

## Divisions and Business Units

The divisions and their business units cover a broad range of applications and ensure that we can provide our customers with first-class products and systems at all times.

### Chassis & Safety Division

- ▶ The Chassis & Safety division develops and produces intelligent systems for an automotive future in which life is protected and injuries are avoided.
- ▶ The division's sales increased by 12.7% in 2011 to €6.5 billion.

We create systems for an automotive future in which life is protected and injuries are prevented. All our expertise is bundled in the areas of driving safety and driving dynamics. Thanks to more than a century of experience in the automotive industry, we are capable of integrating active safety such as braking and driver assistance systems, sensors, driving stability and chassis components as well as passive safety such as airbag electronics that, from individual components to networked systems, only serve one purpose – to increase driving safety.

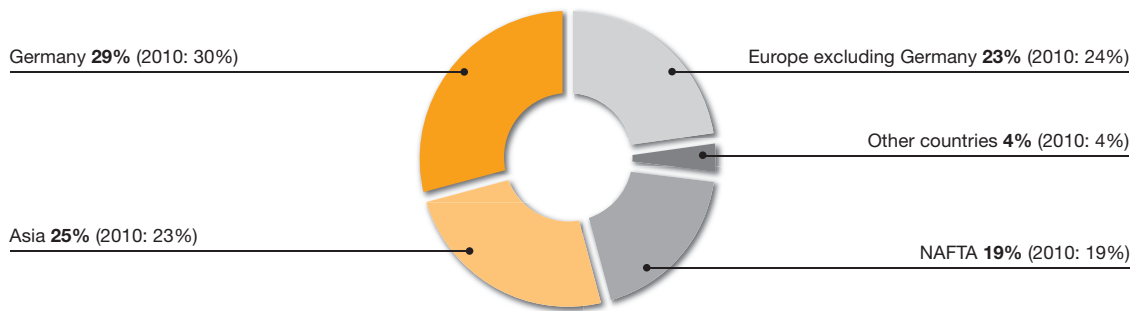
- ▶ Active safety systems, like electronic braking and driver assistance systems, warn of imminent dangers and intervene to assist with steering, braking and suspension control.
- ▶ Passive safety systems, such as airbags and pedestrian protection, provide the best possible protection in the event of an accident.

Our vision is a networked vehicle that acts and reacts to relieve the driver and alleviate critical traffic situations. Together, we call this innovative and integrated safety concept that combines active and passive life-saving driving safety elements ContiGuard®. We are confident that, thanks to innovative technologies, accident-free driving will be possible in the future – for all vehicle categories and in all markets of this world.

Chassis & Safety maintains a presence at 66 locations in 19 countries. Its roughly 33,000 employees generated sales of €6.5 billion in 2011. The division consists of five business units:

- ▶ Electronic Brake Systems (EBS): EBS develops and produces sophisticated and scalable electronic braking systems and software solutions to ensure vehicle stability and increase driving comfort for all vehicle types. Examples include anti-lock braking systems (ABS), electronic stability control (ESC) and hill start assist.
- ▶ Hydraulic Brake Systems (HBS): The HBS business unit is constantly developing and producing new and even better forms of classic brake technology and actuation units including the associated components such as brake hoses.
- ▶ Sensorics: This business unit is dedicated to the field of wheel speed, chassis control and ESC sensors as well as other areas of safety and chassis sensor technology. The fast and precise detection of rotational speeds, steering angles, movements and forces that affect a vehicle is this business unit's core competence. Its product portfolio is extended to include new markets such as those for vans and mobile equipment vehicles.
- ▶ Passive Safety & Advanced Driver Assistance Systems (PSAD): PSAD offers driver assistance systems and electronics for integral passenger safety, either as an individual function or in conjunction with environmental sensors such as cameras, infrared or radar. This also includes airbag electronics and innovative pedestrian protection technologies such as the stereo camera.

## Chassis & Safety Division: Sales by region



- ▶ Chassis Components: This business unit develops and produces solutions for electronics-based active chassis technology. Electric power steering systems are designed to achieve precise and efficient control of the vehicle in all driving situations.

### Our growth prospects

Opportunities for volume growth and application possibilities in all vehicle classes can arise from a number of factors, such as:

- ▶ Greater use of driver assistance systems.
- ▶ Growth in the Asian markets and our expanding presence in Asia.
- ▶ A rising awareness of safety and energy efficiency among the population.
- ▶ More stringent legislation worldwide.

