

Press Release

*Media Release
For immediate Release*

Improved sales and result in 2005, good start to 2006 **Bosch: good prospects internationally** Focus on conservation of environment and resources

- Bosch expects sales growth of roughly five percent in 2006
- Research and development expenditures and investments in property, plant, and equipment remain on a high level
- Global headcount to continue its upward trend

Bangalore, April 27, 2006: The Bosch Group once again improved its sales and result in fiscal year 2005, and has made a good start to 2006. At the Annual Press Conference in Stuttgart, Franz Fehrenbach, Chairman of the Bosch Board of Management, said: "For the current year, we expect sales to increase by roughly five percent." To further strengthen the company's international presence and innovative strength, upfront investments in research and development as well as in capital expenditure will remain on the same high level as before. In 2005, research and development expenditure came to 3.1 billion euros (2004: 2.7 billion euros). Capital expenditure came to 2.9 billion euros (2004: 2.4 billion euros). The focus of international expansion is the Asia Pacific growth region. Between 2005 and 2008, some 1.6 billion euros are to be invested here, above all in China and India.

2005: good growth, improved result, strong balance sheet structure

The Bosch CEO was satisfied with the overall business development in 2005: "In terms of both sales and result, we have continued our positive development." The consolidated financial statements were presented for the first time on the basis of International Financial Reporting Standards, or IFRS for short. According to IFRS, sales of the Bosch

Group rose by 6.4 percent in 2005, to 41.5 billion euros. The pre-tax result increased from 2.7 to 3.2 billion euros. This is equivalent to 7.7 percent of sales. This rise is mainly due to the significantly improved financial result. The return on sales from operations, without financial income, came to six percent. "In order to continue to finance our innovative strength internally, and to exploit growth potential the world over, we still strive to achieve a

pre-tax return on sales of between seven and eight percent," Fehrenbach said. Bosch sees risks to its result in the constantly rising prices for raw materials, in ever fiercer competition, and in increasing pressure on prices.

Given this situation, Fehrenbach said, special efforts would be required to maintain the return on sales from operations achieved in 2005. With an eye to international developments in the company's business sectors, Fehrenbach said: "Our broad-based regional and sectoral presence is clearly paying off." In 2005, Bosch grew especially strongly in Asia Pacific. Here, the increase in sales was 16 percent. In the Americas, Bosch grew by 11 percent, while the figure for Europe was 3.5 percent.

This allowed the share of sales accounted for by business outside Europe to rise from 32 to 34 percent. Sales showed an increase in all the company's business sectors: up by 5.4 percent to 26.3 billion euros in Automotive Technology, by 6.1 percent to some 10 billion euros in Consumer Goods and Building Technology, and by 12.5 percent to 5.2 billion euros in Industrial Technology. As Bosch CFO Gerhard Kümmel concluded: "Our balance sheet is strong. Bosch is financially well equipped for further growth."

The rise in international demand for Bosch products is also having a positive effect on the development of headcount. In its continuing operations, including companies consolidated for the first time, the number of Bosch associates increased in the course of 2005 by 13,000, to roughly 251,000. "By the end of 2006, we expect that the Bosch Group will have some 260,000 associates worldwide," Fehrenbach said. Most of these new associates will be hired in the emerging markets. After creating 1,500 new jobs on a comparable basis in Germany in 2005, Bosch intends to keep headcount in Germany more or less stable, at roughly 110,000. In 2006, the company again plans to invest close to a billion euros in improving the competitiveness of its German locations.

Innovations as responses to global challenges

In addition, Bosch is working intensively in all its business sectors on a great number of technological innovations. Fehrenbach: "Conserving the environment and resources is a priority item on the global agenda. To achieve this goal, we need not less, but instead more modern technology." At the beginning of 2006, some 23,600 associates worked in research and development at Bosch – a good 1,600 more than one year before. Even now, Bosch

generates roughly half of its business volume in its Automotive Technology business sector with products that the company was first to launch on the market.

