Paulista	Brazil	100.00	BRL	29,347	-31,381
Continental Automotive Electronics, LLC	21)	Sejong-si	South Korea	100.00	KRW	127,688,495	39,515,535
Continental Automotive Engineering (Chongqing) Co., Ltd.	23)	Chongqing	China	100.00	CNY	n/s	n/s
Continental Automotive France SAS	21)	Toulouse	France	100.00	EUR	379,397	65,165
Continental Automotive Funding Corp.	20)	Wilmington, DE	U.S.A.	100.00	USD	894,922	6,817
Continental Automotive Guadalajara México, S.A. de C.V.	21)	Tlajomulco de Zuñiga	Mexico	100.00	MXN	9,921,068	3,685,558
Continental Automotive Holding (Shanghai) Co., Ltd.	21)	Shanghai	China	100.00	CNY	7,173,782	762,847
Continental Automotive Holding Netherlands B.V.	21)	Maastricht	Netherlands	100.00	EUR	1,954,050	314,256
Continental Automotive Holding Spain S.L.	21)	Rubí	Spain	100.00	EUR	9,797	0
Continental Automotive Holdings UK Ltd.	21)	Birmingham	United Kingdom	100.00	GBP	13,761	-49
Continental Automotive Hungary Kft.	21)	Veszprém	Hungary	100.00	HUF	34,851,707	5,990,385
Continental Automotive Instruments Malaysia Sdn. Bhd.	21)	Prai	Malaysia	100.00	MYR	35,023	349
Continental Automotive Interior Wuhu Co., Ltd.	21)	Wuhu	China	100.00	CNY	418,266	64,640
Continental Automotive Italy S.p.A.	21)	Pisa	Italy	100.00	EUR	14,565	-9,713
Continental Automotive Japan K.K.	21)	Yokohama	Japan	100.00	JPY	3,331,098	904,571
Continental Automotive Jinan Co., Ltd.	21)	Jinan	China	100.00	CNY	-90,144	24,037
Continental Automotive Korea Ltd.	21)	Seongnam-si	South Korea	100.00	KRW	8,481,114	1,120,682
Continental Automotive Lithuania UAB	23)	Vilnius	Lithuania	100.00	EUR	n/s	n/s
Continental Automotive Malaysia Sdn. Bhd.	21)	Prai	Malaysia	100.00	MYR	10,846	2,337
Continental Automotive Maquila Mexico S.A. de C.V.	21)	Silao	Mexico	100.00	MXN	533,692	190,136
Continental Automotive Mexicana, S.A. de C.V.	21)	Morelos	Mexico	100.00	MXN	2,773,883	1,874,965
Continental Automotive Rambouillet France SAS	21)	Rambouillet	France	100.00	EUR	32,009	3,248
Continental Automotive Romania SRL	21)	Timișoara	Romania	100.00	RON	844,455	161,877
Continental Automotive Singapore Pte. Ltd.	21)	Singapore	Singapore	100.00	SGD	15,295	10,880
Continental Automotive SLP, S.A. de C.V.	13)	San Luis Potosí	Mexico	100.00	MXN	n/s	n/s
Continental Automotive Spain S.A.	21)	Rubí	Spain	100.00	EUR	37,499	-5,021
Continental Automotive Switzerland AG	21)	Rüthi	Switzerland	100.00	CHF	8,893	-2,620
Continental Automotive Systems (Shanghai) Co., Ltd.	21)	Shanghai	China	100.00	CNY	4,903,841	1,017,512
Continental Automotive Systems (Tianjin) Co., Ltd.	21)	Tianjin	China	100.00	CNY	1,338,166	226,521
Continental Automotive Systems Changshu Co., Ltd.	21)	Changshu	China	100.00	CNY	379,729	240,972
Continental Automotive Systems Corporation	21)	Icheon-si	South Korea	65.00	KRW	165,676,650	67,602,109
Continental Automotive Systems Costa Rica S.A.	9)	Alajuela	Costa Rica	100.00	CRC	n/s	n/s
Continental Automotive Systems Holding US, Inc.	18)	Wilmington, DE	U.S.A.	100.00	USD	4,132,308	43,707
Continental Automotive Systems, Inc.	17)	Wilmington, DE	U.S.A.	100.00	USD	337,817	139,405

Company	Footnote	Registered office	Country	Share of capital in %	Local currency	Equity in '000s	Annual result in '000s
Continental Automotive Systems Slovakia s.r.o.	21)	Zvolen	Slovakia	100.00	EUR	86,306	15,340
Continental Automotive Systems SRL	19)	Sibiu	Romania	100.00	RON	126,831	47,864
Continental Automotive Telford UK Ltd.	21)	Birmingham	United Kingdom	100.00	GBP	19,805	148
Continental Automotive Trading France SAS	21)	Rambouillet	France	100.00	EUR	7,222	330
Continental Automotive Trading Italia S.r.l.	21)	Milan	Italy	100.00	EUR	9,366	-117
Continental Automotive Trading Nederland B.V.	21)	Eindhoven	Netherlands	100.00	EUR	1,054	92
Continental Automotive Trading Österreich GmbH	21)	Vienna	Austria	100.00	EUR	1,379	146
Continental Automotive Trading UK Ltd.	21)	Birmingham	United Kingdom	100.00	GBP	3,241	-182
Continental Automotive UK Ltd.	21)	Birmingham	United Kingdom	100.00	GBP	17,364	322
Continental Automotive Wuhu Co., Ltd.	21)	Wuhu	China	100.00	CNY	1,778,405	712,341
Continental Automotive, Inc.	21)	Wilmington, DE	U.S.A.	100.00	USD	1,755,560	239,590
Continental Barum s.r.o.	21)	Otrokovice	Czechia	70.00	CZK	27,508,338	3,518,837
Continental Benelux SPRL	21)	Herstal-Hez-Liège	Belgium	99.99	EUR	78,099	2,884
Continental Brake Systems (Shanghai) Co., Ltd.	21)	Shanghai	China	51.00	CNY	111,536	57,461
Continental Brakes Italy S.p.A.	21)	Cairo Montenotte	Italy	100.00	EUR	22,150	6,378
Continental Brasil Indústria Automotiva Ltda.	17)	Guarulhos	Brazil	100.00	BRL	431,601	11,693
Continental ContiTech de Chihuahua S. de R.L. de C.V.	21)	San Luis Potosí	Mexico	100.00	MXN	127,784	9,874
Continental ContiTech de México, S. de R.L. de C.V.	21)	San Luis Potosí	Mexico	100.00	MXN	187,372	13,514
Continental Däck Sverige AB	21)	Gothenburg	Sweden	100.00	SEK	233,569	5,302
Continental Daek Danmark A/S	21)	Brøndby	Denmark	100.00	DKK	56,928	6,347
Continental Dekk Norge A/S	21)	Oslo	Norway	100.00	NOK	174,445	3,062
Continental Digital Services France SAS	21)	Toulouse	France	100.00	EUR	3,964	-36
Continental do Brasil Produtos Automotivos Ltda.	21)	Camaçari	Brazil	100.00	BRL	1,520,122	152,535
Continental Engineering Services Ltd.	20)	Lichfield	United Kingdom	100.00	GBP	2,475	0
Continental France SNC	1) 21)	Sarreguemines	France	100.00	EUR	335,523	55,741
Continental Funding México, S.A. de C.V., SOFOM, E.N.R.	21)	Tlajomulco de Zuñiga	Mexico	100.00	MXN	752,659	84,355
Continental Global Business Services Manila, Inc.	21)	Taguig City	Philippines	100.00	USD	2,445	576
Continental Global Holding Netherlands B.V.	21)	Maastricht	Netherlands	100.00	EUR	5,250,078	836,001
Continental Guadalajara Services México, S.A. de C.V.	21)	Tlajomulco de Zuñiga	Mexico	100.00	MXN	435,829	61,525
Continental Holding France SAS	21)	Sarreguemines	France	100.00	EUR	370,466	16,534
Continental HT Tyres, s.r.o.	21)	Otrokovice	Czechia	100.00	CZK	5,716,890	5,547,223
Continental Hungária Kft.	21)	Budaörs	Hungary	100.00	HUF	3,298,154	691,028
Continental India Private Limited	6)	New Delhi	India	100.00	INR	7,294,000	-1,831,000
Continental Indústria e Comércio Automotivos Ltda.	17)	Manaus	Brazil	100.00	BRL	20,955	-28,360
Continental Indústria e Comércio de Peças de Reposicao Automotivas Ltda.	17)	Barueri	Brazil	100.00	BRL	57,262	8,049
Continental Industrias del Caucho S.A.	21)	Madrid	Spain	100.00	EUR	29,823	76
Continental Intelligent Transportation Systems (Shanghai) Co., Ltd.	13)	Shanghai	China	100.00	CNY	n/s	n/s
Continental Intelligent Transportation Systems, LLC	11)	Wilmington, DE	U.S.A.	100.00	USD	n/s	n/s
Continental Investment Ltd.	21)	West Drayton	United Kingdom	100.00	GBP	20,573	157
Continental Italia S.p.A.	21)	Milan	Italy	100.00	EUR	31,488	836
Continental Lemmerz (Portugal)-Componentes para Automóveis Lda.	21)	Palmela	Portugal	51.00	EUR	1,572	-17
Continental Llantera Potosina, S.A. de C.V.	21)	Mexico City	Mexico	100.00	MXN	81,130	15,385
Continental Mabor Indústria de Pneus S.A.	21)	Lousado	Portugal	100.00	EUR	247,710	225,836

