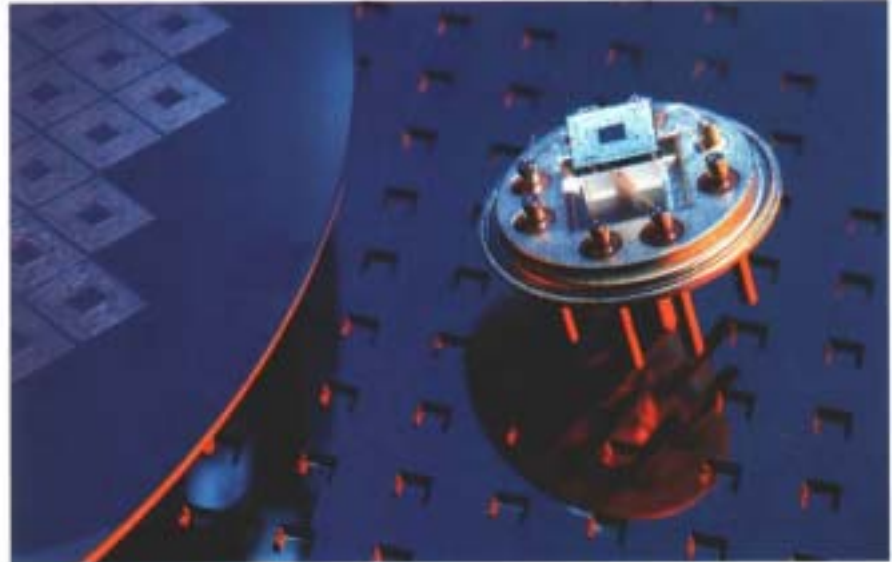


Annual Report 1994



BOSCH

Picture above: A minute micro-mechanical element produced at our semiconductor plant in Reutlingen, opens up a new chapter in micro-electronic production at Bosch. It combines sensor diaphragm and evaluation electronics, in other words micromechanical and micro-electronic components, on a single silicon chip.

Picture right: Schwieberdingen and the Bosch Development Center are synonymous with each other. Here, we test products under practical driving conditions on our own test track.

Picture below: Diesel engines with direct injection feature high levels of fuel economy, and are coming increasingly to the forefront. Shown is a section through the cylinder head of a direct-injection diesel engine.

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Key Figures

Bosch Group Worldwide	1994	1993
Sales	34,478	32,469
Change compared to the prior year as a percentage	+ 6.2	- 5.7
Foreign sales		
as a percentage of sales	54	49
Expenditures for research and development	2,255	2,215
as a percentage of sales	6.5	6.8
Additions to tangible fixed assets	1,578	1,552
as a percentage of depreciation	90	85
Average number of employees		
Annual average	156,464	164,506
as of January 1, 1995/1994	153,794	156,615
Total assets	27,373	25,447
Equity capital	8,563	8,304
as a percentage of total assets	31	33
Net income for the year	512	426
Unappropriated earnings	60	60

Values in million DM

Situation Report

The worldwide economic trend improved during the course of 1994. The progress in North America continued. Western Europe experienced a renewal of an upswing in the economy. After the decline of 1993, worldwide production of automobiles increased.

Due to the improved business situation, the Bosch Group was able to compensate in 1994 for the decline in sales of the previous year. We continued our measures to decrease costs and to increase productivity. However, profitability did not completely meet expectations.

Growth of the Bosch Group only took place abroad

Consolidated sales of the Bosch Group increased 6.2% in 1994 to a total of 34.5 billion DM. Adjusted for price changes and currency fluctuations the growth amounted to 8.7%.

This growth was achieved in foreign markets. The highest growth rates were in the USA (+21%), Japan (+25%), India (+27%), Canada (+51%), and Korea (+99%). In Western Europe (not including Germany) sales were 15.7% higher than last year. Increases occurred mainly in France (+16%), Italy (+13%), Great Britain (+35%), Sweden (+19%), and in the Netherlands (+35%).

Combined foreign sales increased 16.5% to 18.6 billion DM. Accordingly, foreign sales as a percentage of total sales rose to 54 (1993: 49)%.

Business trends varied by business sectors

The Automotive Equipment Business Sector achieved the strongest growth of the four business sectors. This was primarily the result of increased demand for diesel fuel-injection

systems and antilock braking systems (ABS). Adjusted for comparison purposes, total automotive-equipment sales grew 11.2% to 19.6 billion DM. These numbers include for the first time sales of car radios, and automotive display and navigation technology, which, until the end of 1993 were included with sales of the Communications Technology Business Sector.

Lively demand for electric power tools and products in thermo-technology, especially of the Junkers brand, led to a sales increase of 11% to 7.5 billion DM of the Consumer Goods Business Sector.

On the other hand, sales of the Communications Technology Business Sector declined by 12.6% to 5.5 billion DM, mainly because of the continued decline in investment on the part of large users, as well as a heavy decline in prices. After several difficult years, the Capital Goods Business Sector was able to increase sales by 5.4% to 1.9 billion DM.

We increased our presence in the growth region Asia

We increased our activities in Asia in order to improve our worldwide market presence. For that reason, we formed several joint ventures with national partners. This facilitates market accessibility and the hiring of qualified personnel in these countries.

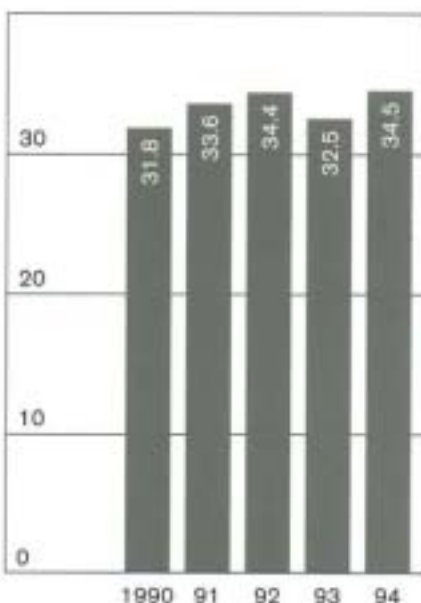
Several companies operating in South Korea

In addition to Bosch Korea Ltd we are represented by five joint ventures, two of which were created in 1994.

Together with the Doowon-Group, we formed the Korea Bosch Mechanics and Electronics Corporation Ltd. This company is engaged in the production and sales of antilock braking systems (ABS) and electric fuel pumps

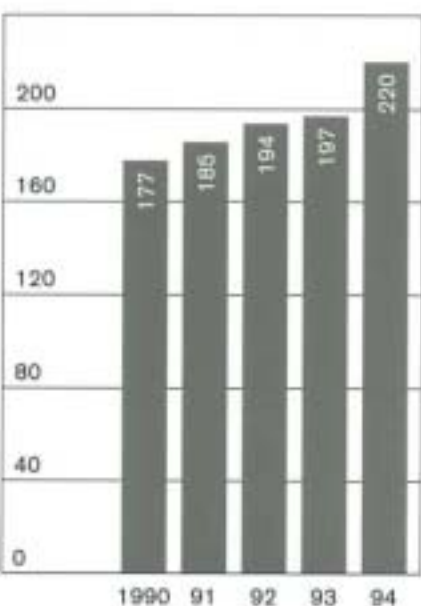
Sales

Progress 1990-1994
(billion DM)

