



Press Release

*Media Release
For immediate Release*

Another first from Bosch for the Indian Automotive Industry

- First in India to start manufacturing Common Rail High Pressure Pumps & Injectors
- Bosch Common Rail to bring new driving pleasure and economy to the Indian car owner

Bangalore, June 01, 2006: Bosch announced the launch of its first manufacturing facility in the country for Common Rail High Pressure pumps at Bangalore, thereby further expanding its presence in India. Bosch has already announced an investment of Rs 1800 crores in India between 2005 and 2008, of which Rs 550 crores have been earmarked for the establishment and expansion of Common Rail System production in Nashik and Bangalore. The new production line in Bangalore has an initial installed capacity of upto 1,000 Common Rail High Pressure pumps per day. Bosch has been manufacturing Common Rail injector components at its Nashik facility since the beginning of 2006 and has a current capacity of 4000 injector component sets per day. It plans to start production of complete Common Rail injectors from the same facility in 2007.

“Diesel vehicles are becoming increasingly popular in India,” said Dr Bernd Bohr, Member, Bosch Board of Management on the occasion. “We expect to see diesel’s share in the Indian car and utility vehicle market rise from its current 30 to more than 40 percent by 2010, and Bosch is well positioned to support this growth. We have designed our new manufacturing facilities so that we can flexibly serve the requirements of automakers, especially the local manufacturers,” he added. In 2005, Bosch sold around 40,000 Common Rail systems in India. In 2010, this figure is expected to be as high as 6,00,000 systems. “Nearly every automaker in India has now announced that it will be launching diesel cars with Common Rail technology,” Dr Bohr said. On an average, diesel engines consume around 30 percent less fuel than a comparable gasoline engine — and emit significantly less oxides of carbon. In addition, diesel is 30 percent less expensive than gasoline in India.

The Indian growth market: Good opportunities for Clean, Safe and Economical Technologies

Bosch's trust in the Indian market is reflected in its contribution to the Indian industry. The consolidated sales figures of the Bosch group in India were as high as Rs 40 billion in 2005 and expected to increase by 17 percent to 47 billion in 2006. "India is one of the growth motors for our business in Asia Pacific," said Dr Bohr.

With around 1.3 million cars and utility vehicles manufactured in 2005, India is already Asia's fourth largest car market. Currently only seven out of every 1000 persons in India are car-owners and this represents a huge potential for growth. Assuming that a quarter of a large number of the two wheeler owners upgrade to a car in the medium term, there is an additional sales potential of more than 1 million cars per year. This is particularly significant given the fact that more than 75% of car sales in India are in the compact low priced vehicle segment costing less than Rs 4,00,000. "Given these growth predictions, India could be one of the world's five most important automobile markets by the beginning of the next decade," Dr Bohr said. The country is also the world's largest motorcycle market and the largest market for tractors and three-wheelers. Supporting this growth are nearly 50,000 kilometres of Indian roads, which are being widened by 2012.

In order to comply with stricter emission norms, new vehicles will need to be equipped with electronically controlled fuel injection systems like Common Rail Systems. Further the time available for the development of these vehicles will be very short. "For this reason we are investing not only in our manufacturing capabilities but also in improving our development and application capabilities for Common Rail Systems," Dr Bohr said. In the future safety will continue to play an increasingly important role with improving road infrastructure and consequently higher vehicular speeds. Technologies such as Antilock Braking System (ABS), and Electronic Stability Program (ESP) will play a significant role towards this. Bosch has played a crucial role in the development of automotive technology in India and will continue to do so in the coming years.

Bosch flagship - Motor Industries Company Limited, India's leading automotive components supplier

Bosch has had an active presence in India for about 80 years – first through its representative office in Kolkata, and then from 1951 onwards through its flagship subsidiary Motor Industries Company Limited, headquartered in Bangalore. Diesel and Gasoline fuel injection systems, starters, alternators, spark plugs form some of the important products within its automotive range. With some 4,000 sales outlets, 770 workshops and nearly 100 Bosch Car Service outlets, Mico owns India's largest automotive aftermarket network.

India not only plays a key role in the production network of Bosch but also in its development activities. Robert Bosch India Limited, a wholly owned subsidiary of Bosch in India, headquartered in Bangalore, is the company's largest software development center outside Germany. By the end of 2006, it will employ around 3,000 associates working on software development for intelligent vehicle systems. Worldwide, Bosch spends some 9 percent of its sales revenue in its Automotive Technology business sector on Research and Development – far more than the average in the industry. The company is also the world leader when it comes to filing patents related to Automotive Technology.

About BOSCH

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. A total of 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 Motor Industries Company Limited

Motor Industries Company Limited is the flagship of the Bosch Group in India. Founded in 1951, it has grown over the years to become India's largest auto component manufacturer. It is also the largest Indo-German company.

The Bosch Group holds 60.55% stake in Motor Industries Company Limited. Access to state-of-the-art technologies from Bosch and a commitment to world-class quality have made it 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 over 9800 associates, the company 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.

It has a strong after sales network spanning across 1000 towns and cities in India with over 4,000 authorised representations which ensure widespread availability of both products and after-sales services. As Bosch is focusing on India to develop it as a technology hub, the company is gearing up to meet the challenges.

Additional information can be accessed at www.boschindia.com