



**BOSCH**

# Media Release

May 3, 2005

## High investments in the future: **Bosch continues on growth course** Greater number of patent applications

- ◆ 2004: greater sales and earnings
- ◆ Growth between 3 and 5 per cent expected in 2005
- ◆ Further regional expansion

STUTTGART – With high investments in property, plant, and equipment, as well as in research and development, the Bosch Group plans to continue its growth course. This was announced by Franz Fehrenbach, Chairman of the Bosch Board of Management, in Stuttgart at the annual press conference on financial statements. Investments in property, plant, and equipment (2004: 4.1 billion AUD) and expenditures on research and development (2004: 4.9 billion AUD) are both to be increased this year once again. The focus of investment will be on further expanding the company's facilities for advanced diesel systems, for semiconductors and sensors, and for products in the area of brake control technology. As Fehrenbach commented: "With these budgets, we demonstrate our determination in continued pursuit of our company's long-term growth strategy."

For 2005, the Bosch Group expects worldwide sales growth of from three to five percent in its current business. While the Bosch Group was able to achieve further growth in the first quarter of 2005, business has taken off less dynamically than in the previous year. For the rest of the year, Bosch expects economic activity to slow down, especially in the automotive industry. Gerhard Kümmel, the Bosch Board of Management member responsible for finances, pointed out the particular risk to operating result posed by the continuing increase in raw materials prices.

The Bosch Group is satisfied with business developments in 2004. Sales grew by 10 percent to 67.5 billion AUD (2003: 61.4 billion AUD). The company was able to improve its profit before tax to 4.4 billion AUD (2003: 3.1 billion AUD). Good utilization of production capacity and improved processes played a significant role here. All three business sectors contributed to the improvement in result.

## **Orientation to long term goals**

The company announced that it would continue to pursue its long term strategic aims of expanding its business regionally and of creating an even better balance among its business sectors; Automotive Technology, Industrial Technology, and Consumer Goods and Building Technology. Further growing its global presence, Fehrenbach mentioned the construction of manufacturing facilities in India and China, with investments of 305 million AUD and 845 million AUD respectively. Much of this investment is planned for the automotive technology sector.

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## Strengthening Innovation

Bosch continues to use innovations to differentiate itself from the competition, and on the basis of new product, grow faster than the market. In the automotive technology sector alone, research and development expenditure came to 9.4 per cent of sales – in Fehrenbach's words "a level well above the average for the industry". The Bosch group applied for 2,791 patents in 2004 – up once again from the prior year (2,748), setting a new patents record for the history of the company. Currently, more than 22,000 employees work in research and development.

Worldwide, the number of employees in the Bosch Group came to some 242,400 at the end of 2004 and was thus roughly 11,000 higher than in the previous year.

## Australian Development

MELBOURNE – Bosch Australia also saw positive development in 2004. Sales increased by 5.4 per cent to 1.1 billion AUD. Profit before tax grew to 73 million AUD (2003: 32 million AUD). President of Bosch Australia, Mr. Krister Mellvé declared "The strong Bosch Australia results reflect another good year in 2004 for the Australian car industry, but also the continuing increase in exports of our locally manufactured components, which grew to 422 million".

**Following:** summary table of Bosch Worldwide and Australia key data

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Press photos: Bosch Press Forum [www.bosch-presse.de](http://www.bosch-presse.de)

Robert Bosch (Australia) Pty. Ltd. is a regional subsidiary in the Global Bosch Group. From its head office in Melbourne, Bosch Australia is active in the development and manufacturing of Automotive Technology products for the local Australian and export markets. Bosch Australia's portfolio also includes the marketing and distribution of power tools, gas hot water systems and Blaupunkt car multimedia. Other members of the Bosch Australia Group include the subsidiaries Bosch Rexroth and Bosch Security Systems in Sydney, as well as BSH Home Appliances in Melbourne.

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## The Bosch Group at a glance

<b>Bosch Group Worldwide – Key Data</b>	<b>2003</b>	<b>2004</b>
Sales	61 378	<b>67 540</b>
percentage change from previous year	+3.9	<b>+10.0</b>
percentage share of sales generated outside Germany	71	<b>72</b>
Profit before tax	3 093	<b>4 352</b>
Research and development expenditure	4 474	<b>4 892</b>
as a percentage of sales	7.3	<b>7.2</b>
Number of employees as per January 1 of the following year	231 600	<b>242 348</b>

<b>Bosch Australia – Key Data</b>	<b>2003</b>	<b>2004</b>
Sales	1 035	<b>1 091</b>
percentage change from previous year	+0	<b>+5.4</b>
percentage of sales generated as export from Australia	38	<b>39</b>
Profit before tax	32	<b>73</b>
Research and development expenditure	59	<b>55</b>
as a percentage of sales	5.7	<b>5.0</b>
Number of employees as per January of the following year	1 860	<b>1 790</b>

Currency figures in millions of AUD