Company	Footnote	Registered office	Country	Share of capital in %	Local currency	Equity in '000s	Annual result in '000s
Continental Matador Rubber, s.r.o.	21)	Púchov	Slovakia	100.00	EUR	826,955	197,741
Continental Matador Truck Tires s.r.o.	21)	Púchov	Slovakia	100.00	EUR	201,328	84,330
Continental Middle East DMCC	21)	Dubai	U.A.E.	100.00	EUR	3,396	1,997
Continental of Taiwan Co., Ltd.	21)	Taipei City	Taiwan	100.00	TWD	74,717	21,477
Continental Opony Polska Sp. z o.o.	21)	Warsaw	Poland	100.00	PLN	128,879	15,408
Continental Pneus (Portugal) S.A.	21)	Lousado	Portugal	100.00	EUR	7,925	1,068
Continental Powertrain Romania SRL	21)	Ghimbav	Romania	100.00	RON	27,586	-88,354
Continental Pty Ltd	21)	Bundoora	Australia	100.00	AUD	-9,077	-30,418
Continental Rengas Oy	21)	Espoo	Finland	100.00	EUR	7,814	-67
Continental Rubber of America, Corp.	21)	Wilmington, DE	U.S.A.	100.00	USD	61,761	2,185
Continental Secure Data Headquarter B.V.	21)	Maastricht	Netherlands	100.00	EUR	29	-14
Continental Secure Data USA LLC	11)	Wilmington, DE	U.S.A.	100.00	USD	n/s	n/s
Continental Serviços de Vulcanização do Brasil Ltda.	12)	Ouro Preto	Brazil	100.00	BRL	n/s	n/s
Continental Suisse S.A.	21)	Dietikon	Switzerland	100.00	CHF	33,222	2,571
Continental Temic Electronics (Phils.), Inc.	21)	Calamba	Philippines	100.00	PHP	4,499,597	368,500
Continental Teves Portugal - Sistemas de Travagem Lda.	21)	Palmela	Portugal	100.00	EUR	20,508	-243
Continental Teves UK, Ltd.	21)	Ebbw Vale	United Kingdom	100.00	GBP	16,938	1,411
Continental Tire Andina S.A.	21)	Cuenca	Ecuador	51.04	USD	82,172	3,788
Continental Tire Canada, Inc.	20)	Mississauga	Canada	100.00	CAD	46,445	2,472
Continental Tire Chile SpA	21)	Santiago de Chile	Chile	100.00	USD	1,270	173
Continental Tire Colombia S.A.S.	21)	Bogota	Colombia	100.00	COP	10,553,871	-1,490,571
Continental Tire de México, S.A. de C.V.	21)	San Luis Potosí	Mexico	100.00	MXN	6,729,566	1,720,490
Continental Tire Holding US LLC	21)	Wilmington, DE	U.S.A.	100.00	USD	498,501	276,522
Continental Tire Japan Co. Ltd.	21)	Tokyo	Japan	100.00	JPY	252,517	101,652
Continental Tire Korea Co., Ltd.	21)	Seoul	South Korea	100.00	KRW	1,993,947	1,091,176
Continental Tire Servicios, S.A. de C.V.	21)	San Luis Potosí	Mexico	100.00	MXN	-113,272	-7,350
Continental Tire Sumter LLC	20)	Wilmington, DE	U.S.A.	100.00	USD	-4,815	-2,126
Continental Tire the Americas, LLC	19)	Columbus, OH	U.S.A.	100.00	USD	357,373	74,920
Continental Tire West Africa Limited	21)	Accra	Ghana	100.00	GHS	4,389	499
Continental Tires (China) Co., Ltd.	21)	Hefei	China	100.00	CNY	1,060,776	255,554
Continental Tires (Shanghai) Co., Ltd.	21)	Shanghai	China	100.00	CNY	-53,127	-34,523
Continental Tires España S.L.	21)	Madrid	Spain	100.00	EUR	52,473	5,386
Continental Tires Holding Singapore Pte. Ltd.	21)	Singapore	Singapore	100.00	USD	236,754	15,026
Continental Tyre AS Malaysia Sdn. Bhd.	21)	Petaling Jaya	Malaysia	100.00	MYR	169,354	47,862
Continental Tyre Group Ltd.	21)	West Drayton	United Kingdom	100.00	GBP	41,050	10,074
Continental Tyre Investment UK Ltd.	21)	West Drayton	United Kingdom	100.00	GBP	0	0
Continental Tyre Malaysia Sdn. Bhd.	21)	Petaling Jaya	Malaysia	100.00	MYR	768,470	-15
Continental Tyre Management Malaysia Sdn. Bhd.	21)	Petaling Jaya	Malaysia	100.00	MYR	15,381	-6
Continental Tyre Marketing Malaysia Sdn. Bhd.	21)	Petaling Jaya	Malaysia	100.00	MYR	13,205	-3
Continental Tyre North Africa SARL	4) 21)	Casablanca	Morocco	100.00	MAD	2,563	1,130
Continental Tyre PJ Malaysia Sdn. Bhd.	21)	Petaling Jaya	Malaysia	100.00	MYR	121,265	-31,051
Continental Tyre Services Malaysia Sdn. Bhd.	21)	Petaling Jaya	Malaysia	100.00	MYR	6,742	-8
Continental Tyre South Africa (Pty) Ltd.	21)	Port Elizabeth	South Africa	100.00	ZAR	1,248,762	44,849
Continental Tyre Technology Centre Malaysia Sdn. Bhd.	21)	Petaling Jaya	Malaysia	100.00	MYR	8,029	672
Continental Tyres (Thailand) Co., Ltd.	21)	Bangkok	Thailand	100.00	THB	264,654	10,840
Continental Tyres Ltd.	21)	West Drayton	United Kingdom	100.00	GBP	2,661	-2