The Chassis & Safety division is excellently prepared for the future in existing markets with innovative products and new developments. This is due to stronger market penetration, higher installation rates in the areas of ABS, ESC, sensors and passive safety, and impressive new products such as driver assistance and

steering systems. We are benefiting in particular from the favorable environment. The growth market of Asia and international legislation in terms of the more widespread use of ABS, ESC, airbags and driver assistance systems are paving the way for further growth. We see good opportunities in all markets and regions for a positive and profitable development with the functions of our ContiGuard® safety system. Under the heading of “Safety for Everyone”, we are taking advantage of the opportunity to provide our scalable technologies for all vehicle classes, on all platforms and all markets, thereby offering a highly extensive safety portfolio on both industrialized and growth markets. We are actively seizing on the current issues of the environment and electromobility – for example by reducing the weight of components and solutions for energy recovery when braking, an intelligent gas pedal that conserves resources and a sensor for high-voltage battery separation. The possibilities of combining new products, higher installation rates for existing products and the penetration of new markets are what make up the strength of our growth.

## Powertrain Division

- ▶ In the Powertrain division we integrate innovative and efficient powertrain system solutions into vehicles of all categories.
- ▶ The division's sales increased by 23.5% in 2011 to €5.8 billion.

Our products not only make driving more environmentally compatible and affordable, they also enhance comfort and driving pleasure. Starting with the concept of clean power, we offer our customers a comprehensive portfolio of gasoline and diesel systems including sensors, actuators and tailor-made electronics, through to fuel supply systems, engine management and transmission control units, down to systems and components for hybrid and electric drives. Our modular approach includes solutions to enhance energy efficiency for all kinds of drives in all vehicle categories.

The Powertrain division has 64 locations in 21 countries. In the year under review, its roughly 31,000 employees generated sales of €5.8 billion. The division is divided into five business units:

- ▶ **Engine Systems:** This business unit has extensive expertise in the development and production of engine management systems. These include component and system solutions for gasoline and diesel engines, control units for engine management in commercial vehicles, and technologies for turbochargers and exhaust gas aftertreatment.
- ▶ **Transmission:** The Transmission business unit specializes in control electronics for automatic transmissions for all classes and applications. The product portfolio extends from stand-alone external and add-on control units to mechatronics fully integrated into the transmission – including sensors and electric or hydraulic actuators. The applications optimize driving comfort, save fuel and reduce emissions.

- ▶ **Hybrid Electric Vehicle:** This business unit has developed a comprehensive product portfolio for drive electrification with which hybrid and electric vehicles are possible in various performance classes. The high degree of maturity of these technologies for saving fuel and therefore reducing pollutants has been demonstrated by volume production for various automotive manufacturers after a development period of just a few years.

- ▶ **Sensors & Actuators:** Using intelligent sensor technology and actuators interacting with engine management systems, this business unit works on solutions designed to satisfy current and anticipated emission standards and to reduce CO<sub>2</sub> emissions in all classes of vehicle.

- ▶ **Fuel Supply:** This business unit develops and produces all technologies relevant to fuel management. Its range of products includes fuel feed units, fuel-level sensors, fuel pumps, valves and electronics for on-demand control.

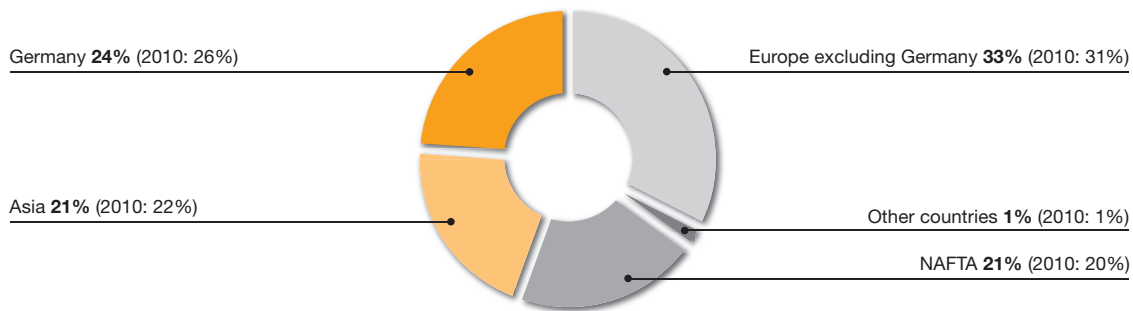
### Our growth prospects

We utilize our system expertise for new applications:

- ▶ We help to conserve resources and actively pursue the corresponding megatrends.
- ▶ We are working to propel vehicles even more efficiently.