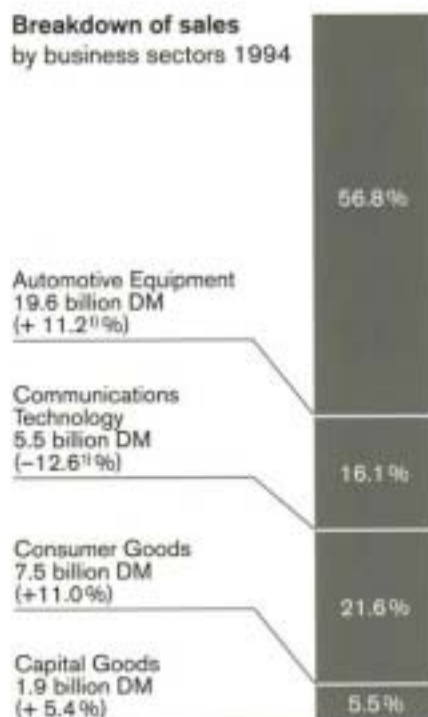


Sales per employee

Progress 1990-1994
(thousand DM)



**Breakdown of sales
by business sectors 1994**



¹⁾ Adjusted for comparison purposes

for gasoline fuel-injection systems, as well as in the related application engineering. Our share capital is 51%.

We formed another joint venture with the Kia-Group. The Automotive Systems Technology and Electronics Company of which we own 40%, will, beginning in 1996, produce and sell components for gasoline fuel-injection systems.

Joint ventures in China

In China, where we have been active for many years by means of license agreements, we concluded contracts to form joint ventures. In addition, a number of projects are under negotiation.

In order to produce injection nozzles and nozzle-holder assemblies, we agreed to form the Wuxi Europe-Asia Diesel Fuel Injection Co Ltd with location at Wuxi.

We and our Japanese licensee Zexel Corporation each hold 26% in this company. Our Chinese partner WeiFu Co Ltd, Wuxi holds the remaining shares.

A joint venture with equal share holdings between Bosch and a partner representing a consortium of Chinese enterprises for the production of gasoline injection systems, is in the preparatory stage.

At the beginning of 1995, two additional joint ventures for consumer goods were agreed upon. Together with Guandong Shenzhou Group Co, we formed the Guandong Shenzhou Gas Appliances Co. This company will produce gas hot-water appliances and gas table-ovens in the vicinity of Guangzhou at Lecong. Our share amounts to 60%, and 40% is owned by the Guandong Shenzhou Group Co. Together with Hangzhou Steam Turbine & Power (Group) Co, Hangzhou, the trade company C. Melchers

GmbH & Co, our long-time sales representative for electric power tools in China, we formed a new company which will produce and sell electric power tools in China. Our capital share in Hangzhou Bosch Power Tools Ltd is 60%. The Chinese partner holds 30% and Melchers 10%.

Production of electric power tools in Malaysia has started

We formed the Robert Bosch Power Tools Sdn Bhd, Penang (Malaysia) for the production and sale of electric power tools. In addition we began production of electric power tools at our Indian subsidiary Motor Industries Co Ltd.

Activities in the United States and in South America extended

We extended our business activities in the United States of America and in Brazil.

Our American subsidiary Robert Bosch Corporation acquired General Electric Company's (GE), Fairfield, CT, 50% share in BG Automotive Motors Inc, which had been jointly owned. The company produces electric motors for the North American Automobile Industry.

Our Brazilian subsidiary, Robert Bosch Ltda together with Argelite SAIC, Buenos Aires, formed a joint venture which will produce automotive electric and electronic components in Argentina. Robert Bosch Argentina Industrial SA, in which we hold a 60% share, began its activities at the beginning of 1995.

Domestic activities expanded

By acquisition of Bomoro Bocklenberg & Motte GmbH & Co KG, Wuppertal towards the end of 1994, we expanded our engagement in car-body electrics and electronics. This

company has 1300 employees and produces locking systems for vehicles in Germany, Portugal, the Czech Republic and in the USA.

Effective January 1, 1995, we acquired the remaining shares of Hawera-Probst GmbH + Co, Ravensburg from Werkzeug Holding AG, Horb. This company, which employs about 400 people, produces bore-bits for electric power tools. Our share holdings before acquisition amounted to 25.1%.

On July 1, 1994, we increased our shareholdings in Hans Feierabend GmbH, Einbeck to 90% from 40%. This company produces and sells kitchen furniture for the Bosch Brand and bathroom furniture for the Junkers Brand.

Bosch-Siemens Hausgeräte GmbH strengthens operations domestically and abroad

Effective December 31, 1994, Bosch-Siemens Hausgeräte GmbH (BSHG), Munich, which is owned jointly and in equal parts by Bosch and Siemens, acquired all shares of Gaggenau Haus- und Lufttechnik GmbH, Gaggenau, a manufacturer of household appliances. BSHG began to assemble washing machines in a facility at Lodz, Poland. Together with Wuxi Little Swan Co, Wuxi, China, BSHG agreed to form a joint venture for the manufacture of washing machines. In addition, as of December 31, 1994, BSHG acquired a majority interest in Continental 2001-Group, São Paulo (Brazil). This enterprise is the third-largest manufacturer of household appliances and market leader in kitchen ranges in Brazil.

Realignment of the Communications Technology Business Sector

We reorganized the Communications Technology Business Sector in two

separate steps. Effective July 1, 1994, we combined the three former divisions: Public Communications, Private Communications, and Radio Communications under a single management. The business sector comprises twelve product groups. In addition we combined certain overlapping functions, such as research and development, production, and sales to perform cross-sectional tasks in order to take advantage of combined operations.

Retroactive to January 1, 1995, we are combining ANT Nachrichtentechnik, Telenorma GmbH, Bosch Telecom Öffentliche Vermittlungstechnik GmbH as well as the former Radio Communications Division, in the Bosch Telecom GmbH which is located in Stuttgart.

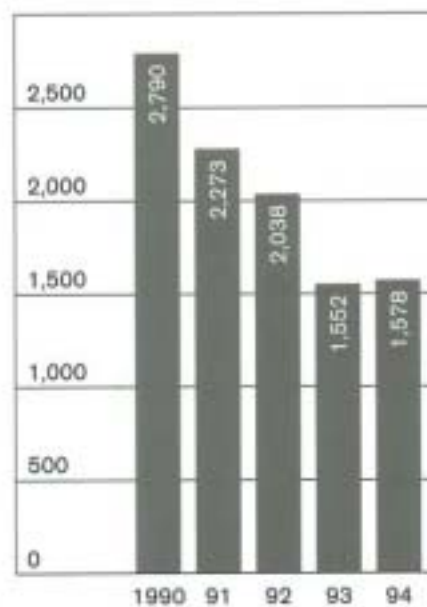
In order to increase our development and sales volume in private mobile radio, we formed the Gesellschaft für Betriebsfunkssysteme GmbH, Stuttgart, in partnership with Ascom Holding, AG, Berne (Switzerland). This new company acquired from Ascom all business activities that are concerned with private mobile radio. Our share in this company, which operates in several European countries, amounts to 70%.

In order to expand direct sales for private communication systems abroad, we acquired Teprina SA, Ivry sur Seine (France) and TG Telecom AG, St. Gallen (Switzerland).