Company	Footnote	Registered office	Country	Share of capital in %	Local currency	Equity in '000s	Annual result in '000s
Continental Tyres of Australia Pty Ltd	21)	Bundoora	Australia	100.00	AUD	5,376	758
Continental UK Group Holdings Ltd.	21)	West Drayton	United Kingdom	100.00	GBP	35,660	-267
Continental výroba pneumatik, s.r.o.	21)	Otrokovice	Czechia	100.00	CZK	3,111,756	2,903,993
ContiTech (Shandong) Engineered Rubber Products Co., Ltd.	21)	Yanzhou	China	60.00	CNY	642,030	-17,164
ContiTech Africa (Pty) Ltd.	21)	Uitenhage	South Africa	100.00	ZAR	297,358	18,305
ContiTech Anoflex SAS	21)	Caluire-et-Cuire	France	100.00	EUR	9,124	2,366
ContiTech Australia Pty Ltd	12)	Bayswater	Australia	100.00	AUD	n/s	n/s
ContiTech Belgium BVBA	21)	Berchem	Belgium	100.00	EUR	2,169	164
Contitech Botswana (Pty) Ltd	4) 21)	Gaborone	Botswana	100.00	BWP	7,099	971
ContiTech Canada, Inc.	12)	Mississauga	Canada	100.00	CAD	n/s	n/s
CONTITECH Chile S.A.	20)	Santiago de Chile	Chile	100.00	CLP	29,711,259	-617,100
ContiTech China Rubber & Plastics Technology Ltd.	21)	Changshu	China	100.00	CNY	799,484	135,062
ContiTech Consulting Mexicana, S.A. de C.V.	21)	San Luis Potosí	Mexico	100.00	MXN	-19,374	10,226
ContiTech Dae Won Airspring Systems, Ltd.	21)	Cheonan	South Korea	51.00	KRW	12,812,578	1,641,895
ContiTech de Venezuela, C.A.	4) 21)	Carraborra	Venezuela	100.00	VEF	1,756,240	-1,154,272
ContiTech Finland Oy	21)	Tampere	Finland	100.00	EUR	3,728	994
ContiTech Fluid Automotive CZ s.r.o.	21)	Ostrava	Czechia	100.00	CZK	302,949	44,392
ContiTech Fluid Automotive Hungária Kft.	21)	Makó	Hungary	100.00	HUF	28,307	2,823
ContiTech Fluid Distribuidora S.A. de C.V.	21)	Tlajomulco de Zuñiga	Mexico	100.00	MXN	89,958	37,516
ContiTech Fluid Korea Ltd.	21)	Jeonju	South Korea	100.00	KRW	18,156	496
ContiTech Fluid Mexicana Servicios, S.A. de C.V.	21)	Tlalnepantla	Mexico	100.00	MXN	-21,175	-20,463
ContiTech Fluid Mexicana, S.A. de C.V.	21)	Tlalnepantla	Mexico	100.00	MXN	146,528	44,518
ContiTech Fluid Mobile Climate Systems s.r.o.	3) 21)	Chomutov	Czechia	100.00	CZK	240	23,477
ContiTech Fluid Monterrey Servicios, S.A. de C.V.	4) 21)	Tlajomulco de Zuñiga	Mexico	100.00	MXN	-38,347	-18,864
ContiTech Fluid Oil & Marine Middle East FZE	21)	Dubai	U.A.E.	100.00	AED	3,787	1,352
ContiTech Fluid Serbia D.O.O.	21)	Subotica	Serbia	100.00	RSD	527,289	432,898
ContiTech Fluid Shanghai Co., Ltd.	21)	Shanghai	China	51.00	CNY	50,917	-3,024
ContiTech France SNC	1) 21)	Gennevilliers	France	100.00	EUR	1,246	214
ContiTech Global Holding Netherlands B.V.	21)	Maastricht	Netherlands	100.00	EUR	663,817	-1,004
ContiTech Grand Ocean Fluid (Changchun) Co., Ltd.	21)	Changchun	China	51.00	CNY	67,391	20,561
ContiTech Holding (Shanghai) Co., Ltd	23)	Shanghai	China	100.00	CNY	n/s	n/s
ContiTech Holding Netherlands B.V.	21)	Maastricht	Netherlands	100.00	EUR	230,892	18,594
ContiTech IMAS A.E.	21)	Volos	Greece	100.00	EUR	22,495	-13,605
ContiTech India Pvt. Ltd.	6)	New Delhi	India	100.00	INR	894,911	109,424
ContiTech Japan Co., Ltd.	4) 21)	Yokohama	Japan	100.00	JPY	273,881	57,906
ContiTech Kautschuk- und Kunststoffvertriebsges. mbH	21)	Wiener Neudorf	Austria	100.00	EUR	3,950	625
ContiTech Lastik Sanayi ve Ticaret AS	21)	Bursa	Turkey	100.00	TRY	90,678	50,611
ContiTech Magyarország Kft.	21)	Nyiregyháza	Hungary	100.00	HUF	12,369,994	3,288,153
ContiTech Maroc SARL	21)	Casablanca	Morocco	100.00	MAD	94,623	-18,002
ContiTech Mexicana, S.A. de C.V.	21)	San Luis Potosí	Mexico	100.00	MXN	1,979,680	682,255
ContiTech North America, Inc.	16)	Wilmington, DE	U.S.A.	100.00	USD	4,637	1,149
ContiTech Oil & Marine Corp.	21)	Dallas, TX	U.S.A.	100.00	USD	19,370	246
ContiTech Power Transmission (Ninghai) Ltd.	21)	Ninghai	China	100.00	CNY	126,384	23,108
ContiTech Power Transmission (Sanmen) Ltd.	21)	Taizhou	China	100.00	CNY	14,724	-1,583
ContiTech Power Transmission Korea Co., Ltd.	21)	Yangsan	South Korea	100.00	KRW	46,811,327	-337,327
ContiTech Print Service (S) Pte. Ltd.	4) 21)	Singapore	Singapore	100.00	SGD	341	16
ContiTech Printing Blanket Shanghai Ltd.	4) 21)	Shanghai	China	100.00	CNY	1,096	-2,251