In the interests of reducing CO<sub>2</sub> emissions and in response to stricter emissions legislation and the need to use crude oil reserves sparingly, greater significance is being attached to combining various drive solutions. In addition, the customers want a vehicle that consumes as little fuel as possible. Together, this calls for a variety of activities and effective action. We are therefore dedicated to the goal of effectively increasing the efficiency of conventional combustion engines in the short term and driving forwards the advancing electrification of the powertrain for the mass market in the medium to long term.

## Powertrain Division: Sales by region



Thanks to our general system expertise, we feel that the Powertrain division has good growth prospects. Our solutions can be selected and combined based on the vehicle category and the respective requirements profile, such as the combining of gasoline direct injection with exhaust gas turbocharging for high-efficiency gasoline engines, the further reduction of fuel consumption, diesel engines with precise and rapid piezo technology for further emissions reduction and innovative technologies for hybrid vehicles or all-electric vehicles. In March 2011, we were awarded the innovation prize for climate and the environment, jointly presented by the Federal Environment Ministry and the Federation of German Industries, for our new kind of

diesel injection technology. This was based on a previous assessment by the Fraunhofer Institute for Systems and Innovation Research.

In addition, we anticipate further growth prospects in the field of exhaust gas aftertreatment and open system architectures in powertrain management to integrate various functions within the vehicle.

To enable us to better serve Russia's booming automotive market, we will set up a new production line for engine control units at our plant in Kaluga, Russia. Our goal is to be the leading international electronics supplier in this vehicle market.

## Interior Division

- ▶ The Interior division ensures that information is presented and managed within the vehicle to enhance ride comfort and safety.
- ▶ The division's sales increased by 10.7% in 2011 to €6.1 billion.

In the Interior division, we work to optimize the use of information in vehicles. In an age in which people are increasingly networked with each other, solutions have to be found that facilitate safe networking even when driving. This means that information has to be filtered, prioritized, further processed and presented in a comprehensible manner. A crucial factor for using this information is the interface between the vehicle and people. The aim is to make all the necessary information available to the driver at the right time and to present it in such a way that it can be comprehended quickly, thus enabling the driver to adapt optimally to current driving demands. Our solutions are therefore developed around people and their needs in order to network drivers and passengers with their own and other vehicles, the environment and mobile devices. Our vision is "Always On", which means that we see the networked vehicle of the future as a partner that assists drivers and passengers.

Interior has production facilities at 93 locations in 25 countries. With nearly 32,000 employees, the division achieved sales of €6.1 billion in fiscal 2011, and comprises four business units:

- ▶ Instrumentation & Driver HMI: The work of this business unit focuses on display and control concepts to provide the driver and all passengers with the best possible information via reliable and multi-functional instruments, displays and control elements that are easy to read in all driving situations.
- ▶ Infotainment & Connectivity: This business unit represents a broad product portfolio that covers the networking of the vehicle with the outside world and the integration of mobile devices into the vehicle, such as radios or comprehensive multimedia systems with Internet access and touchscreen operation, hands-free phoning and telematics units.
- ▶ Body & Security: This business unit develops and produces electronic systems for vehicle access, for rendering key-interlock systems reliable and for ensuring that safety and comfort functions are available. These include, for example, central body control units, components for immobilizers, comfort locking systems, seating comfort systems, outside lighting control units, keyless access control and start systems, solutions for tire information systems and antenna modules.
- ▶ Commercial Vehicles & Aftermarket: This unit bundles commercial vehicle and retail activities to cater for the specific requirements of these market segments. A global network of sales and service companies ensures proximity to customers at the local level. The business unit offers electronic products, systems and services for commercial and special vehicles, a broad selection of products for repair shops, and replacement parts for the independent aftermarket, non-affiliated workshops, and original equipment services when a series has been discontinued by the vehicle manufacturer.