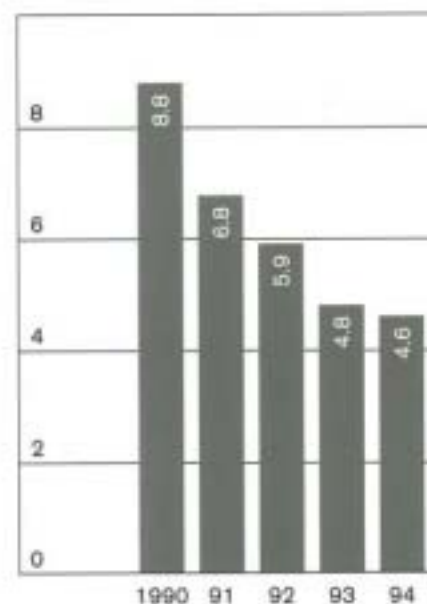
Together with Daimler-Benz AG, Siemens AG and Volkswagen AG, effective July 1, 1994, we formed Copilot Verkehrsleit- und Verkehrsinformationsdienste GmbH & Co KG, Unterhaching near Munich. Our share in this company amounts to 31.8%. Its aim is to set-up and operate systems for traffic control and traffic information in Germany.

Effective July 1, 1994, we sold Bosch Telecom Service GmbH, Ettlin-

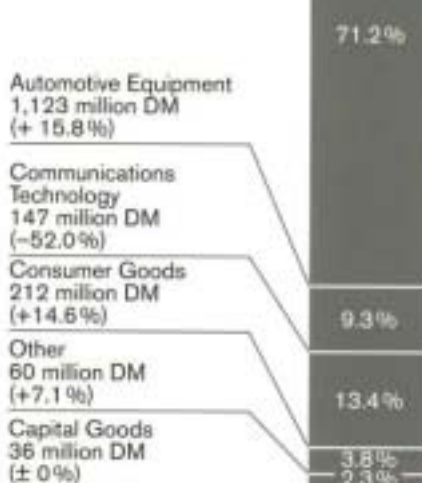
Investments in tangible fixed assets
Progress 1990-1994
(million DM)



Investments in tangible fixed assets
Progress as a percentage of sales 1990-1994



Investments in tangible fixed assets by business sectors 1994



gen to debitel Kommunikationstechnik GmbH & Co KG, Stuttgart. The company markets telephone connections in the mobile digital-radio network. In addition, we sold Bosch Télécom Service (France) SA which also offers services in this market to Vodafone Europe Holdings BV, Rotterdam, Netherlands, effective October 31, 1994.

Sales network expanded

We continued to enlarge our sales and service network in 1994. The Bosch-Partner-System organization which was formed in mid-1993 provided assistance to 150 German Bosch Service stations by year-end 1994. Its purpose is to support the Bosch Service Organization as well as diverse groups of customers in the further expansion of the product program.

After formation of a company in Romania, we are now represented through our own companies in twelve countries of the former Eastern Bloc. At year-end, the number of Bosch Service stations there totalled 181.

In Asia we began operation of a sales company in the Philippines and of sales offices in Vietnam.

Purchasing volume increased

We increased our purchases of merchandise and services on a worldwide basis in order to enable us to offer our products at more favorable costs. In all major product areas, together with our suppliers, a large number of working groups explored possibilities for reducing material costs.

Our purchasing volume for materials, services and tangible fixed assets amounted to 16.1 (1993: 15) billion DM. Supplies from the New States of Germany increased by 16% to 840 million DM. We also increased our purchases in Eastern European countries.

Product quality continued to improve

We increased our efforts to improve product quality. Improved quality levels were achieved by reinforced application of the Continuous Improvement Process (CIP) program which we had introduced in 1991. In addition the increasing introduction of team-oriented work methods in the production processes (TOP) also resulted in even higher quality levels. Closer cooperation between all areas which are involved in the creation of a product should bring us even closer to our "zero defects" goal. Certification according to ISO 9001 was continued.

Investments in tangible fixed assets unchanged

Investments in tangible fixed assets amounted to 1.6 (1993: 1.6) billion DM, remaining at the previous year's level, reaching 90% of depreciation for tangible fixed assets. Approximately 61 (1993: 64)% of investments were made in Germany, 88 (1993: 87)% thereof pertained to machinery and equipment.

At Reutlingen we began production of semiconductors in six-inch technology. This comprises the most advanced technology available for semiconductor switches in automotive-specific applications. The presently still used four-inch-production will be replaced step by step. In order to increase machine utilization and achieve continuous production, we agreed with the shop representatives on seven-day operation for the new production facility. At Stuttgart-Feuerbach we began construction of a new dynamometer test facility for diesel fuel-injection systems.

For the construction of a test site for automobiles, specifically for the development of antilock braking

systems as well as controls for vehicle dynamics (VDC), we began discussions with the State of Baden-Württemberg and the village of Boxberg (Main-Tauber county) of a project for construction.

Increased expenditures for research and development

Expenditures for research and development increased by 1.8% to 2.3 billion DM. These expenditures thus have more than doubled during the past decade. Their share of sales rose from 5.2% in 1985 to 6.5% in 1994.

We invested considerable sums for the development of replacement products which can be produced at considerably lower costs while performing the same or expanded functions. We also defined a number of research and advance development projects for new products. These will be conducted centrally by utilizing our total pool of resources.

Number of employees reduced further

On annual average, the number of employees dropped by 8,042 to 156,464 (1993: 164,506). Domestic employees numbered 95,183 (1993: 104,018) and 61,281 (1993: 60,488) persons were working abroad.

As in the previous year, the reduction in the number of employees was achieved mainly by non-replacement from turn-over, mutual contract, or accelerated retirement. In order to provide as many people as possible with a work place, we increased the number of part-time employees in Germany.

Improved profitability

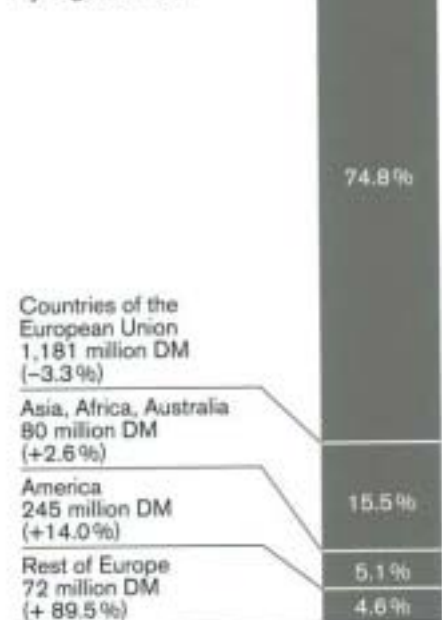
In order to maintain market share and because of the continuing strong competition, we lowered prices in many areas. We were, however, able to

improve profitability mainly by measures to lower costs and by the introduction of new, more attractively priced products. The operating results, which, in 1993, were negative for the first time in the postwar period, were positive in 1994, however they were not yet at a satisfactory level.

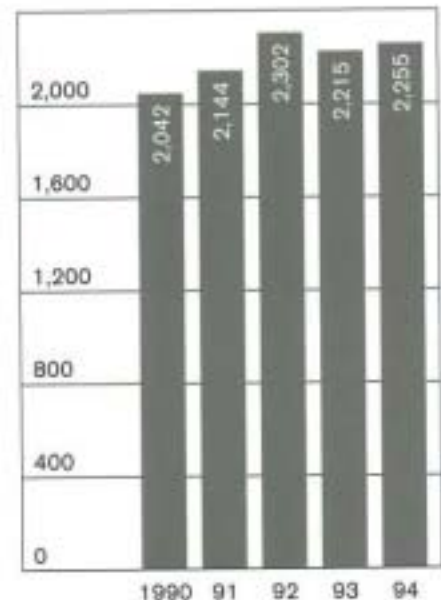
Outlook: We expect only a modest increase in sales

We entered 1995 with optimism but also with the needed caution. The upward trends in Germany are not yet completely secure. Additional burdens originate from trade-union agreements in the metalworking industry on wages and salaries. The considerable changes in foreign currencies since the beginning of 1995 have resulted in even sharper international price competition. Despite these factors, we expect an overall rise in company sales. Again, growth abroad should exceed domestic growth. We are continuing our efforts to lower costs.