Company	Footnote	Registered office	Country	Share of capital in %	Local currency	Equity in '000s	Annual result in '000s
ContiTech Roulunds Rubber A/S	21)	Odense	Denmark	100.00	DKK	231,915	1,835
ContiTech Rubber Industrial Korilátolt Felelősségű Társaság	21)	Szeged	Hungary	100.00	HUF	34,702,077	7,788,782
ContiTech Scandinavia AB	21)	Kista	Sweden	100.00	SEK	66,643	2,167
ContiTech Services (Pty.) Ltd.	21)	Uitenhage	South Africa	100.00	ZAR	28,153	9,745
ContiTech Shanghai Rubber & Plastics Technology Ltd.	21)	Shanghai	China	100.00	CNY	243,929	14,841
ContiTech Singapore Pte. Ltd.	21)	Singapore	Singapore	100.00	USD	3,200	266
ContiTech Slovenija, družba za proizvodnjo gumenih tehničnih izdelkov, d.o.o.	21)	Kranj	Slovenia	100.00	EUR	54,863	12,943
ContiTech South Africa (Pty.) Ltd.	21)	Uitenhage	South Africa	74.90	ZAR	15,754	-23,783
ContiTech Thermopol LLC	20)	Somersworth, NH	U.S.A.	100.00	USD	-55,880	-31,409
ContiTech Thermopol Romania S.R.L.	21)	Nadab	Romania	100.00	RON	107,642	19,665
ContiTech Tianjin Conveyor Belt Ltd.	20)	Tianjin	China	100.00	CNY	-121,580	-97,681
ContiTech United Kingdom Ltd.	21)	Wigan	United Kingdom	100.00	GBP	41,756	9,784
ContiTech USA, Inc.	12)	Wilmington, DE	U.S.A.	100.00	USD	n/s	n/s
ContiTech Vibration Control France SAS	21)	Andrézieux-Bouthéon	France	100.00	EUR	4,958	551
ContiTech Vibration Control s.r.o.	21)	Dolné Vestenice	Slovakia	100.00	EUR	11,524	22
ContiTech Vibration Control Slovakia s.r.o.	21)	Dolné Vestenice	Slovakia	100.00	EUR	33,218	9,986
ContiTrade (Shanghai) Co., Ltd.	21)	Shanghai	China	100.00	CNY	26,920	-22,817
ContiTrade Africa (Pty) Ltd	20)	Port Elizabeth	South Africa	100.00	ZAR	25,723	-6,308
Contitrade España S.A.U.	21)	Madrid	Spain	100.00	EUR	1,598	-609
Contitrade Holding	21)	Aubenas	France	100.00	EUR	949	-18
ContiTrade Services s.r.o.	21)	Otrokovice	Czechia	100.00	CZK	1,628,151	-97,305
ContiTrade Slovakia s.r.o.	21)	Púchov	Slovakia	100.00	EUR	2,583	-1,012
Contitread Servicios México, S.A. de C.V.	21)	San Luis Potosí	Mexico	100.00	MXN	583	254
Cosmoflex, Inc.	12)	Wilmington, DE	U.S.A.	100.00	USD	n/s	n/s
Crypton Ltd.	3) 18)	Devizes	United Kingdom	100.00	GBP	50	69
Custom Machining Services, Inc.	23)	Valparaiso, IN	U.S.A.	100.00	USD	n/s	n/s
CZ Holdings, Inc.	13)	Wilmington, DE	U.S.A.	80.58	USD	n/s	n/s
Dan-Belt S.A.	21)	Barcelona	Spain	100.00	EUR	3,483	493
Dekkmann A/S	21)	Oslo	Norway	100.00	NOK	10,270	-34,547
Dunlop Oil & Marine Ltd.	21)	Grimsby	United Kingdom	100.00	GBP	8,279	7,914
DynaGen, Inc.	15)	Charlotte, NC	U.S.A.	100.00	USD	0	0
Eco Plus System SAS	4) 21)	Colmar	France	100.00	EUR	594	18
Elektrobit Austria GmbH	21)	Vienna	Austria	100.00	EUR	2,286	374
Elektrobit Automotive Americas Inc.	21)	Wilmington, DE	U.S.A.	100.00	USD	12,939	7,317
Elektrobit Automotive Finland Oy	21)	Oulu	Finland	100.00	EUR	323	306
Elektrobit Automotive Korea Limited	23)	Seongnam	South Korea	100.00	KRW	n/s	n/s
Elektrobit Automotive Romania SRL	21)	Braşov	Romania	100.00	RON	3,110	-547
Elektrobit Automotive Software (Shanghai) Co., Ltd.	21)	Shanghai	China	100.00	CNY	9,110	3,335
Elektrobit France SAS	21)	Carrières-sur-Seine	France	100.00	EUR	2,054	618
Elektrobit India Private Ltd.	13)	Bangalore	India	100.00	INR	n/s	n/s
Elektrobit Nippon K.K.	21)	Tokyo	Japan	100.00	JPY	60,688	36,927
Emitec Denmark A/S	21)	Randers	Denmark	100.00	DKK	311,047	11,509
Emitec Emission Control Technologies India Pvt. Ltd.	6)	Pune	India	100.00	INR	1,321,514	311,510
Emitec Emission Treatment System (Shanghai) Co., Ltd.	3) 18)	Shanghai	China	100.00	CNY	2,384	231
Emitec France SAS	21)	Faulquemont	France	100.00	EUR	-28,559	-21,732
EPD Holdings, Inc.	12)	Wilmington, DE	U.S.A.	100.00	USD	n/s	n/s

Company	Footnote	Registered office	Country	Share of capital in %	Local currency	Equity in '000s	Annual result in '000s
Eu-Retec (Private) Ltd.	21)	Kalutara	Sri Lanka	51.00	LKR	1,214,528	343,162
FSC Franchising Service Company S.p.A.	21)	Milan	Italy	80.17	EUR	757	81
General Tire International Company	15)	Charlotte, NC	U.S.A.	100.00	USD	3,863	0
Granite Investments Limited	8)	Ivybridge	United Kingdom	100.00	GBP	4,094	486
Holding ContiTech SAS	21)	Sarreguemines	France	100.00	EUR	10,398	257
Hoosier Racing Tire Corp.	13)	Indianapolis, IN	U.S.A.	100.00	USD	n/s	n/s
Hornschuch (Shanghai) Surface Technology Co., Ltd.	21)	Shanghai	China	100.00	CNY	17,710	3,487
Hornschuch France SARL	21)	Neuilly Plaisance	France	100.00	EUR	749	357
Hornschuch Italia S.r.l.	21)	Arese	Italy	100.00	EUR	1,001	33
Hornschuch UK Ltd.	4) 21)	Purley Surrey	United Kingdom	100.00	EUR	38	12
I.T.U. Sarl	4) 21)	Luxembourg	Luxembourg	51.00	EUR	236	0
Kolubara-Univerzal D.O.O.	21)	Veliki Crijeni	Serbia	100.00	RSD	1,510	-52
Legg Company, Inc.	21)	Halstead, KS	U.S.A.	100.00	USD	36,234	482
Libra Associates (Properties) Limited	8)	Ivybridge	United Kingdom	100.00	GBP	1,084	-187
MPI SAS	21)	Mandelieu	France	100.00	EUR	-2,604	-17,445
Omitec Group Ltd.	3) 18)	Devizes	United Kingdom	100.00	GBP	-4,584	-7,906
Omitec Ltd.	3) 18)	Devizes	United Kingdom	100.00	GBP	2,534	2,573
OOO "AVTEL-Togliatti"	4) 21)	Togliatti	Russia	100.00	RUB	5,014	48
OOO "Continental Automotive RUS"	21)	Moscow	Russia	76.00	RUB	773,903	75,525
OOO "Continental Automotive Systems RUS"	21)	Kaluga	Russia	100.00	RUB	291,500	-287,353
OOO "Continental Kaluga"	21)	Kaluga	Russia	100.00	RUB	2,684,213	-2,644,055
OOO "Continental Tires RUS"	21)	Moscow	Russia	100.00	RUB	3,953,577	1,386,670
OOO "ContiTech RUS"	21)	Moscow	Russia	100.00	RUB	199,975	160,575
OOO Hornschuch RUS	4) 21)	Moscow	Russia	100.00	RUB	45,070	6,021
O' Sullivan Films, Inc.	21)	Winchester, VA	U.S.A.	100.00	USD	5,425	-3,532
OTA keys S.A.	21)	Ixelles	Belgium	100.00	EUR	-621	-2,154
Otomotiv Lastikleri Tevzi AS (OLTAS)	21)	Istanbul	Turkey	99.97	TRY	71,855	12,146
Phoenix Conveyor Belt India Private Ltd.	21)	Kalyani	India	100.00	INR	3,316,500	129,200
Phoenix Conveyor Belt Solutions, Inc.	12)	Glen Allen, VA	U.S.A.	100.00	USD	n/s	n/s
Phoenix Oil & Marine Ltd.	21)	Grimsby	United Kingdom	100.00	GBP	14,553	-55
Phoenix Shanxi Conveyor Belt Co., Ltd.	19)	Changzhi	China	52.00	CNY	263,006	-18,664
Pneu Egger AG	21)	Aarau	Switzerland	100.00	CHF	23,761	1,395
Profi Reifen- und Autoservice Gesellschaft mbH	21)	Wiener Neudorf	Austria	100.00	EUR	13,330	-3,704
PT Continental Tyre Indonesia	19)	Jakarta	Indonesia	100.00	IDR	-11,921,287	564,353
PT Quantum Inventions Indonesia	4) 23)	Jakarta	Indonesia	100.00	IDR	n/s	n/s
P-Tec Automotive Ltd.	3) 18)	Devizes	United Kingdom	100.00	GBP	3,024	539
Quantum Inventions Private Limited	23)	Singapore	Singapore	100.00	SGD	n/s	n/s
Rengasmaailma Oy	21)	Espoo	Finland	100.00	EUR	-1,094	-94
Rengasnet Oy	4) 21)	Helsinki	Finland	100.00	EUR	-116	-373
RENOR SARL	21)	Alençon	France	100.00	EUR	435	-58
REPARATION PNEUMATIQUES DU SUD EST (REPNEU) SAS	4) 20)	Grasse	France	100.00	EUR	1,601	-195
Road-Braad Automotive Electronics (Qufu) Co. Ltd.	21)	Qufu	China	51.00	CNY	79,302	22,483
Rundpneu Beteiligungsges. mbH	21)	Vienna	Austria	100.00	EUR	620	0
S.C. Continental Automotive Products SRL	21)	Timișoara	Romania	100.00	RON	1,156,942	755,557

