

Bosch in Mexico reports solid 2010 growth, estimates stable result in 2011

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- ▶ Sales in 2010 increased 32 percent; double-digit growth to remain in 2011
- ▶ Energy efficient solutions continue to be the cornerstone of company activities

Mexico City – In Mexico, the Bosch Group has returned to its financial path and continues to be optimistic in terms of growth, despite the uncertainty as a consequence of current events. During the 2010 tax year, Bosch in Mexico generated domestic sales for \$806 million dollars, an increase of 32 percent compared to the previous year (2009: \$611 million). Bosch, a leading global supplier of technology and services in the areas of automotive and industrial technology, consumer goods and building technology, reported worldwide revenue in 2010 of 47.3 billion Euros (\$62.7 billion), the highest annual sales figure in Bosch's 125-year history. In 2011, the company expects to exceed the 50 billion Euro mark in global sales for the first time.

Charles Visconti, president of Robert Bosch Mexico, stated: "We are aware that situations exist that cause uncertainty and that this could affect the growth of the domestic economy. However, we continue to have confidence that Bosch is following a solid path to achieve greater growth. Our expectations are based on our sustained innovation, a constant focus on customer service and the search for new business opportunities."

Positive growth in the number of associates

The positive development of sales and production is also reflected in the number of associates in the region, which now exceeds 8000 nationwide at its headquarters and 10 manufacturing plants. "The know-how and determination of Bosch's associates in Mexico has been one of the principal motors behind the achievement of the aforementioned growth," Visconti affirmed. Worldwide, the number of Bosch associates is expected to rise and reach approximately 300,000 by year-end.

Ongoing investment boosts future growth

Bosch worldwide continues to position itself for growth through investment in acquisitions and capital expenditures. Bosch in Mexico invested approximately \$22 million during 2010, and in April 2011, inaugurated its new headquarters in Santa Fe, which houses the company's shared services and commercial divisions. An "intelligent" building, the headquarters features state-of-the-art training centers that can be used to simulate real situations for testing equipment and products, which will help Bosch meet and satisfy the needs of customers, technicians and distributors.

In 2011, Bosch Group intends to spend more than 7 billion euros (over \$9 billion) globally to safeguard its future. Full-year integration of the acquired Morse Automotive activity coupled with capital investments at the Toluca and Juarez plants increase total investment in Mexico three-fold to approximately \$78 million in 2011.

Growth in the business sectors with an emphasis on energy efficiency

Automotive Technology

In Automotive Technology, Bosch in North America increased its sales by 24 percent to \$5.6 billion in 2010. The **Original Equipment** division in Mexico realized double-digit growth in 2010, resulting from the recovery of the North American auto industry. In 2011, the division continues to work intensively on the regionalization of products and extending its product portfolio to cover American, European and Asian-branded automobiles. Increased production capacity of car plants in Mexico opens up an excellent opportunity for the division to grow its local marketshare. Increased demand among automakers and end-consumers alike for fuel-efficiency will continue to benefit Bosch in the near-term.

Significant growth was also achieved in the **Spare Parts market** in 2010. More than 500 part numbers were launched in the market, helping ensure better service and attention for customers. Thus far in 2011, the product range has grown by more than 1000 new part numbers, including the new Iridium sparkplug, a new range of filters and extension of the diagnostics line with novel intelligent battery chargers and new scanner models. 26 new members have been added to the Bosch Car Service (BCS) network, which now totals 140 BCS centers nationwide.

Industrial Technology

In 2010, **Bosch Rexroth** reported double-digit growth in the region, obtained primarily through civil projects including the installation of floodgates for hydroelectric plants such as ‘La Yesca’ in Jalisco, as well as increased penetration in automotive weld and joint projects. In 2011, Bosch Rexroth will take full advantage of the company’s integration of Hageglunds Drives, which strengthens the company’s industrial hydraulics portfolio and positioning for growth in the fields of renewable energies, raw materials production, mining and equipment for sugar processing.

Consumer Goods and Construction Technology

In 2010, the **Electric Tools** division reported marginal growth, despite the stagnant situation in the construction industry. This growth was achieved based on adjustments to commercial policy and sales force, which helped guarantee the competitiveness of the distributor network. During the first quarter of 2011, the division obtained double-digit growth, as reinforcements in the sales area permitted an improvement in regional coverage and consequently increased the size of the distributors’ network. Furthermore, 81 new products were introduced, including new Bosch-brand grinder models and 27-kg hammer, the extension of the cordless program, the new Skil-brand line of stationary tools and novel Dremel-brand Trio.

Security Systems consolidated its presence in the market to achieve growth rates exceeding that of 2010. The division introduced an important line of communication systems, principally composed of professional audio equipment, emergency communication equipment, evacuation and voting systems. For 2011, the division forecasts continued growth, based principally on its cooperative strategies with the distributor network, the launch of a complete line of HD video product, and ability to meet the increased demand for fire detection systems.

Continuing its philosophy of environmental protection and energy efficiency, the **Thermotechnology** division reported double-digit growth in 2010 through the introduction of a new range of low pressure residential heaters, industrial heaters and LOOS-brand steam generators, which offer complementary high-efficiency systems for the market. In addition, the division's result was supported by the consolidation of new distribution channels, such as home centers, department stores and price clubs, and excellent quality of post-sale service. For 2011, the division expects continued growth as its presence within the traditional hardware store channel has been strengthened, and as sales in the industrial and commercial segments have increased.

Research and development activities continue to be a cornerstone

The investment in research and development by the Bosch Group during 2010 totaled 3.8 billion Euros (more than \$5 billion dollars). 45 percent of this total principally focused on technologies that conserve resources and protect the environment. "Bosch is committed to innovation and the development of intelligent solutions that really benefit our customers," said Visconti.

125 Years of Bosch Innovation

In 2011, the Bosch Group celebrates its 125th anniversary, as well as the 150th anniversary of the birth of our founder Robert Bosch. For 125 years, Bosch has not faltered in its pursuit to provide novel and beneficial technological solutions that meet the needs of the market. To commemorate these milestones, several events will be held for associates in Mexico and around the world.

In the U.S., Canada and Mexico, the Bosch Group manufactures and markets automotive original equipment and aftermarket products, industrial drives and control technology, power tools, security and communication systems, packaging technology, thermotechnology, household appliances, solar energy, healthcare telemedicine and software innovations. Having established a regional presence in 1906, Bosch employs over 22,000 associates in more than 100 locations, with reported sales of \$8.8 billion in fiscal 2010.

Present in the region since 1955, Bosch in Mexico is part of the Robert Bosch North America organization, employing more than 8,000 associates at its headquarters and 10 manufacturing plants. For more information, visit www.bosch.com.mx.

The Bosch Group is a leading global supplier of technology and services. In the areas of automotive and industrial technology, consumer goods, and building technology, some 285,000 associates generated sales of 47.3 billion euros (\$62.7 billion) in fiscal 2010.

For 2011, the company forecasts sales of more than 50 billion euros (\$70 billion) and a headcount of 300,000 by the end of the year. The Bosch Group comprises Robert Bosch GmbH and its more than 350 subsidiaries and regional companies in over 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. Bosch spent 3.8 billion euros (approximately \$5 billion) for research and development in 2010, and applied for over 3,800 patents worldwide. With all its products and services, Bosch enhances the quality of life by providing solutions which are both innovative and beneficial. Bosch is celebrating its 125th anniversary in 2011. Additional information can be accessed at www.bosch.com, www.bosch-press.com, and www.125.bosch.com