Investments in tangible fixed assets by regions 1994



Expenditures for Research and Development 1990-1994 (million DM)



Automotive Equipment

Measuring the fuel delivery of an electronically controlled distributor pump on the test stand at the Technical Center for diesel fuel injection.



Guests for about one year at our Technical Center for gasoline fuel injection in Schwieberdingen near Stuttgart: Two Indian engineers from our subsidiary Motor Industries Co Ltd. educating themselves on a simulation model for engine management.

Worldwide motor-vehicle production increased 5.8% to 50.0 million units. North America again experienced strong growth. Output also increased in Western Europe in 1994 after a sharp decline in the previous year. However, the level of the early '90s has not yet been reached. Automobile production declined again for the fourth year in Japan.

The supplier industry continues to undergo structural changes as a result of unabated stiff competition. The demands made by automobile manufacturers on research and development as well as quality assurance continue to increase. The demand for complete modules is growing. These developments make it necessary to seek new forms of collaboration between suppliers and manufacturers.

In 1994, on a comparative basis, our Automotive Equipment Business Sector increased sales by 11.2% to 19.6 billion DM. This rise was nearly twice as high as the worldwide

increase in motor-vehicle production and is attributable primarily to the strong demand for injection systems for diesel engines and antilock braking systems.

Over 50 million Bosch gasoline fuel-injection systems

So far over 50 million vehicles have been equipped with Bosch gasoline injection systems worldwide. In 1967, we became the first manufacturer in the world to introduce electronic gasoline injection. Since then, production of electronically controlled gasoline injection systems and complete engine-management systems has risen sharply. In this area we currently employ about 1,450 people in research and development. Joint ventures manufacturing under Bosch licenses have been established with partners in Japan and Korea.

Volume production of a new generation of an electric fuel pump started in mid-1994. Compared to earlier versions, it is characterized by lower weight, longer life expectancy, low noise and even more reliable operation under all operating conditions, as well as by a lower price.

We started large-scale production of planar oxygen sensors for exhaust-system control in the third quarter of 1994. A new design method makes it possible to build smaller sensors with short response times.

Demand for diesel injection systems soars

Demand for passenger cars with diesel engines is growing in Germany and other European countries. In France almost every second newly registered car was equipped with a diesel engine in 1994. This market trend had a

favorable effect on our sales of injection equipment for diesel engines.

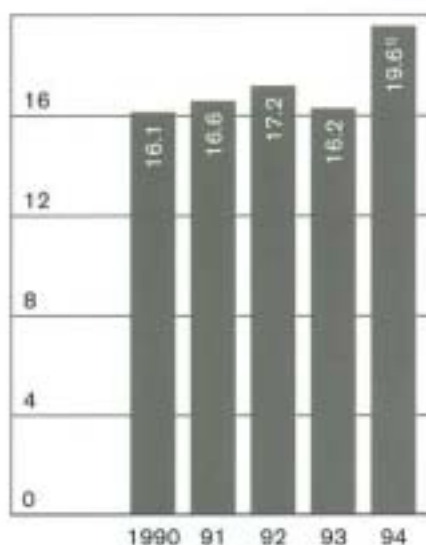
Diesel engines with direct injection are being used in passenger cars to an increasing extent. In addition to the distributor pump, we are offering several new technical solutions for this injection method. These have been under investigation for years in our research and advance-development departments and they are now quickly reaching production readiness.

The demand for injection systems for heavy-duty commercial-vehicle engines increased significantly in 1994. This applies in particular to our sleeve-controlled in-line pump introduced in 1993. It makes a further reduction in pollutant emissions possible.

Systems with an even higher injection pressure are required to meet increasingly more stringent emission standards. In 1994 we introduced the electronically-controlled unit injector for commercial vehicles into the European market. The unit injector was developed in cooperation with our affiliate Diesel Technology Company in the USA and is built there.

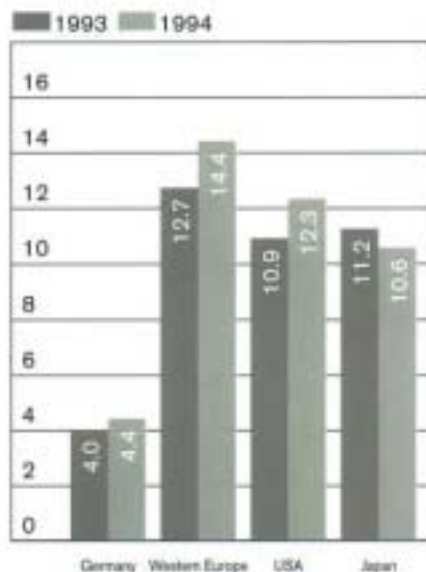
We speeded up the development for volume production of common-rail injection systems for car and commercial-vehicle diesel engines. These systems are similar to gasoline injection systems, but operate at significantly higher pressures and can be installed in diesel engines without major engine-design changes. Common rail also opens up opportunities for even further reducing fuel consumption, pollutant emissions and engine noise.

Sales of automotive equipment Progress 1990-1994 (billion DM)



* Including sales of car radios, and automotive display and navigation technology

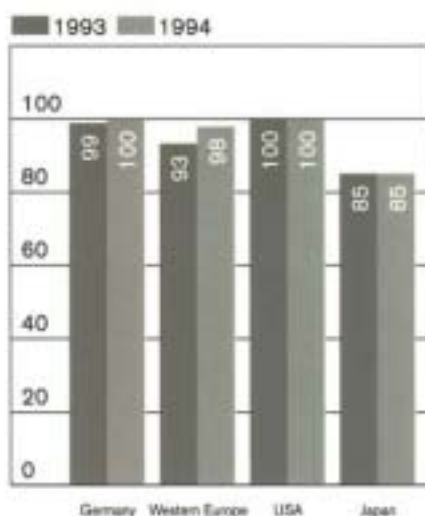
Automotive market Motor-vehicle production. In selected markets 1993/1994. (million units)



Automotive market

Percentage of vehicles equipped with gasoline-injection systems compared to the total production of gasoline-engined vehicles.

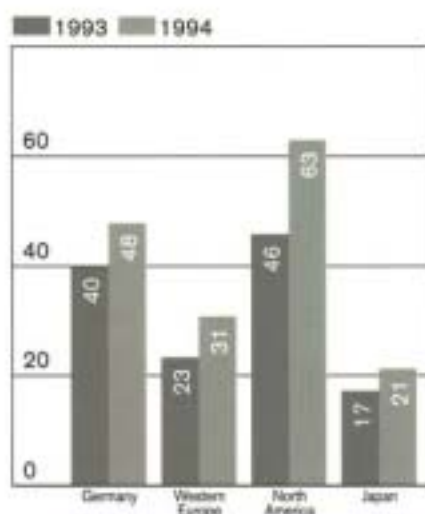
In selected markets 1993/1994.