Company	Footnote	Registered office	Country	Share of capital in %	Local currency	Equity in '000s	Annual result in '000s
S.C. ContiTech Fluid Automotive Romania S.R.L.	21)	Carei	Romania	100.00	RON	295,495	54,710
S.C. ContiTech Romania S.R.L.	21)	Timișoara	Romania	100.00	RON	274,766	66,053
SAS CONTITRADE FRANCE	21)	Aubenas	France	100.00	EUR	-4,025	-1,225
Semperit (Ireland) Ltd.	3) 4) 20)	Dublin	Ireland	100.00	EUR	40	0
Semperit (UK) Ltd.	21)	West Drayton	United Kingdom	100.00	GBP	3,831	0
Semperit Reifen Gesellschaft mbH	21)	Wiener Neudorf	Austria	100.00	EUR	26,427	4,544
Specialised Belting Supplies Ltd.	21)	Thetford	United Kingdom	100.00	GBP	-1,593	-1,453
Specialty Fabrics & Converting, Inc.	12)	Wilmington, DE	U.S.A.	100.00	USD	n/s	n/s
Specialty Yarn & Converting, Inc.	12)	Wilmington, DE	U.S.A.	100.00	USD	n/s	n/s
Stable One Insurance Company LLC	23)	Lansing, MI	U.S.A.	100.00	USD	n/s	n/s
Synerject LLC	19)	Newport News, VA	U.S.A.	100.00	USD	36,727	8,964
Synerject Motorcycle Systems Changchun Co., Ltd.	21)	Changchun	China	100.00	CNY	31,324	690
Synerject Taiwan Co., Ltd.	4) 21)	Taipei City	Taiwan	100.00	TWD	8,695	1,331
Syrma A.E.	21)	Volos	Greece	100.00	EUR	12,726	402
Temic Automotive (Phils.), Inc.	21)	Taguig	Philippines	100.00	PHP	717,248	-197,815
Temic Servicios, S.A. de C.V.	21)	Silao	Mexico	100.00	MXN	42,415	8,903
TIC Roulunds (Italia) S.p.A.	21)	Padovana	Italy	85.00	EUR	3,272	64
Tikka Spikes Oy	21)	Tikkakoski	Finland	100.00	EUR	4,303	290
TOO "Continental Matador KZ"	21)	Almaty	Kazakhstan	100.00	KZT	548,560	184,225
Tyre Maintenance Limited	8)	Leeds	United Kingdom	100.00	GBP	1,923	-90
Tyre Reinsurance (Ireland) DAC	21)	Dublin	Ireland	100.00	EUR	38,366	8,038
Vanvulc Tyres Limited	4) 8)	Ivybridge	United Kingdom	100.00	GBP	0	0
Vaysse SAS	21)	Paris	France	99.94	EUR	1,143	-1,284
Veyance Distribuidora de Produtos de Engenharia Ltda.	4) 12)	Itapevi	Brazil	100.00	BRL	n/s	n/s
Veyance Hong Kong Co. Ltd.	21)	Hong Kong	China	100.00	USD	-75,447	-2,376
Veyance Industrial Services, Inc.	12)	Wilmington, DE	U.S.A.	100.00	USD	n/s	n/s
Veyance Mining Services SpA	4) 12)	Santiago de Chile	Chile	100.00	CLP	n/s	n/s
Veyance Qingdao Engineered Elastomers Company Ltd.	21)	Qingdao	China	100.00	CNY	208,773	24,660
Veyance Rubber India Private Ltd.	4) 7)	Bangalore	India	100.00	INR	119,563	3,507
Veyance Technologies Argentina S.R.L.	21)	Buenos Aires	Argentina	100.00	ARS	34,127	340
Veyance Technologies Australia Pty., Ltd.	12)	Bayswater	Australia	100.00	AUD	n/s	n/s
Veyance Technologies Canada (NS), ULC	12)	Halifax	Canada	100.00	CAD	n/s	n/s
Veyance Technologies Chile Ltda.	12)	Santiago de Chile	Chile	100.00	CLP	n/s	n/s
Veyance Technologies do Brasil Produtos de Engenharia Ltda.	12)	Vila Maria Zélia	Brazil	100.00	BRL	n/s	n/s
Veyance Technologies France S.A.R.L.	4) 21)	Limas	France	100.00	EUR	194	-16
Veyance Technologies Hong Kong Co. Ltd.	21)	Hong Kong	China	100.00	USD	-13,082	-631
Veyance Technologies Zambia Ltd.	4) 21)	Lusaka	Sambia	100.00	ZMW	213	213
Viking Tyres (UK) Ltd.	21)	West Drayton	United Kingdom	100.00	GBP	0	0
Vulcanite Holdings Pty Ltd	13)	Regents Park	Australia	100.00	AUD	n/s	n/s
Vulcanite Malaysia Sdn. Bhd.	13)	Seremban	Malaysia	100.00	MYR	n/s	n/s
Vulcanite Pty Ltd	13)	Regents Park	Australia	100.00	AUD	n/s	n/s
Wohlfahrtseinrichtung für die Arbeiter und Angestellten der Semperit Reifen AG, GmbH	4) 21)	Wiener Neudorf	Austria	100.00	EUR	155	0
Zonar Systems, Inc.	13)	Tumwater, WA	U.S.A.	100.00	USD	n/s	n/s

Company	Footnote	Registered office	Country	Share of capital in %	Local currency	Equity in '000s	Annual result in '000s
Zytek Automotive Ltd.	21)	Lichfield	United Kingdom	100.00	GBP	2,816	-488
Zytek Group Ltd.	21)	Lichfield	United Kingdom	100.00	GBP	1,808	0
Zytek Systems, Inc.	21)	Novi, MI	U.S.A.	100.00	USD	416	42

II. Associated companies/joint ventures

Company	Footnote	Registered office	Share of capital in %	Equity in €'000s	Annual result in €'000s
Germany					
Containertransporte Wesseler GmbH	21)	Melle	24.90	5,457	237
ContiTech-INA Beteiligungsgesellschaft mbH	21)	Hanover	50.00	43	-4
ContiTech-INA GmbH & Co. KG	21)	Hanover	50.00	215	-5
Deutsche Gasrußwerke GmbH	21)	Dortmund	37.84	148	18
Drahtcord Saar Geschäftsführungs-Gesellschaft mbH	3) 21)	Merzig	50.00	31	0
e.solutions GmbH	21)	Ingolstadt	51.00	23,013	14,739
IAV GmbH Ingenieurgesellschaft Auto und Verkehr	21)	Berlin	20.00	165,215	15,659
Kienzle Argo GmbH	21)	Leipzig	23.00	1,878	66
"Kienzle-Rheinapp" Rheinische Apparate Gesellschaft mit beschränkter Haftung	21)	Düsseldorf	22.88	2,062	173
Kommanditgesellschaft Deutsche Gasrußwerke G.m.b.H. & Co.	21)	Dortmund	33.70	8,570	891
LEAT Verwaltungs GmbH	21)	Limburg	50.00	14	-4
Link European Automotive Technology GmbH & Co. KG	21)	Limburg	50.00	1,100	28
SAS Autosystemtechnik GmbH & Co. KG	21)	Karlsruhe	50.00	58,568	21,315
SupplyOn AG	21)	Hallbergmoos	24.60	13,926	3,701
vogtronics GmbH	21)	Oberzell	26.00	22,215	2,756