When developing new products, the company's thinking goes far beyond short-term product innovations: "For Bosch, being innovative also means considering alternatives that promise economic success only in the long term," Fehrenbach emphasized. These projects range from alternative drive concepts for automobiles to renewable sources of energy. Even today, for example, BBT Thermotechnik generates six percent of its sales with systems that make use of renewable energy – and that figure is set to increase. In addition, Bosch Rexroth already provides drive and control technology for wind farms. In future, it is even planned that Bosch technology will help to generate electricity from ocean currents. Sea current energy technology is still in its infancy, but as Fehrenbach pointed out: "Here, too, we are active at an early stage. Ecology is a long-term task – just right for a company like Bosch, with its long-term orientation."

In India, the Bosch Group has 15,031 associates, and in business year 2005 achieved total consolidated sales of Rs. 40 billion (Euro 729 Mio).

About the Bosch Group

The Bosch Group is a leading global manufacturer of automotive and industrial technology, consumer goods, and building technology. In fiscal 2005, some 251,000 associates generated sales of 41.5 billion euros. Set up in Stuttgart in 1886 by Robert Bosch (1861-1942) as "Workshop for Precision Mechanics and Electrical Engineering," the Bosch Group today comprises a manufacturing, sales, and after-sales service network of more than 280 subsidiaries and more than 12,000 Bosch service centers in over 140 countries.

The special ownership structure of the Bosch Group guarantees its financial independence and entrepreneurial freedom. It makes it possible for the company to undertake significant up-front investments in the safeguarding of its future, as well as to do justice to its social responsibility in a manner reflective of the spirit and will of its founder. 92 % of the shares of Robert Bosch GmbH are held by the charitable foundation Robert Bosch Stiftung. The entrepreneurial ownership functions are carried out by Robert Bosch Industrietreuhand KG.

Additional information can be accessed at www.bosch.com.

About Bosch in India

The Bosch Group is represented by four subsidiaries in India.

Motor Industries Company Limited is the flagship of the Bosch group in India, established in the year 1951. Mico is the largest auto component manufacturer and the largest Indo-German company in India. The Bosch Group holds 60.55% stake in Mico.

Access to state-of-the-art technologies from Bosch and a commitment to world-class quality have made Mico, the country's largest manufacturer of Diesel Fuel Injection Equipment and one among the

largest in the world. It is headquartered in Bangalore with facilities in Bangalore, Nashik, Naganathapura and Jaipur. All the 4 plants are TS 16949 and ISO 14001 certified. With strength of 9700 associates, Mico manufactures and trades products as diverse as fuel injection equipment, industrial equipment, auto-electricals, hydraulics, electric power tools, packaging machines, security systems and Blaupunkt car audio systems.

The Bosch Group is also represented by three other subsidiaries in India.

Robert Bosch India Limited, a wholly owned subsidiary of Robert Bosch GmbH, develops software and engineering solutions for all business sectors within the Bosch world in more than 15 nations across Europe, USA, Asia and Australia. Founded in 1990, RBIN is an ISO 9001 and CMM Level 4 organisation with cutting-edge facilities at Bangalore. It employs nearly 2911 associates and is the largest software development center outside Germany.

Bosch Chassis Systems India Limited (formerly Kalyani Brakes) is the leading manufacturer of hydraulic brakes in India for passenger cars, two wheelers, three wheelers and tractors. Its plants are located in Jalgaon and Chakan in Maharashtra and Manesar near Delhi. Founded in 1982, the Bosch Group holds over 80% stake in the company and employs approximately 1958 associates.

Bosch Rexroth India Limited provides a complete range of world-class products, systems and services for drive and control technologies to various industrial and mobile applications. Established in 1975, Bosch holds 95.5% stake in BRIN and is into five technology groups namely: Industrial Hydraulics, Electric Drives and Controls, Linear Motion and Assembly Technologies, Pneumatics, and Mobile Hydraulics. BRIN is ISO 9001:2000 certified and employs 309 associates, serving customers in India, Bangladesh, Nepal and Sri Lanka through manufacturing facilities in Ahmedabad and Bangalore.

As Bosch is focusing on India to develop it as a technology hub, Mico is gearing up to meet the challenges. Bosch's new tagline 'Invented for Life' communicates Bosch's core competencies and vision -technological leadership, modernity, dynamics, quality and customer orientation which are part of its long tradition.

For more information on Bosch, please log onto www.boschindia.com, www.bosch.com