Automotive market

Percentage of ABS-equipped vehicles as compared to passenger-car production.

In selected markets 1993/1994.



ABS production for small vehicles started

Sales of antilock braking systems continued to rise as more and more vehicles are equipped with ABS. Our market share increased substantially in the USA.

Worldwide, we introduced our new generation of antilock braking systems (ABS), together with its complementary traction control system (ASR). We started production of an especially small, light, and cost-effective variant of the new ABS generation for small and mid-range vehicles.

Vehicle dynamics control developed to production readiness

Together with a motor-vehicle manufacturer we developed vehicle dynamics control (VDC) to production readiness for a model series in the luxury class. This pioneering new development which was brought on the market in Spring 1995 represents another milestone towards active safety in the vehicle.

Vehicle dynamics control is a logical outgrowth of ABS and ASR. While ABS and ASR intervene in the case of tire slip in the vehicle's longitudinal direction, VDC controls tire slip in the transverse direction. Excessive tire slip can cause a loss of directional stability and lead to skidding.

With the aid of its extensive sensor technology and high-performance electronics, the system independently improves directional stability and tracking during cornering and when taking evasive maneuvers. VDC generates individual brake forces at each wheel in order to correct the vehicle movement. The danger of skidding during braking, acceleration and coasting is considerably reduced in this manner. Vehicle dynamics con-

trol offers a maximum of driving stability within physical limits.

More and more vehicles are being equipped with passive restraint systems. This has led to a strong increase in our sales of trigger units for airbags and belt tensioners. We also developed trigger units for side airbags, and are now also offering trigger units for heavy-duty commercial vehicles.

Safe night driving through lower and wider illumination of the road

Lower and wider illumination of the road is required in order to be able to detect dangerous situations earlier and better while driving at night. By means of new computation methods and computer-assisted simulation of light distribution and illumination, we increased the utilization of the luminous flux used for road illumination from 30% to 50%. We developed a method with which the quality of the light can be evaluated objectively and assessed by computer under real conditions even before the first headlamp prototype is built.

The new methods also enable us to distribute the entire light with the reflector in such a manner that a lens is no longer needed. It is replaced by a clear cover.

In 1994 we introduced a more cost-effective, smaller Litronic system after our Litronic headlamp system with gaseous-discharge lamp was used for the first time in production vehicles worldwide in 1991. It will be used by several original equipment manufacturers. The Litronic provides the driver with two to three times more light than conventional halogen headlamps.

New starter series for commercial vehicles

We developed a new starter series with reduction gear in the up to 4 kilowatt output range for light commercial vehicles. These starters are up to 50% lighter and smaller than the direct-drive starters used in the past in this output range.

For rectification in our compact alternators we are using new Zener diodes which we have developed ourselves. This improved diode type is designed for even higher operating temperatures and leads to a further improvement in alternator reliability. Like all rectifiers in Bosch alternators, it is made in our semiconductor plant in Reutlingen.

Especially quiet wiper blade

Bosch was the first manufacturer to market a wiper blade with an insert consisting of two different types of rubber. The dual micro-edge of the wiper lip consists of hard natural rubber and provides sustained thorough wiping action. The back of the insert consists of soft synthetic rubber for especially quiet operation. For this purpose we developed a new production method with which two different types of rubber can be combined during the thermoforming of the rubber wiper insert in the extruder.

We introduced electronic speed control for the wiper-system drive motor. This ensures low-noise wiper-blade reversal, maximum wipe angle, and precise wiper-blade park position regardless of the load and the windshield condition.



Sunroof drive easier to operate

We started volume production of a new, low-noise sunroof drive. The integrated control and power electronics provides sliding and lifting functions, two closing speeds, inching mode, preselection, and closing-force limitation.

In the case of electronic immobilizers, coded engine-management override has become the preferred standard solution. The immobilizer is deactivated with an ignition key containing an electronic circuit which is in contact with the vehicle by means

Measurements being carried out on a Litronic headlamp system in the light channel at our Reutlingen factory.



We are introducing vehicle navigation systems to the market which are capable of route calculation. The driver is informed primarily by voice output, the direction to be taken being displayed at the same time in the form of symbols.

of an ignition-lock antenna. We are working on solutions seeking to integrate the immobilizer in existing electronic control units. We started volume production of a new micro-mechanical product, a pressure sensor for load sensing on the engine. The evaluation circuit together with the measuring cell is mounted on the same silicon chip. We prepared volume production of additional products based on microsystem technology for motor vehicles. Microsystem

technology is increasingly supplementing microelectronics. It combines micromechanics, microelectronics or microoptics on one component.

Blaupunkt market leader for car radios in Europe

Our subsidiary Blaupunkt GmbH increased car-radio sales in an environment of declining prices. As a result, the company was able to solidify its position as market leader in Germany and in Europe.

Vehicle navigation systems capable of route calculation were introduced

After many years of extensive development work we are introducing navigation systems capable of route calculation. As a data base, the navigation systems use digitized maps stored on a compact disc. The driver enters the destination on a simple control panel and the system leads him to the destination via the best route. Information is primarily provided via voice output in order to distract the driver as little as possible. In addition, the direction is shown by symbols on a display monitor. The system also permits the display of a map.

We concluded the digitization of the German General Map and the entire road network of twelve economic areas, as well as all cities with over 100,000 inhabitants. Digitization of additional European countries as well as all German cities with over 20,000 inhabitants will be completed by 1996. Our contract partners started marketing electronic travel guides on compact discs based on our digitized maps.

The first experimental phase of the digital traffic-broadcasting system RDS/TMC (Radio Data System with

Traffic Message Channel) for up-to-date and direct broadcasting of traffic reports with as little time delay as possible was completed. We are supplying the software and hardware to broadcasting stations and report centers for a nationwide implementation which is scheduled to start in 1996. At the same time, we are also offering car radios equipped for this purpose.

One of our major customers installed for the first time instrument panels using stepper motors from our subsidiary MotoMeter GmbH. This new technology makes it possible to design more cost-effective and flatter instruments and provides a more accurate and stable display. In addition, we received an order for a system offering new and improved display and illumination technology which can be integrated into the vehicle communications network. A variety of information can be made available via this system such as data for engine management or for navigation.

Since early 1995, our "Parkpilot" is being installed as original equipment in a top-class car. This electronic parking aid is based on an ultrasound sensor.

Capacity expansion for the production of plastic parts

The demand from automobile manufacturers for engine parts which are pre-assembled into modules is increasing. We have cost-effective solutions available in which portions of the intake-air guide, the fuel-injection system and the lube-oil circuit are integrated into plastic components.

For this purpose, we expanded and modernized our production facility for plastic parts in Spain. In addition, we started production and assembly of plastic products in Budweis (Czech Republic).

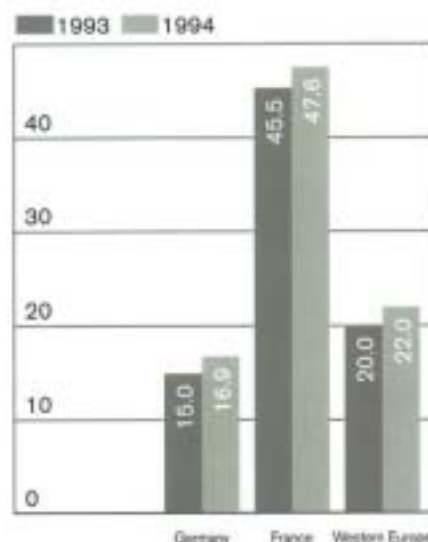
Aftermarket operations expanded worldwide

We further expanded our automotive aftermarket equipment operations worldwide. We are represented in 127 countries with Bosch Service Outlets, the number of which increased to 10,400.