Company	Footnote	Registered office	Country	Share of capital in %	Local currency	Equity in '000s	Annual result in '000s
Outside Germany							
Andujar S.A.	21)	Quito	Ecuador	49.98	USD	15,206	409
Bando-Scholtz Corp.	21)	Kakogawa	Japan	50.00	JPY	353,725	47,264
BAWE spol. s r.o.	21)	Děčín	Czechia	49.00	CZK	43,358	-370
Bekaert Slatina S.R.L.	21)	Slatina	Romania	20.00	RON	215,893	45,281
CNX Motion, LLC	23)	Grand Blanc, MI	U.S.A.	50.00	USD	n/s	n/s
Continental Huayu Brake Systems (Chongqing) Co., Ltd.	14)	Chongqing	China	50.00	CNY	140,426	-51,540
Continental Teves Taiwan Co., Ltd.	3) 16)	Tainan	Taiwan	51.00	TWD	93,503	-33,168
D. M. Services SARL	4) 21)	Esch-Sur-Alzette	Luxembourg	52.10	EUR	-111	-113
ECO Anvelope S.A.	21)	Bucharest	Romania	20.00	RON	2,744	789
ELT Management Company Slovakia s. r. o.	21)	Bratislava	Slovakia	20.00	EUR	571	439
F & M Co. Limited Partnership	21)	Akron, OH	U.S.A.	22.50	USD	1,490	707
General Tire & Rubber Company of Morocco S.A.	3)	Casablanca	Morocco	34.17	MAD	n/s	n/s
Highway 2, LLC	21)	Wilmington, DE	U.S.A.	50.00	USD	1,761	259
MC Projects B.V.	21)	Maastricht	Netherlands	50.00	EUR	128,522	23,572
Napino Control Systems Private Limited	23)	Gurgaon	India	30.00	INR	n/s	n/s
Nisshinbo-Continental Precision Machining (Yangzhou) Co., Ltd.	21)	Yangzhou	China	30.00	CNY	233,112	28,918
Noisetier SAS	21)	Paris	France	51.03	EUR	1,262	-31
Obnova JaK s.r.o.	21)	Slaný	Czechia	41.32	CZK	10,954	77
OOO "VDO-METTEM"	21)	Moscow	Russia	25.00	RUB	30,482	19,816
Phoenix Vibration Controls B.V.	21)	Stellendam	Netherlands	50.00	EUR	521	30
PT Indo VDO Instruments Co., Ltd.	3) 17)	Bekasi	Indonesia	50.00	IDR	6,649,417	2,146,476
Shanghai Automotive Brake Systems Co., Ltd.	21)	Shanghai	China	49.00	CNY	1,351,519	371,951
Signus Ecovalor S.L.	21)	Madrid	Spain	20.00	EUR	210	0
Unicom Continental Intelligent Transportation Technology (Shanghai) Co., Ltd.	23)	Shanghai	China	50.00	CNY	n/s	n/s
VIPO a.s.	21)	Partizánske	Slovakia	24.84	EUR	5,338	433

III. Other shares in large limited companies

In addition, Continental AG directly or indirectly holds a share of voting rights of more than 5% in the following large corporations that are not included in the list above (disclosure in accordance with Section 285 No. 11 b in conjunction with Section 286 (3) HGB):

Company	Registered office	Share
Investments in large corporations		
TecAlliance GmbH	Ismaning	9.28

- 1) Disclosure in accordance with Section 313(2) no. 6 HGB: Continental AG or a company included in the consolidated financial statements is a partner with unlimited liability.
- 2) Figures for fiscal 2016. Profit and loss transfer agreements in place with these companies.
- 3) In liquidation.
- 4) Not included in the consolidated financial statements.
- 5) Disclosure in accordance with Section 285 no. 11a HGB: Continental AG is the personally liable partner.
- 6) Net income April 1, 2015 - March 31, 2016.
- 7) Net income April 1, 2016 - March 31, 2017.
- 8) Net income April 1, 2016 - December 31, 2016.
- 9) Company founded/acquired in 2008. Figures not yet available for 2008.
- 10) Company founded/acquired in 2012. Figures not yet available for 2012.
- 11) Company founded/acquired in 2014. Figures not yet available for 2014.

- 12) Company founded/acquired in 2015. Figures not yet available for 2015.
- 13) Company founded/acquired in 2016. Figures not yet available for 2016.
- 14) Founded in 2015. Net income May 29, 2015 - December 31, 2015.
- 15) Figures for fiscal 2007.
- 16) Figures for fiscal 2009.
- 17) Figures for fiscal 2012.
- 18) Figures for fiscal 2013.
- 19) Figures for fiscal 2014.
- 20) Figures for fiscal 2015.
- 21) Figures for fiscal 2016.
- 22) Disclosure in accordance with Section 285 no. 11b HGB.
- 23) Company founded/acquired in 2017. Figures for 2017 not yet available.

Report on Subsequent Events

As at February 8, 2018, there had been no events or developments that would have resulted in a significant change in the recognition or valuation of the individual assets and liabilities as at December 31, 2017.

Appropriation of Net Income

A dividend of €850.0 million was distributed in 2017 for fiscal 2016. Taking into account the accumulated profits brought forward from the previous year of €253.1 million, the accumulated profits for fiscal 2017 amounted to €1,470,388,487.45. The Supervisory Board and the Executive Board will propose to the Annual Shareholders' Meeting the distribution of a dividend of €4.50 per share.

With 200,005,983 no-par-value shares entitled to dividends, the total distribution thus amounts to €900,026,923.50. The remaining amount is to be carried forward to new account.

Hanover, February 8, 2018

Continental Aktiengesellschaft

The Executive Board

Independent Auditor's Report

To Continental Aktiengesellschaft, Hanover

Report on the Audit of the Annual Financial Statements and of the Management Report

Opinions

We have audited the annual financial statements of Continental Aktiengesellschaft, which comprise the balance sheet as at December 31, 2017, and the Statement of Profit and Loss for the financial year from January 1, 2017, to December 31, 2017, and Notes to the Financial Statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Continental Aktiengesellschaft for the financial year from January 1, 2017, to December 31, 2017.

In our opinion, on the basis of the knowledge obtained in the audit,

- › the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the company as at December 31, 2017, and of its financial performance for the financial year from January 1, 2017, to December 31, 2017, in compliance with German Legally Required Accounting Principles, and
- › the accompanying management report as a whole provides an appropriate view of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 *HGB* Handelsgesetzbuch: German Commercial Code, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 *HGB* and the EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the *Institut der Wirtschaftsprüfer* (Institute of Public Auditors in Germany, IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the annual financial statements and of the management report" section of our auditor's report. We are independent of the company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is

sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1, 2017, to December 31, 2017. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recoverability of the carrying amount of shares held in affiliated companies

The accounting policies are disclosed in the notes to the financial statements

THE FINANCIAL STATEMENT RISK

In the financial statements of Continental Aktiengesellschaft as at December 31, 2017, the long-term financial assets included shares held in affiliated companies in the amount of €10,789 million. Shares held in affiliated companies account for 57% of the balance sheet total and thereby have a significant influence on the company's financial position.

Shares held in affiliated companies are presented on the balance sheet at acquisition costs or, in case of a reduction in value which is expected to be permanent, at their lower value. The company determines the value of shares in affiliated companies using the German discounted earnings approach.

The cash flows utilized for the German discounted earnings approach are based on entity specific projections up to five years. The discount rate is derived from the return on alternative investments with a commensurate level of risk. When the value is lower than the carrying amount, quantitative and qualitative criteria are assessed to determine whether the impairment is expected to be permanent in nature.

The calculation of the value using the German discounted earnings approach is complex and, in terms of the assumptions made, heavily dependent on the company's estimates and judgments. This is particularly the case for estimates of future cash flows, the determination of discount rates as well as the assessments with respect to the longevity of the impairment.

There is the financial statement risk that the carrying amount of the shares held in affiliated companies may not be recoverable. The company recorded an impairment of shares held in affiliated companies in the amount of €12 thousand.

OUR AUDIT APPROACH

We initially obtained an understanding of the company's process for assessing the recoverability of the carrying amount of shares held in affiliated companies on the basis of explanations provided by the company as well as by assessing documentation. This included an intensive review of the company's approach to the determination of impairments and, based on the information obtained within the scope of our audit, an assessment as to whether there

was an indication of the need to record an impairment not identified by the company. Subsequently, with the involvement of our valuation specialists, we assessed the appropriateness of the discount rate as prepared by the company. We discussed the expected cash flows as well as the assumed long-term growth rates with those responsible for the planning process. Furthermore, reconciliations were made with the annual planning prepared by the Executive Board which was approved by the Supervisory Board and the long-term planning for which the Supervisory Board took note of. We also assessed the consistency of the assumptions with external market expectations.