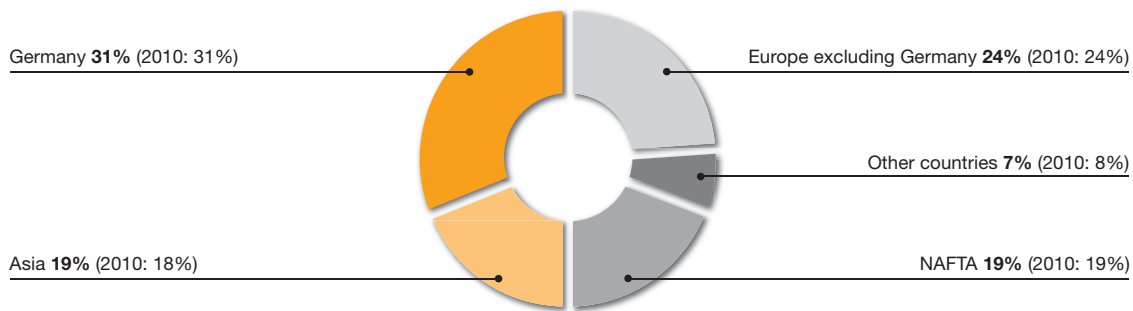
### Our growth prospects

Four key developments offer us the potential for success:

- ▶ The growing demand for solutions for creating affordable vehicles.
- ▶ Compliance with the ever-more stringent safety standards for automotive equipment.
- ▶ The rising global demand for user-friendly networking technologies for all classes of vehicles.
- ▶ The constantly expanding range of functions in the vehicle interior.

Thanks to our options for adapting the existing product portfolio to vehicles of all classes across platforms, we are anticipating growth in the affordable car segment, particularly on the Asian markets.

## Interior Division: Sales by region



New legislation proposals in Europe (including Russia), the U.S.A. and Brazil are opening up further growth potential in the area of telematics, for example with electronic emergency call systems, traffic management technologies and intelligent anti-theft systems which allow stolen vehicles to be tracked using satellite technology. In addition, customer requirements for telematics systems used in commercial vehicles and electric cars are increasing. Overall, we stand to benefit from the trend towards integration of the Internet and other infotainment functions.

The field of tire pressure monitoring systems will experience further growth as a result of new regulations regarding the installation of these systems in new vehicles in the European Union, Japan and South Korea.

We also expect strong growth in displays for the automotive industry. Our research and development staff work continuously on solutions that reduce the burden on the driver and contribute to greater comfort when driving. These include, for example, freely program-

mable instrument clusters, integrated adaptive control concepts, head-up displays and 3D displays.

A new production plant was opened in Jinan in the Chinese province of Shandong in May 2011, where several major commercial vehicle and construction machinery manufacturers are based. It is our first production facility in China that specializes in the manufacture of electronics for commercial vehicles and the aftermarket with an annual capacity of around 800,000 instrument clusters for commercial vehicles. It is planned that production will expand into the areas of comfort and chassis electronics in 2012.

Electromobility will also be a major long-term growth driver. Using Interior technologies, the range of electric cars can be optimized while drivers maintain a clear overview of their remaining range at all times with range management assistance: The smart networking of vehicles, energy providers and mobile devices will provide drivers of future electric vehicles with solutions for minimizing the range risk.

## Tire Division – Passenger and Light Truck Tires

- ▶ From sub-compacts to RVs: The Passenger and Light Truck Tires division has the right tires for every vehicle.
- ▶ The Passenger and Light Truck Tires division's sales increased by 19.5% in 2011 to €7.0 billion.

We have been developing and producing tires for cars since 1898. Continental tires stand for excellent transmission of forces and exceptionally reliable tracking in all weather conditions as they offer an outstanding connection between the vehicle and the road in all kinds of weather. The Passenger and Light Truck Tires division's range comprises tires for compact, mid-range and luxury segment vehicles, SUVs, vans, light trucks and RVs. The division produces tires under the brand names of Continental, Uniroyal (except in NAFTA, Colombia and Peru), Semperit, General Tire, Viking, Gislaved, Euzkadi, Sime Tyres, Barum, Mabor and Matador.

