

Preliminary figures for fiscal 2011 **Bosch exceeds growth target** Further sales increase expected in 2012

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- ▶ Sales up by nearly 9 percent to 51.4 billion euros
- ▶ More than 300,000 Bosch associates for the first time
- ▶ Special burdens keep pre-tax result down to roughly 5 percent of sales
- ▶ International presence further strengthened
- ▶ All business sectors expanded

Stuttgart – The Bosch Group exceeded its growth target in 2011. According to preliminary figures, this technology and services company generated sales revenue of 51.4 billion euros last year. This is 8.8 percent more than in 2010. “We were able to grow strongly in our anniversary year, and this despite such portentous events as the sovereign-debt and euro crises and the natural disaster in Japan, with its dramatic consequences,” said Franz Fehrenbach, the chairman of the board of management. The company thus achieved one of its highest rates of growth since 2000.

As a result of special burdens, the pre-tax result was roughly 5 percent of sales, and thus fell short of the target corridor of between 7 and 8 percent. “We are largely satisfied with our result. Without these special burdens, we would have been within our target corridor,” Fehrenbach said. As examples of such burdens, Fehrenbach pointed to the rise in the cost of materials, to the company’s considerable upfront investments in areas of future business such as electromobility or renewable energy, as well as to a downward revaluation of assets in the Solar Energy division.

More than 300,000 Bosch associates for the first time

As a result of good business developments, global headcount also increased by nearly 20,000, and stood at more than 303,000 as of January 1, 2012. The greatest increase was in Europe. Headcount there rose by more than 10,300. It increased by some 5,200 in Germany alone,

by 1,700 in Hungary, and by 1,600 in Turkey. And there was again a significant increase in the Asia Pacific growth region. There, Bosch employs 8,200 more associates than a year ago. In North and South America, Bosch headcount increased by 1,200 in all.

International presence further expanded

In 2011, Bosch Group sales increased in all the world's major economic regions: in **Europe**, Bosch grew by 9.5 percent to more than 30 billion euros. This was especially due to excellent developments in Germany, where sales grew by 10 percent to 12 billion euros. In **Asia Pacific**, the company was able to increase its sales by nearly 9 percent to some 12 billion euros, and in the **Americas** by 7 percent to more than 9 billion euros. At the same time, Bosch strengthened its international presence last year: in China for example, the company expanded its production of brake control systems at its Suzhou location. In Vietnam, Bosch set up a manufacturing facility for pushbelts for continuously variable transmissions, and opened its first software engineering center in southeast Asia.

Growth in all business sectors

All three business sectors contributed to the company's growth.

Automotive Technology generated sales of more than 30 billion euros for the first time, and thus grew by roughly 8 percent year on year. The strongest increase in sales was in **Industrial Technology**, which grew by 20 percent to 8 billion euros. The **Consumer Goods and Building Technology** business sector continued to grow steadily, its sales rising by 4.3 percent to 13 billion euros.

No expectation of global recession – Bosch also set to grow in 2012

For 2012, Bosch expects the global economy to further weaken, but does not expect any global recession. Following an estimated 3.2 percent in 2011, the company predicts global economic growth of some 2.5 percent in 2012. With respect to Europe, Fehrenbach said: "Whether we see stagnation or even a recession depends largely on how rigorously and quickly the necessary reforms are carried out in the euro zone." Given these circumstances, the Bosch Group expects to see sales growth of between 3 and 5 percent. It is expected that strong stimuli will come from Asia Pacific. But in the Americas as well, the company sees further growth opportunities.

The number of associates is expected to rise worldwide and to remain more or less constant in Germany.

Strategy vindicated

For Bosch, these positive regional and sectoral business developments are a clear vindication of its corporate strategy. "We are sticking to our strategy. With our broad portfolio, global presence, and innovative strength, we will take advantage of the opportunities for our company, which remain significant," Fehrenbach said. Accordingly, Bosch will further expand its activities in the growth regions, above all in Asia Pacific. The company intends to allocate some 30 percent of its global capital expenditure to this region in 2012. The largest share will go to China and India, in particular to bolster Automotive Technology. The company's presence in eastern Europe is also to be expanded, with a new manufacturing facility for automotive wiper systems to be built in Serbia.

At the same time, Bosch is also expanding its business sectors. One example is the area of renewable energy. "Our long-term objective is to be one of the leading contenders in the renewable energy market, despite the currently difficult market environment," Fehrenbach said. He sees great opportunities in the move to new forms of energy. But if these opportunities are to be seized, then politicians have to provide a reliable basis for planning, as well as a comprehensive concept with clear milestones for its implementation, he said. "The move to new forms of energy is a long-term task for us all. It can only work if all parties involved – business, politics, and society – pull together."

Innovative strength remains on a high level

In 2011, Bosch spent more than 4 billion euros on research and development. As of January 1, 2012, the company employed some 39,000 associates in R&D. This is roughly 4,500 more than in the previous year. In Asia Pacific alone, more than 2,500 new R&D associates joined the company. And the number of patents applied for rose by a hefty 260 to more than 4,100, or 16 applications per working day.

The Bosch Group is intensifying its activities in areas of importance for the company's future, such as electromobility and the internet of things and services. The company spends some 400 million euros each year on electromobility. By 2013, it is expected that 21 projects for hybrid and all-electric powertrains will go into series production at 13 automakers. Bosch also supplies electrical drives for bicycles, and in the future for e-scooters as well. Having sold more than 70,000 drive systems for 30 different bicycle makes in 2011, the company has got off to a successful start in this market.

More connectivity through the internet of things and services

Fehrenbach is convinced that the internet will radically change the competitive environment. While the classic hardware and software business will still be a main driver of growth for many years to come, Bosch intends to exploit the technical potential of internet connectivity even more extensively than in the past. This explains why Bosch has bolstered its activities relating to the internet of things and services. Following the acquisition of inubit AG last year, Bosch already employs some 450 specialists in this field.

One example of this connectivity in the internet of things and services is the energy management platform that Bosch is working on. Its job is to monitor and control all the energy streams in a building. In the future, this service will be offered by Bosch Energy and Building Solutions GmbH, which was set up in 2011. It specializes in energy-efficiency services for commercial customers such as industrial enterprises, hospitals, or facility management companies.

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The Bosch Group is a leading global supplier of technology and services. According to preliminary figures, more than 300,000 associates generated sales of 51.4 billion euros in the areas of automotive and industrial technology, consumer goods, and building technology in fiscal 2011. The Bosch Group comprises Robert Bosch GmbH and its more than 350 subsidiaries and regional companies in some 60 countries. If its sales and service partners are included, then Bosch is represented in roughly 150 countries. This worldwide development, manufacturing, and sales network is the foundation for further growth. In 2011, Bosch spent more than 4 billion euros for research and development and applied for over 4,100 patents worldwide. With all its products and services, Bosch enhances the quality of life by providing solutions which are both innovative and beneficial.

The company was set up in Stuttgart in 1886 by Robert Bosch (1861-1942) as "Workshop for Precision Mechanics and Electrical Engineering." The special ownership structure of Robert Bosch GmbH guarantees the entrepreneurial freedom of the Bosch Group, making it possible for the company to plan over the long term and to undertake significant upfront investments in the safeguarding of its future. Ninety-two percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a charitable foundation. The majority of voting rights are held by Robert Bosch Industrietreuhand KG, an industrial trust. The entrepreneurial ownership functions are carried out by the trust. The remaining shares are held by the Bosch family and by Robert Bosch GmbH.

Further information is available online at www.bosch.com and www.bosch-press.com