Moreover, we assessed the company's planning accuracy on the basis of affiliated companies selected in a risk-orientated manner by comparing projections for previous financial years with the actual results realized and analyzed deviations.

We compared the assumptions and parameters underlying the discount rate - in particular the risk-free interest rate, the market risk premium and the beta factor - with own assumptions and data which is publicly available. To account for the uncertainty of forecast information, we then assessed for these companies reasonably possible changes in the discount rate and in the expected cash flows on the value (sensitivity analysis) by calculating alternative scenarios and comparing these with the company's valuation results. To provide for the mathematical accuracy of the valuation model utilized, we recalculated the company's calculations on the basis of elements selected in a risk-orientated manner.

OUR OBSERVATIONS

The approach to the impairment test of shares in affiliated companies is appropriate and consistent with the applicable valuation principles. The assumptions and parameters applied by the company are appropriate.

Responsibilities of the Executive Board and the Supervisory Board for the annual financial statements and the management report

The Executive Board is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German legally required accounting principles. In addition, the Executive Board is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Executive Board is responsible for assessing the company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, Executive Board is responsible for the preparation of the management report that as a whole provides an appropriate view of the company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Executive Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the *Institut der Wirtschaftsprüfer* (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- › Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- › Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the company.

- › Evaluate the appropriateness of accounting policies used by the Executive Board and the reasonableness of estimates made by the Executive Board and related disclosures.
- › Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to be able to continue as a going concern.
- › Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German Legally Required Accounting Principles.
- › Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the company's position it provides.
- › Perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Executive Board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters

in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the Annual Shareholders' Meeting on April 28, 2017. We were engaged by the Supervisory Board on December 14, 2017. We have been the auditor of Continental Aktiengesellschaft without interruption for more than thirty years.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

We have provided to the corporation's entities the following services that are not disclosed in the consolidated financial statements or the Corporate Management Report:

In addition to the audit of the consolidated and annual financial statements as well as the review of the half-year financial statements of Continental Aktiengesellschaft, we conducted various audits of financial statements as well as reviews of half-year financial statements of subsidiaries. Audit-related IT services, audits of various IT systems and IT processes as well as migration tests were carried out. We have also provided other attestation services, such as granting of a comfort letter, legal or contractual attestation services, such as the audit according to the EEG, according to § 20 *WpHG* (EMIR), the audit of the separate non-financial report as well as performance indicators regarding sustainability and the audit of transfer prices. We have issued confirmations of compliance with contractual arrangements. We provided advisory services related to the first-time adoption of new accounting standards, such as IFRS 9, IFRS 15 and IFRS 16, and supported the implementation of regulatory requirements in a quality-assured manner. Furthermore, workshops on accounting-related issues and tax issues were conducted. Tax advisory services provided by us also include support services in the preparation of tax returns as well as income-tax and sales-tax advice on individual matters.

German public auditor responsible for the engagement

The German public auditor responsible for the engagement is Dirk Papenberg

Hanover, February 22, 2018

KPMG AG
Wirtschaftsprüfungsgesellschaft

Ufer
Wirtschaftsprüfer

Papenberg
Wirtschaftsprüfer

Responsibility Statement in Accordance with Sections 264 (2) and 289 (1) of the German Commercial Code (*Handelsgesetzbuch - HGB*)

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Continental AG, and the management report for Continental AG and the corporation includes a fair review of the development and performance of the business and the position of Continental AG and the corporation, together with a description of the

principal opportunities and risks associated with the expected development of Continental AG and the corporation.

Hanover, February 8, 2018
Continental Aktiengesellschaft

The Executive Board

Members of the Executive Board and their Directorships

List of the positions held by the Executive Board members on statutory supervisory boards and on comparable controlling bodies of companies in Germany and abroad in accordance with Section 285 No. 10 of the German Commercial Code (*Handelsgesetzbuch – HGB*):

Dr. Elmar Degenhart

Chairman

Corporate Communications

Corporate Quality and Environment

Continental Business System

Automotive Central Functions

- › ContiTech AG, Hanover* (Chairman)

José A. Avila

Powertrain Division

Dr. Ralf Cramer

Continental China (until August 11, 2017)

- › Continental Automotive Changchun Co., Ltd., Changchun, China* (Chairman, until October 9, 2017)
- › Continental Automotive Holding (Shanghai) Co., Ltd., Shanghai, China* (Chairman, until July 28, 2017)
- › Continental Automotive Interior Wuhu Co., Ltd., Wuhu, China* (Chairman, until August 10, 2017)
- › Continental Automotive Systems Changshu Co., Ltd., Changshu, China* (Chairman, August 22, 2017)
- › Continental Automotive Systems (Shanghai) Co., Ltd., Shanghai, China* (Chairman, February 27, 2017)
- › Continental Automotive Systems (Tianjin) Co., Ltd., Tianjin, China* (Chairman, until August 11, 2017)
- › Continental Brake Systems (Shanghai) Co., Ltd., Shanghai, China* (Chairman, until August 8, 2017)
- › Continental Tires (China) Co., Ltd., Hefei, China* (Chairman, until September 18, 2017)
- › Elektrobot Automotive Software (Shanghai) Co., Ltd., Shanghai, China* (Chairman, until August 4, 2017)

Hans-Jürgen Duensing

ContiTech Division

- › Benecke-Kaliko AG, Hanover* (Chairman)
- › ContiTech Antriebssysteme GmbH, Hanover* (Chairman)
- › ContiTech Elastomer Beschichtungen GmbH, Hanover* (Vice Chairman)
- › ContiTech Luftfedersysteme GmbH, Hanover* (Vice Chairman)
- › ContiTech MGW GmbH, Hann. Münden* (Vice Chairman)
- › ContiTech Schlauch GmbH, Hanover* (Chairman)
- › ContiTech Techno-Chemie GmbH, Karben* (Vice Chairman)
- › ContiTech Transportbandsysteme GmbH, Hanover* (Vice Chairman)
- › ContiTech Vibration Control GmbH, Hanover* (Vice Chairman)
- › Phoenix Compounding Technology GmbH, Hamburg* (Vice Chairman)
- › ContiTech North America, Inc., Wilmington, Delaware, U.S.A.*
- › EPD Holdings, Inc., Wilmington, Delaware, U.S.A.*
- › ContiTech USA, Inc., Fairlawn, Ohio, U.S.A.*

Frank Jourdan

Chassis & Safety Division

- › Continental Automotive Corporation, Yokohama, Japan*
- › Continental Automotive Mexicana, S.A. de C.V., Morelos, Mexico*
- › Conti Automotive Servicios, S.A. de C.V., Silao Guanajuato, Mexico*
- › Continental Automotive Bajio, S.A. de C.V., Silao Guanajuato, Mexico*
- › Continental Automotive SLP, S.A. de C.V., San Luis Potosí, Mexico*
- › Temic Servicios, S.A. de C.V., Villa de Alaya, Mexico*
- › Continental Automotive Maquila Mexico S.A. de C.V., Nogales Sonora, Mexico* (Vice Chairman)

Helmut Matschi

Interior Division

- › Continental Automotive GmbH, Hanover* (Chairman)
- › Argus Cyber Security Ltd, Tel Aviv, Israel* (since November 3, 2017)

Dr. Ariane Reinhart

Human Relations Director of Labor Relations

Sustainability

- › Vonovia SE, Düsseldorf

Wolfgang Schäfer

Finance, Controlling, Compliance, Law and IT

- › Continental Reifen Deutschland GmbH, Hanover*
- › Continental Automotive, Inc., Wilmington, Delaware, U.S.A.*
- › Continental Automotive Systems, Inc., Wilmington, Delaware, U.S.A.*
- › Continental Rubber of America, Corp., Wilmington, Delaware, U.S.A.*

Nikolai Setzer

Tire Division

Corporate Purchasing

- › Continental Reifen Deutschland GmbH, Hanover* (Chairman)
- › Continental Tire Holding US LLC, Wilmington, Delaware, U.S.A.*
- › Continental Tire the Americas, LLC, Columbus, Ohio, U.S.A.*

* Companies pursuant to Section 100 (2) of the German Stock Corporation Act (*Aktiengesetz – AktG*).