The division maintains a presence at 54 locations in 35 countries. In 2011 its approximately 31,000 employees generated sales of €7.0 billion. The Passenger and Light Truck Tires division comprises five business units:

- ▶ The Original Equipment business unit represents global business with automotive manufacturers. Thanks to the ongoing alignment of customers' wishes with development advancements, we can specifically optimize the properties of our products to the respective vehicle. This way, we satisfy the highest demands – and set standards. Continental brand products are marketed worldwide and General Tire brand products in NAFTA. We also supply OEMs with our runflat systems that, in the event of a puncture, make it possible to continue driving to the next repair shop.

- ▶ Replacement Business is divided into the regions of EMEA (Europe, Middle East, Africa), The Americas (North, Central and South America) and Asia Pacific (Asia and the Pacific region). In addition to the premium Continental brand and budget Barum brand, which are sold all over the world, it markets the regional brands Uniroyal, Semperit, General Tire, Viking, Gislaved, Euzkadi, Sime Tyres, Mabor and Matador. Our retail tire companies with more than 2,200 specialty tire outlets and franchises are also assigned to EMEA Replacement Business.

- ▶ The product portfolio of Two-Wheel Tires ranges from bicycle tires (city, trekking, mountain bike and high-performance racing tires) to motorcycle tires (scooter, Enduro and high-performance road tires). The tires are sold as original equipment and as replacement tires. Continental offers products for professional riders and hobby riders alike.

### Distribution of sales

27% of sales in the Passenger and Light Truck Tires division relates to business with vehicle manufacturers, and 73% relates to the replacement business.

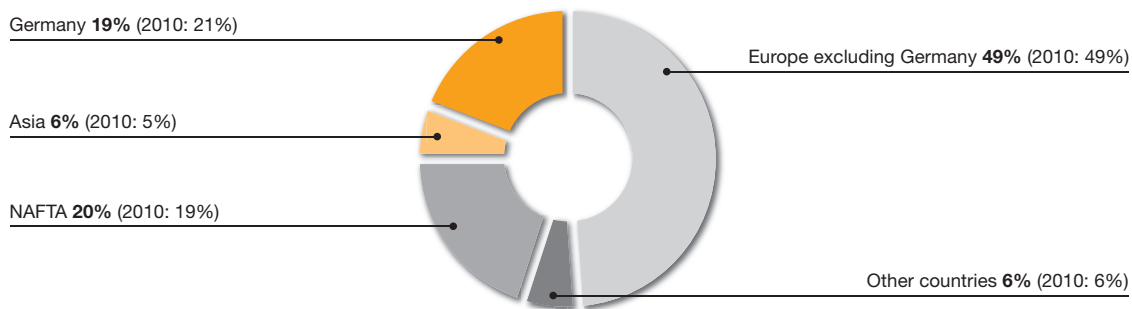
### Our growth prospects

Above all, we will meet rising demand with:

- ▶ innovative new developments in the field of high-performance tires and tires with reduced rolling resistance,
- ▶ the expansion of production with a focus on the growth regions (primarily BRIC).

We also intend to grow in the attractive UHP segment (ultra-high-performance) in particular in the coming years. The super sports tires ContiSportContact™ 5, ContiSportContact™ 5P and ContiForceContact launched in 2011 have been greeted very positively by vehicle manufacturers, tuners and test magazines and have completely satisfied our expectations with regards to volume sales. The ContiEcoContact 5, which features ultra-low rolling resistance, also received positive reviews.

## Tire Division, Passenger and Light Truck Tires: Sales by region



The development and expansion of capacity, particularly in the BRIC nations for which a special investment program with a volume of more than €1 billion has been set up, will play a key role generating additional growth prospects in the coming years. By expanding the tire plant in Camaçari, Brazil, we are creating the basis for doubling the plant's production capacity in the next five years. At our site in Kaluga, Russia, 170 kilometers southwest of Moscow, we have begun construction of a plant slated to go into operation late in 2013, which will have an annual capacity of 4 million tires once production has been ramped up. In July 2011, Continental took over all tire operations of Modi Tyres Company in India. Parallel to the expansion of the associated commercial vehicle tire plant, we also plan to introduce passenger tire production in Modipuram. In May 2011, our first Chinese tire plant com-

menced operations in Hefei in Anhui Province. In its first phase, the production facility has been designed for an annual production capacity of 4 million passenger tires. This will then be gradually extended up to an annual production volume of 16 million passenger tires.

