



Press Release

*Media Release
For immediate Release*

Bosch on a growth track in India

- Strong financial results reflects its growth path
- Bosch strategy and focus: Investments over Rs 1800 crores between 2005-2008
- Bosch brings customer delight in all its business sectors

Kolkata, November 1, 2006: Bosch started its Indian journey way back in 1922 in this very city of Kolkata. Today it is the largest auto components supplier in India and the world.

Continuing on an upbeat mood, the flagship of Bosch in India – Mico announced its third quarterly financial results with a sales figure of Rs. 9974 Mio, registering a 30 % growth in sales over the corresponding period in the previous year. Aided by the robust growth in the Indian auto industry including tractors, the company's automotive business maintained growth recorded in the first half of 2006. The growth in the non-automotive business of the company has been driven by a strong growth in the construction Industry. The above sales together with lower depreciation has helped the company to achieve a Net profit of Rs. 1254 Mio for the quarter ended September 2006, a growth of 46.5% over corresponding period of previous year.

For the nine months period, January – September 2006, the company has recorded net sales of Rs. 28217 Mio with net profit of Rs. 4830 Mio, thus registering a growth trend of 31 % and 73 % respectively over the corresponding period of the previous year. The profit generated includes Rs 1463 Mio being profit from sale of property during the first half of 2006.

Growth in India: Focus on Additional investments and Technology transfer

Bosch remains focused on the Indian market with its additional investments and technology transfer to meet the future demands. As part of its India strategy and focus, it is investing Rs 18000 Mio in India between 2005 and 2008, out of which Rs 5500 Mio is in the development of facilities and competency towards its most modern diesel technology, the common-rail system. Other investments will be utilized for capacity ramp up, routine capital and maintenance expenditure and developing R&D infrastructure etc., across its Bosch

subsidiaries in India. Bosch is the pioneer in India to have started local manufacturing of common rail pump and injectors for the domestic and export markets.

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.

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 70% 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. 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 developed by 2012.

In order to comply with stricter emission norms, new vehicles will need to be equipped with electronically controlled gasoline and diesel fuel injection systems. Further the time available for the development of these vehicles will be very short. For this reason Bosch is investing not only in our manufacturing capabilities but also in improving its development and application capabilities for such systems. 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.

Future Outlook:

Building on its past successes of excellent R&D and manufacturing capabilities, strong customer base and market leadership through high quality technology and products, Bosch will continue to concentrate on its 3 business sectors namely: Automotive technology, Industrial technology and Consumer goods and Building technology in India. Leveraging on

a long tradition of competitiveness with innovations and cutting-edge technology solutions, it will continue to offer innovative technologies in all these sectors ensuring customer delight to the Indian and exports market.

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. In 2005, over 15,000 associates generated annual sales of Rs 40 billion.

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 one of the largest Indo-German companies 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 more than 9800 associates, Mico manufactures and trades products as diverse as gasoline and diesel fuel injection equipment, industrial equipment, auto-electricals, hydraulics, electric power tools, packaging machines, security systems and Blaupunkt car audio systems.

Robert Bosch India Limited, a wholly owned subsidiary of Robert Bosch GmbH, develops software, engineering and business solutions for all business sectors within the Bosch world in more than 15 nations across Europe, USA, Asia and Australia. Founded in 1998, RBIN is an ISO 9001 and CMMi Level 5 organisation with cutting edge facilities at Bangalore and Coimbatore. It employs more than 3500 associates and is the largest software development center outside Germany.

Bosch Chassis Systems India Limited 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 1,900 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 96.4% 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 300 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 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 in India, please log onto www.boschindia.com