Members of the Supervisory Board and their Directorships

Memberships of other statutory supervisory boards and of comparable controlling bodies of companies in Germany and abroad in accordance with Section 285 No. 10 of the German Commercial Code (*Handelsgesetzbuch - HGB*):

Prof. Dr.-Ing. Wolfgang Reitzle, Chairman

Chairman of the Supervisory Board of Linde AG

- › Ivoclar Vivadent AG, Schaan, Liechtenstein
- › Axel Springer SE, Berlin
- › Hawesko Holding AG, Hamburg (until June 19, 2017)
- › Medical Park AG, Amerang (Chairman)
- › Willy Bogner GmbH & Co. KGaA, Munich (Chairman, since January 16, 2018)

Hartmut Meine*, Vice Chairman

District manager of IG Metall (Metalworkers' Union) for Lower Saxony and Saxony-Anhalt (until December 31, 2016)

- › KME Germany GmbH, Osnabrück (until March 30, 2017)

Dr. Gunter Dunkel

Chairman of the Board of Management of Norddeutsche Landesbank Girozentrale (until December 31, 2016)

- › Bremer Landesbank Kreditanstalt Oldenburg Girozentrale, Bremen** (until December 31, 2016)
- › Deutsche Hypothekenbank AG, Hanover** (Chairman, until December 31, 2016)
- › Norddeutsche Landesbank Luxembourg S.A. Covered Bond Bank, Luxembourg, Luxembourg** (Chairman, until December 31, 2016)
- › NORD/LB Vermögensmanagement Luxembourg S.A., Luxembourg, Luxembourg** (Chairman, until December 31, 2016)

Prof. Dr.-Ing. Peter Gutzmer

Deputy CEO and Member of the Executive Board, CTO of Schaeffler AG, Herzogenaurach

Peter Hausmann*

Member of the Central Board of Executive Directors, IG Bergbau, Chemie, Energie (Mining, Chemical and Energy Industries Union)

- › Henkel AG & Co. KGaA, Düsseldorf
- › 50Hertz Transmission GmbH, Berlin (Vice Chairman)
- › Vivawest GmbH, Gelsenkirchen (Vice Chairman)
- › Covestro AG, Leverkusen

Michael Iglhaut*

Works Council for the Frankfurt Location

Prof. Dr. Klaus Mangold

Chairman of the Supervisory Board of Rothschild GmbH

- › TUI AG, Hanover (Chairman)
- › Alstom S.A., Paris, France
- › Baiterek JSC, Astana, Kazakhstan

Sabine Neuß

Member of the Management Board of Linde Material Handling GmbH, Aschaffenburg

- › Juli Motorenwerk, s.r.o., Moravany, Czechia
- › Linde Xiamen Forklift Truck Corp., Xiamen, China**
- › Atlas Copco AB, Nacka, Sweden

Prof. Dr. Rolf Nonnenmacher

Certified Accountant, self-employed, Berg

- › ProSiebenSat.1 Media SE, Unterföhring
- › Covestro AG, Leverkusen
- › Covestro Deutschland AG, Leverkusen

Dirk Nordmann*

Chairman of the Works Council for the Vahrenwald Plant, ContiTech Antriebssysteme GmbH, Hanover

- › ContiTech Luftfedersysteme GmbH, Hanover

Klaus Rosenfeld

Chief Executive Officer of Schaeffler AG, Herzogenaurach

- › FAG Bearings India Ltd., Vadodara, India**
- › Siemens Gamesa Renewable Energy S.A., Zamudio, Spain

Georg F. W. Schaeffler

Co-owner of INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach

- › Schaeffler AG, Herzogenaurach** (Chairman)

Maria-Elisabeth Schaeffler-Thumann

Co-owner of INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach

- › Schaeffler AG, Herzogenaurach** (Vice Chairperson)

Jörg Schönfelder*

Chairman of the Works Council for the Korbach Plant and Chairman of the European Works Council

- › Continental Reifen Deutschland GmbH, Hanover

Stefan Scholz*

Head of Finance & Treasury

- › Phoenix Pensionskasse von 1925, Hamburg
- › Pensionskasse für Angestellte der Continental Aktiengesellschaft VVaG, Hanover

Gudrun Valten* (since January 1, 2017)

Member of the Works Council for the Regensburg Location
Member of the Central Works Council of
Continental Automotive GmbH, Hanover
Member of the Corporate Works Council of Continental AG,
Hanover

Kirsten Vörkel*

Chairperson of the Works Council of Continental Automotive
GmbH, Dortmund
Member of the Central Works Council of
Continental Automotive GmbH, Hanover
Member of the Corporate Works Council of Continental AG,
Hanover

Elke Volkmann*

Second Authorized Representative of the IG Metall,
Administrative Office for North Hesse, Kassel
 > Krauss-Maffei Wegmann Verwaltungs GmbH, Munich

Erwin Wörle*

Member of the Works Council of Conti Temic microelectronic
GmbH, Ingolstadt (until January 17, 2017) Engineer in the
Development Department, Quality Management of Conti
Temic microelectronic GmbH, Ingolstadt
 > Conti Temic microelectronic GmbH, Nuremberg (Vice Chairman)

Prof. KR Ing. Siegfried Wolf

Chairman of the Board of Directors of Russian Machines LLC,
Moscow, Russia
 > Banque Eric Sturdza SA, Geneva, Switzerland
 > GAZ Group, Nizhny Novgorod, Russia (Chairman)
 > SBERBANK Europe AG, Vienna, Austria (Chairman)
 > UC RUSAL Plc, Moscow, Russia
 > Schaeffler AG, Herzogenaurach
 > MIBA AG Mitterbauer Beteiligungs AG, Laakirchen, Austria

* Employee representative.

** Companies pursuant to Section 100 (2) of the German Stock Corporation Act (Aktiengesetz - AktG).

Members of the Supervisory Board Committees:

1. Chairman's Committee and Mediation Committee required under Section 27 (3) of the German Co-determination Act (*Mitbestimmungsgesetz*)

- > Prof. Dr.-Ing. Wolfgang Reitzle
- > Hartmut Meine
- > Georg F. W. Schaeffler
- > Jörg Schönfelder

2. Audit Committee

- > Prof. Dr. Rolf Nonnenmacher
- > Peter Hausmann
- > Michael Iglhaut
- > Dirk Nordmann
- > Klaus Rosenfeld
- > Georg F. W. Schaeffler

3. Nomination Committee

- > Prof. Dr. Rolf Nonnenmacher
- > Prof. Dr.-Ing. Wolfgang Reitzle
- > Georg F. W. Schaeffler
- > Maria-Elisabeth Schaeffler-Thumann

Financial Calendar

2018	
Preliminary Figures for Fiscal 2017	January 9
Annual Financial Press Conference	March 8
Analyst and Investor Conference Call	March 8
Annual Shareholders' Meeting (including key data for Q1 2018)	April 27
Financial Report as at March 31, 2018	May 8
Half-Year Financial Report as at June 30, 2018	August 2
Financial Report as at September 30, 2018	November 8

2019	
Preliminary Figures for Fiscal 2018	January
Annual Financial Press Conference	March
Analyst and Investor Conference Call	March
Annual Shareholders' Meeting (including key data for Q1 2019)	April 26
Financial Report as at March 31, 2019	May
Half-Year Financial Report as at June 30, 2019	August
Financial Report as at September 30, 2019	November

Publication Details

These financial statements of Continental Aktiengesellschaft are also published in German. The Annual Report for the Continental Corporation is also available in English and German.

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The Annual Report and the interim reports are available on the Internet at: www.continental-ir.com

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