Finally, we are also continuing the expansion of our production capacity in the U.S.A., firstly by investing in our existing plant in Mt. Vernon, Illinois, and secondly by creating a new tire plant in Sumter, South Carolina. All new factories will primarily manufacture goods for their expanding local markets. Furthermore, we are also investing around €350 million per year in the expansion of our existing plants in order to adjust our global capacity to prevailing demand in the long term.

## Tire Division – Commercial Vehicle Tires

- ▶ Thanks to its combination of premium tires and high-quality service, the Commercial Vehicle Tires division has evolved from being a tire manufacturer to a solutions provider.
- ▶ Sales in the Commercial Vehicle Tires division increased by 29.9% in 2011 to €1.9 billion.

The Commercial Vehicle Tires division stands for economic mobility in the fields of goods, people, construction and services. We provide our customers with high-mileage tires, a reliable transmission of forces and low fuel consumption. This is because, as a global partner to the transport and logistics industry, we are equally well acquainted with the world's markets and its roads. The division offers truck, bus and industrial tires for various applications and service requirements. Continental premium brand tires are marketed worldwide. The range is supplemented by the Barum, Semperit, Uniroyal and Matador brands in Europe, the General Tire and Ameri\*Steel brands in America and the Euzkadi brand in Mexico. In Asia, the product portfolio includes Sime Tyres brand tires. To supplement Continental's new tire range, we have therefore also included a hot-retreaded and a cold-retreaded line of tires under the ContiRe and ContiTread brand names. The Industrial Tires unit develops and produces tires of the Continental, Barum, Simex, General Tire, Ameri\*Steel and Novum brands.

The division operates at 44 sites in 33 countries and employs about 10,000 people who generated sales of €1.9 billion in the year under review. The division comprises four business units:

- ▶ The EMEA region (Europe, Middle East and Africa),
- ▶ The Americas region (North, Central and South America),
- ▶ The Asia Pacific region (Asia and Pacific region),
- ▶ Industrial Tires.

The original equipment business is organized on a global basis.

Continental's tires and service range is geared to the individual requirements of its customers. Thanks to our local employees and service partners, who are in constant contact with customers, we understand the real challenges of their day-to-day business and offer solutions with energy-efficient products and professional tire management that help our customers keep operating costs down.

Society's demands in terms of safety and environmental impact are incorporated in product and service development right from the start. In the Continental product portfolio, we cover a specific safety aspect with special winter tires for all truck axle positions and winter tires for buses. In ContiLifeCycle and Conti-360°Fleet Services, we offer our customers service solutions that significantly improve economy.

The products of the Industrial Tires business unit are used on roads, construction sites, at ports and airports, in major industrial manufacturing facilities and in the food industry. For example, its offering includes tires for municipal winter road clearance, road maintenance, forklifts or goods transportation on a wide range of surface types. The product range extends from solid tires to industrial bias-ply and radial tires through to pneumatic tires for heavy equipment in container handling.

### Distribution of sales

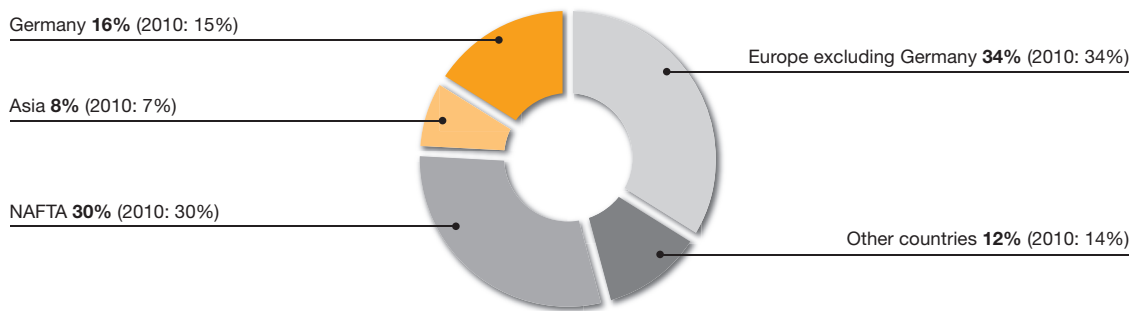
22% of sales in the Commercial Vehicle Tires division relates to business with vehicle manufacturers, and 78% relates to the replacement business. Our sales are largely characterized by replacement business, which is operated by our global service network.

### Our growth prospects

In particular, we believe that our growth prospects lie

- ▶ in the greater proximity to the major commercial vehicle markets and
- ▶ in the intensive support for fleet customers.