We strengthened our market position in the USA and expanded our product line. We participated in the above-average growth in South-East Asia and China.

Automotive market

Percentage of diesel-engine passenger cars in total new-car registrations. In selected markets 1993/1994.



Automotive Equipment - 1994 Highlights

Sales	19.6	billion DM
Investments	1.1	billion DM
Research and Development	1.4	billion DM

Communications Technology



Communications technology from Bosch for the Frankfurt airport. We equipped the new Terminal 2 with an alarm system which is connected with the airport control center. Traffic-congestion and alternating traffic display of our subsidiary Signalbau Huber AG.

In the market for communications technology the structural change continued among network operators and providers of system technology, network components and terminals. Competitive pressure intensified especially with respect to delivery terms and conditions.

Through conversions and supplementary investments, operators of public networks made increasing use of existing capacity reserves. For this reason investments in network expansion declined with the exception of mobile radio. The market for large private communications systems and networks was characterized by low growth rates.

Sales by our Communications Tech-

nology Business Sector declined by 12.6% to 5.5 billion DM. This figure, computed on a comparative basis, no longer includes sales of car radios, and automotive display and navigation technology.

Installations and equipment for public networks

In order to increase the efficiency of their networks, we supplied the German Postal Service Telekom (Deutsche Telekom AG) with network components such as multiplexers and cross-connects for fiber-optic broadband long-haul systems and for the access area based on SDH technology (Synchronous Digital Hierarchy). For the expansion of local networks we sup-

plied fiber-optic transmission systems, ISDN equipment, controllable U2000 network nodes and additional digital exchanges.

Within the Telekom projects OPAL (Optical Local Line) we installed several complete local fiber-optic networks in the New States of Germany. Our NSÜ Network Management System which allows the monitoring and control of communications networks to suit demand, was introduced nationwide by the German Telekom and is also used in the E-plus mobile communications network, as well as by foreign network operators.

We provided installations and equipment to expand the company networks as well as the communications networks of the German expressways (Autobahn) and the Deutsche Bahn AG. We supplied the entire telecommunications equipment for the modernization of the railroad Berlin-Halle-Leipzig within the "German Unity Railroad Construction Projects".

In Chile we installed pilot systems for SDH transmission technology. We completed equipping the Egyptian railroad with our DIKOS 210 digital switching and transmission system for the main line between Alexandria and Aswan.

New applications boost the market for microwave systems

In the microwave business, we solidified our position among network operators with the supply of equipment based on SDH technology. Our microwave systems were used for mobile communications and trunk networks as well as for communications networks of electrical utilities. New applications for radio access in the local loop are emerging.

No growth of private mobile radio

Sales in the private mobile-radio prod-

uct area lagged slightly behind the previous year. We started the development of new systems based on the European standard for Digital Private Mobile Radio TETRA (Trans-European Trunked Radio System) on which we collaborated decisively.

Our sales of equipment for radio communications networks and control centers with switching facilities increased even though the need for new equipment declined in the New States of Germany. Particularly security agencies and organizations covered their replacement needs.

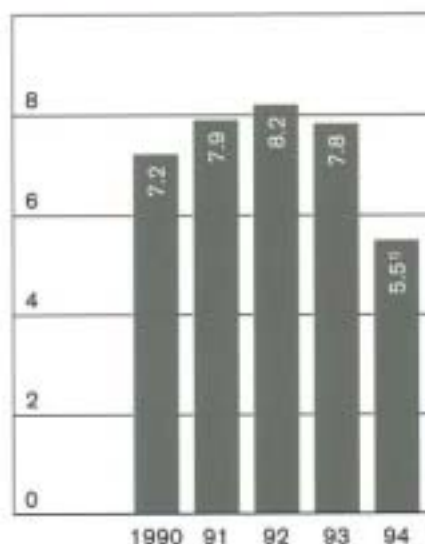
Position of private communications systems consolidated

We expanded our activities in the area of private communications systems with advanced product technology and software solutions. A new product was introduced in European markets; the Integral 33xE ISDN telecommunications system. Its open system concept and broad range of features permits a flexible adaptation to customer-specific requirements for voice, text, data and video communication. The system has a capacity of 30 to 16,384 ports. We further developed the technology for the implementation of Virtual Private Networks (VPN) and a system for network management. We created networks for several German industrial companies and banks, as well as for the police and various city administrations.

In the area of medium-sized communications systems, we improved our market position both in Germany and in other European countries with the introduction of the new Integral 3 telecommunications system. This ISDN system with up to 72 extensions has multiple applications, for example, as a team system, executive/secretary system or PABX. Integral 3 has been designed as a

Sales of communications technology products

Progress 1990-1994
(billion DM)



* Excluding sales of car radios, and automotive display and navigation technology.

Tailored to the requirements of the authorities and other organizations concerned with safety and security: The compact, multi-channel hand-held radiotelephone from Bosch Telecom.

European product and has received all required approvals in the various countries. We received long-term manufacturing contracts from network operators in France, Italy, Austria and Hungary who also supply private communications systems.

For cordless phones, we are introducing digital equipment and systems based on the DECT standard (Digital European Cordless Telephone). In Germany we were able to maintain our position as market leader with radio paging systems.

New security systems

The market for security equipment for the monitoring of buildings and facili-

ties grew moderately. System sales, especially of small and medium-sized systems, are expected to increase significantly in the next few years.

Demand for security services with access to our control and command centers was above average.

We introduced our UEZ 1000 alarm system into the market. This new generation of alarm system processes assault, break-in, fire and technical disruption alarms all in one system. We established a nationwide security data network in Germany to transmit alarms.





Testing the electrical properties of a satellite antenna inside an anechoic measuring chamber.

Traffic-guidance systems for improved traffic flow and more safety

We received orders for collective traffic-guidance systems from several German expressway (Autobahn) departments. We supplied priority systems for street cars and scheduled busses for public local passenger transport in the cities of Augsburg, Bochum, Darmstadt and Munich. With a system developed by us we are participating in field tests conducted by the German Department of Transportation on automatic electronic toll collection on the Bonn-Cologne expressway (Autobahn).

In the People's Republic of China we installed traffic-guidance systems for the Beijing-Tianjin Highway and the Pearl River Tunnel in Guangzhou. We installed light signaling systems and traffic computers for numerous German, Czech and Hungarian municipalities.

Great demand for space communications

The market for TV satellite equip-

ment has grown vigorously. Our versatile equipment and components were in demand in Europe and in the USA. We supplied traveling-wave tube amplifiers, filters, high-frequency switches and gyrostabilizers for satellites. We continued work on the development of magnetically suspended momentum wheels. In the system business we play a major role in the programs of the European Space Agency (ESA).

Declining market for consumer electronics products

The European market for consumer electronics stagnated in terms of volume and declined in monetary terms as a result of severe price drops. We achieved an increase in market share with color TV sets, but suffered slight market-share losses with camcorders.

Communications Technology - 1994 Highlights

Sales	5.5 billion DM
Investments	147 million DM
Research and Development	563 million DM

Consumer Goods



Specialist fitters adjusting gas-fired water heaters at the Wernau training facility of the Bosch Thermotechnology Division.

Private consumption increased in many Western European countries. In contrast, consumer demand was weak in Germany. Total sales of our Consumer Goods Business Sector increased 11% to 7.5 billion DM. This figure includes the prorated sales share of Bosch-Siemens Hausgeräte GmbH (BSHG) in which we have a 50% interest.

Market shares gained with electric household appliances

Bosch-Siemens Hausgeräte GmbH increased its sales by 3.3% to 6.9 billion DM, with the same growth rates in Germany and abroad. In this manner, market shares were regained especially in the declining domestic



Endurance testing of hammer drills at our Swiss subsidiary Scintilla AG.

market. Demand for refrigerators and freezers, dishwashers, dryers and ranges was above average. The export share of sales remained unchanged at 42%.

The company invested 267 (1993: 270) million DM in fixed assets. 135 (1993: 147) million DM were invested in research and development. The sales performance and cost-reduction measures improved the earnings situation.

In 1994 all domestic BSHG plants as well as customer service received certification according to ISO 9001. Around mid-year, the company was the first German supplier to start taking back used appliances which it then disposes of in an environmentally compatible manner. Appliances from all manufacturers are taken back through stores, a small charge being made to defray costs.

Rising demand for power tools

Worldwide, the market for power tools increased 4% to 10.3 billion DM in 1994. Growth was above average in Asia at 7% and in North America at 5%. In Europe growth was 2%.

Our Power Tool Division boosted sales and further expanded its global position.

In Europe sales were largely determined by demand for new products such as the Delta grinder, multi-saw and cordless drill drivers. Accessories and outdoor tools also contributed to the growth.

In North America our affiliates S-B Power Tool Company and Vermont American Corporation recorded growing sales of high-quality tools and accessories. Sales of innovative products for professionals distributed through construction markets performed well.

Growth also outperformed the market in Asia. The expansion of regional manufacturing sites in Malaysia and India contributed to this development.

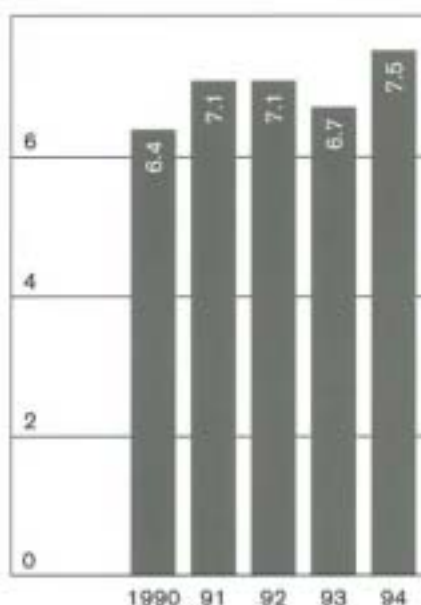
Improved market position with heating equipment

Effective January 1, 1995, the Junkers Division was renamed Bosch Thermo-technology. The division was able to increase its sales in 1994.

We concentrated on gas as an energy source. Because of its environmental compatibility and clean burning properties, gas will continue to acquire importance in the future.

We solidified our market position in Europe with wall-mounted gas heaters, one of our principal products. We further strengthened our leading position in Europe with gas boilers. Especially in Spain, the largest European market for these products, we increased our market share through the introduction of new products.

Sales of consumer goods
Progress 1990-1994
(billion DM)



Consumer Goods - 1994 Highlights

Sales	7.5	billion DM
Investments	212	million DM
Research and Development	171	million DM

Capital Goods

Our newest robot in action on the solenoid-valve production line in Waiblingen.



Investment confidence increased in many Western European countries. After several difficult years, production increased again in the German mechanical-engineering industry. New orders rose 13% with orders from abroad exceeding domestic orders. Sales of our Capital Goods Business Sector rose 5.4% to 1.9 billion DM.

Market position strengthened in fluid technology

Our Hydraulics and Pneumatics Division solidified its position in a growing market. The stimulus for growth came largely from abroad.

In the area of industrial hydraulics we acquired additional customers by

improving our line of proportional and control valves. The new hydraulic controls for presses, with certification from the professional association, were well received by the market.

In the area of automotive hydraulics the electronic hitch control for large tractors gained wider acceptance. We introduced the automatic cutter-table control for harvesters. We added a compact version for electric stackers to our directional control valve range.

We expanded our pneumatic program with an additional series of the VTS valve-mount systems for smaller valves. We met the growing demand

for application-specific systems and products through the modification and integration of standard components.

Industrial equipment recovers

The upturn in the mechanical-engineering industry led to a higher order volume in the Industrial Equipment Division, but not yet to an increase in sales.

Demand increased in the product group for industrial control electronics. We were increasingly able to add to our customer base from outside the machine-tool industry. Sales of welding controls were still characterized by the cautious investment policy of European automobile manufacturers.

Sales of assembly modules increased. Marketing activities were intensified in Eastern Europe.

The product group for automotive test equipment experienced a sales decline. Growing demand in Europe outside Germany was unable to offset sluggish domestic sales.

Environmentally compatible packaging technology for the pharmaceutical industry

Sales by our Packaging Machinery Division declined slightly due to weak demand.

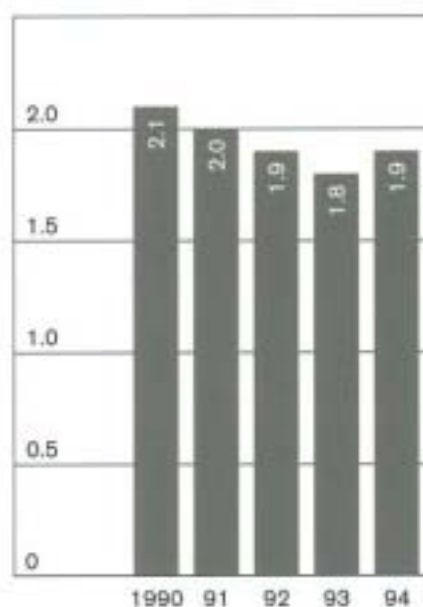
We expanded our line of technically advanced machinery for the pharmaceutical industry. Our filling and sealing machines for vials enjoy great customer interest. Here, the machine stage carrying the product is

designed as an encapsulated sterile chamber (insulator technology). This concept is especially cost-effective.

Our new cartoning machines for the packaging of ampules and vials in environmentally compatible single-material packaging, and the thermoforming lines for the processing of bottom and top foil made of polypropylene, meet the growing demand for the use of environmentally compatible packaging materials.

We expanded our product program for the food industry in the mid and upper output ranges. For the packaging of coffee we introduced packaging machinery with a higher output. The high-performance machine for seal packaging of candy was well received by the confectionery industry.

Sales of capital goods
Progress 1990–1994
(billion DM)



Capital Goods – 1994 Highlights

Sales	1.9	billion DM
Investments	36	million DM
Research and Development	129	million DM

International Operations



Our most important market is the USA. The picture shows the assembly of gasoline injection nozzles at the Charleston, SC, plant of Robert Bosch Corporation.

Our major foreign markets

Sales 1994	Billion DM
USA	2.7
France	2.6
Italy	1.6
Great Britain	1.6
Spain	1.2
Brazil	1.0
Sweden	0.8
Austria	0.8
Belgium	0.7
Netherlands	0.6

The international orientation of the Bosch Group is a decisive element of our corporate policy. We accompany our customers with their international expansions and are opening up new markets for our products. The Bosch Group has subsidiaries and affiliates in 45 countries. Over 70 production sites outside Germany – in Europe, North and South America, Asia and Australia – underscore the international orientation of the company. In addition we have an interest in 30 joint ventures worldwide.