## Tire Division, Commercial Vehicle Tires: Sales by region



In the year under review, we gave our business in the growth market of India a significant boost with the acquisition of the Indian tire manufacturer Modi Tyres Company. At the plant in Modipuram near Delhi, we will increase the production of bias-ply tires for trucks and buses from originally 500,000 to more than 1 million units per year by 2013. Furthermore, we will establish radial tire production with investments of more than €50 million. Thanks to the local production of radial tires to be launched in 2013 in addition to the current bias-ply tire production, Continental will create a strong competitive position and therefore the opportunity to participate in India's rapidly growing demand for vehicles with high-quality tires and premium technology.

We are also expanding our activities once again in the growth market of Brazil. We will virtually double production capacity at the tire plant in Camaçari, Brazil, by the end of 2015. In the year under review, we already increased the production of truck tires significantly to over 400,000 units per year.

The Commercial Vehicle Tires division further consolidated its position as a provider of mobility solutions on the key markets of Europe by continuing its integration of products and services. The pan-European Conti360° network was extended from eight to ten countries in 2011 to handle the growing business with fleet

customers. The ContiBreakdownService is available in 37 European countries.

Conti360° Fleet Services are being set up in Asia. The fleet services will be launched there from 2012 – starting with Malaysia. In addition, we are continuing to expand our product portfolio into growth segments and are preparing for the launch of ContiLifeCycle and therefore the integration of retreading solutions for end customers.

The Americas business unit is also continuing its accelerated start-up of ContiLifeCycle solutions. The first license agreements for the ContiLifeCycle dealer network in North America were concluded in 2011. In the next few years, tire production and sales will also be increased further. The additional new tire volumes, combined with the ContiLifeCycle, will together strengthen the clear fleet approach.

The Industrial Tires business unit is consolidating its global market presence with local sales organizations to generate further strong growth in America and Asia. We are systematically gaining new clients in our partnership with the tire trade. There is further growth potential in the successfully launched CRT20 radial tire line, which is designed for the extreme requirements in materials handling, and in the launch of the secondary brand Ameri\*Steel in the U.S.A.

## ContiTech Division

- ▶ The ContiTech division develops sustainable products made from rubber and plastic – products that are individually customized.
- ▶ The division's sales increased by 15.8% in 2011 to €3.6 billion.

Engineering green value technologies – at ContiTech, this basic idea underlies a strong corporate commitment and technological expertise in the development and use of innovative products. With its high-tech products and systems, ContiTech is a global development partner and original equipment supplier to the automotive industry, the printing, mining and commercial vehicle industries, as well as the machinery and plant construction, aviation and aerospace, and railway engineering industries. Our products have many uses – they are flexible and thermally stable, formable, abrasion-resistant, reversible and eco-friendly. They lend themselves well to combinations with other materials such as glass, metal and ceramics. We make a substantial contribution to sustainable mobility, energy production and efficiency, health and environmental protection.

The division maintains a presence at 78 locations in 24 countries. In 2011 its approximately 27,000 employees generated sales of €3.6 billion. ContiTech is divided into seven business units:

- ▶ **Air Spring Systems:** This business unit is a leading development partner and manufacturer for self-adjusting air suspension systems. Its components and complete systems are installed in commercial vehicles, buses and rail vehicles for vibration and level control, or in stationary machines as foundation supports. The unit also offers air actuators for industrial pneumatic systems and rubber compensators used in machine and plant engineering.
- ▶ **Benecke-Kaliko Group:** The Benecke-Kaliko Group produces foils and artificial leather products for vehicle interiors. Its products are used, for example, on instrument panels, door trim panels, center consoles and seats.

- ▶ **Conveyor Belt Group:** The Conveyor Belt Group manufactures steel cord and textile conveyor belts, special-purpose conveyor belts, conveyor belt accessories and service materials. ContiTech's conveyor belts are built for energy optimization and can transport materials both cost effectively and with very low environmental impact.
- ▶ **Elastomer Coatings:** This business unit develops and manufactures innovative printing blankets, coated fabrics and diaphragm materials as well as three-dimensionally engineered products like gas holder diaphragms and flexible tanks.
- ▶ **Fluid Technology:** The Fluid Technology business unit makes a broad range of hoses, hose lines and line systems for the automotive and other industries.
- ▶ **Power Transmission Group:** As a development partner and manufacturer of drive belts and matched components through to complete belt drive systems, the Power Transmission Group offers products and systems used in the automotive industry and in machine and plant construction.
- ▶ **Vibration Control:** The Vibration Control business unit is a specialist in noise and vibration control and in sealing technology. It develops and produces a wide variety of elastomer and rubber-metal products such as vibration absorbers, mounting systems, precision molded parts, blow molded parts and plastic parts for a broad range of applications.

### Distribution of sales

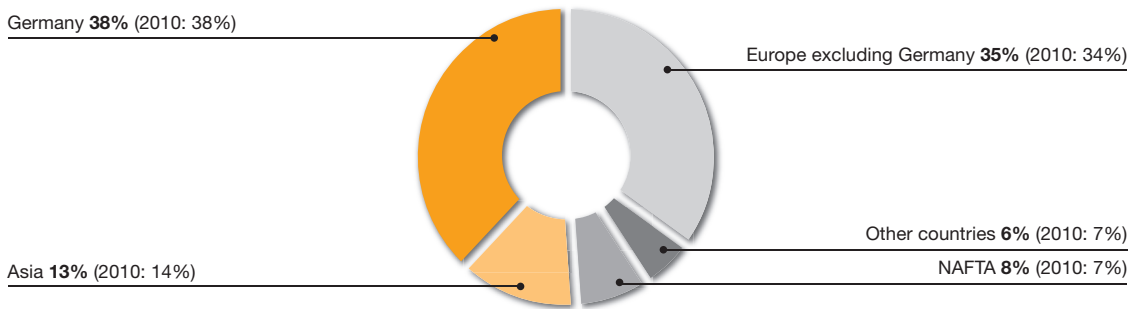
53% of sales in the ContiTech division relates to business with vehicle manufacturers, and 47% relates to business with other industries and in the replacement market.

### Our growth prospects

Our manufacturing facilities located in close proximity to our customers in regions and sectors of high growth provide us with significant potential:

- ▶ We are continuing to expand our presence in China, India and Eastern Europe.
- ▶ We are strengthening our market position in South America and NAFTA.

## ContiTech Division: Sales by region



We see special growth opportunities in the Chinese market. The plant in Changshu, China, began operations in 2010 and was expanded further in 2011. The Vibration Control, Air Spring Systems and Fluid Technology units produce at this location. In June 2011, in order to boost the special-purpose belts unit and expand its customer base, we took over the conveyor belt business of Tianjin Xinbinhai Conveyor Belt Co., Ltd., in Tianjin, China. The company predominantly produces conveyor belts for the metal, cement and mining industries and improves our export opportunities. We are standing by our goal of more than doubling sales in China by 2015 as against 2010.

The Conveyor Belt Group has expanded its presence in Australia and the South Pacific region by buying the trading company Mining Industrial Resource Supplies Pty Ltd, Perth, Australia. Furthermore, capacity is being increased substantially at the successful conveyor belt plant in India. Technology advancement should help us achieve significant growth.

As a result of the planned plant expansions in Ponta Grossa, Brazil, and San Luis Potosí, Mexico, and the increases in Chilean conveyor belt production, we are anticipating further growth in South America and NAFTA.

We expect stronger growth in Eastern Europe thanks to the Conveyor Belt Group's increased production capacity in Serbia. There, Fluid Technology is also building a production facility for hose lines for the automotive industry. A plant will be built for rubber compounds in Nyíregyháza, Hungary, in 2012. Following an extensive conversion of the plant in Dolné Vestenice, Slovakia, the Vibration Control business unit is well positioned for new orders from the automotive industry. Polyamide engine mounts and structural components, which are as much as 50% lighter than metal parts, are enjoying global demand. In addition, capacity expansions for conveyor belts in Greece and for air spring systems in Turkey will enable sales gains in the short term.

The ContiTech Power Transmission Group is expanding its business with drive belts that help to make vehicles more environmentally compatible. Benecke-Kaliko is using resource-efficient products such as Acella® and TEPEO 2® surface materials to combine quality, comfort and sustainability in interior design. Demand for these products is on the rise.

In 2012, the Fluid Technology business unit will further develop its expertise for plastic components and systems, striving for growth in the markets outside Europe, including China, South America and NAFTA in particular.