Economic recovery in Europe

The economy recovered in most European countries. Greater investor confidence and increased private consumption led to a revitalization of the mechanical-engineering and consumer-goods industries. The introduction of a scrappage bonus for old vehicles in France and Spain resulted in a jump in new registrations. These developments had a decisive impact on our business operations. In Europe outside Germany, our sales increased 15.1% to 11.6 billion DM.

In France, our most important European export market with approximately 5,300 employees and 2.6 billion DM in sales, we were able to increase sales to automobile manufacturers and the aftermarket. In Great Britain, Italy, Spain and Sweden we also increased our sales to original equipment manufacturers.

We further expanded production of compact alternators in our Cardiff plant (Great Britain). Our Portuguese plant in Braga increased production of car radios and cassette drives.

In Switzerland we increased our sales, especially of consumer goods. Unit sales by our subsidiary company, Scintilla AG, Solothurn, which manufactures and distributes power tools and accessories, increased. Deliveries to overseas regions especially to North America and the Far East also increased.

We restructured our operations in Spain as of January 1, 1995. The plants for automotive equipment in Alcalá de Henares, Castellet, La Carolina, Madrid and Treto have become legally independent. The shares are held by the newly established Holding Robert Bosch España Financiación y Servicios SA. Industrial management of the factories is conducted by the German product divisions responsible for the respective product areas.

Upswing in the USA

The economic upturn in the USA continued. This is our most significant foreign market with about 5,500 employees and 2.7 billion DM in sales. The increase in our deliveries to automobile manufacturers was especially strong. We expanded our production by starting new production lines

for injectors and antilock braking systems (ABS). We doubled the production capacity of our plant in Albion, IN, where we build engine-cooling systems. Our two joint ventures which manufacture and sell power tools and accessories, increased their sales and expanded their market position.

Brazil continued its political and economic consolidation. Continuing increases in automobile production led to growing sales of our automotive equipment. The aftermarket also contributed substantially to this growth. The production of diesel injection equipment increased as a result of higher export demand, especially to the USA.

Operations further expanded in Asia

We took part in the dynamic growth of the South and East Asian markets. We further expanded the original equipment and aftermarket operations in South Korea where we operate several joint ventures. The first signs of an economic recovery were evident in Japan, leading to higher sales. We also conducted application-engineering work for non-Japanese customers from the Asian region for the first time in our Technical Center in Yokohama.

We increased aftermarket sales in Singapore and Malaysia. Our plant in Penang at which we build car radios, car speakers and electronic sub-assemblies increased its output as a result of the economic recovery in Europe.

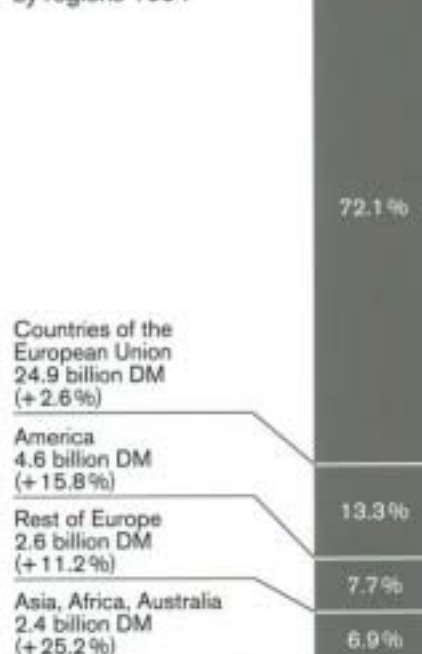
India opened its markets further. We increased sales and invested in the expansion of manufacturing capacity at our plants in Bangalore, Naganathapura and Nasik.

New application-engineering center in South Africa

South Africa's political change was accompanied by positive economic development. Registrations of new motor vehicles increased further. We expanded our position as market leader for automotive equipment. We started operation of a new application-engineering center at the end of the year.

Economic growth improved in Australia. The growing number of new-vehicle registrations improved our sales.

Breakdown of sales by regions 1994



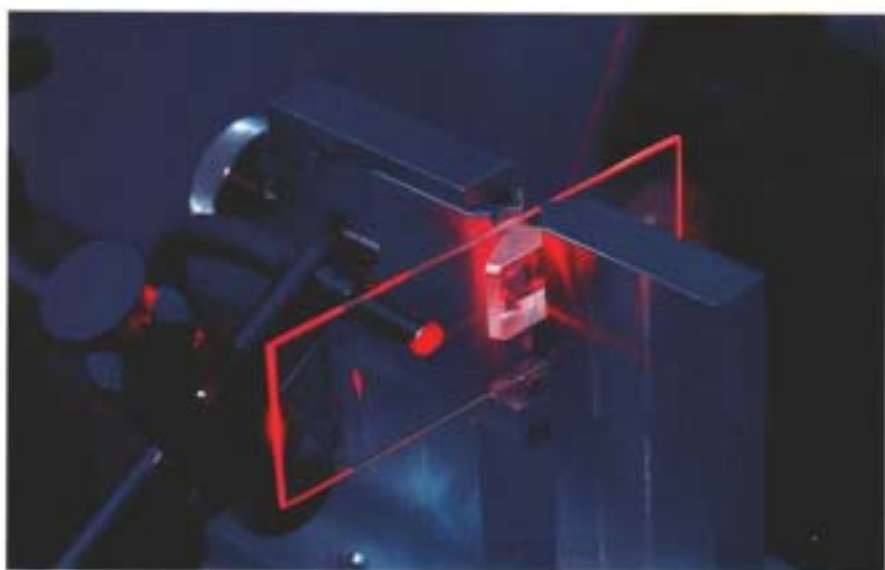
Employees and production outside Germany

Country	Employees	Automotive equipment	Communications technology	Consumer goods	Capital goods
Brazil	12,480	●	●	●	●
India	9,730	●		●	●
Spain	6,300	●	●	●	●
USA	5,480	●	●	●	●
France	5,280	●	●		●
Malaysia	3,780	●		●	
Portugal	3,070	●		●	
Great Britain	2,850	●		●	
Switzerland	2,260		●	●	
Mexico	1,950	●			

International Operations – 1994 Highlights

Sales	18.6	billion DM
Investments	618	million DM
Research and Development	306	million DM

Research and Advance Development



Picture above:
At the communications technology advance-development operations, work is proceeding on the radio broadcasting system of the future. Based on a proposition from Bosch, Digital Audio Broadcasting (DAB) will also be able to transmit pictures, for instance street maps.

Picture below:
At the laboratory for optics of our corporate research and advance-development operations, Gerlingen-Schillerhöhe, we are testing glass sheets for their conductive properties by means of infrared laser.

The success of the Bosch Group is largely based on its innovative strength. We are the technological leaders in many areas, and are systematically expanding this position.

Protective coating against abrasion and cavitation

Precision mechanical components must be able to withstand increasingly greater stresses. On the one hand, the demands made on wear resistance and life expectancy are increasing steadily, while on the other, demand for compact and low-weight products is growing.

Thin coatings made of wear-resistant material, which are deposited by means of the environmentally compatible plasma process, can protect components against vibration and cavitation damage, and thus extend their service life. For this purpose, we developed suitable coating methods which we will apply to the production of fuel-injection components for diesel engines.

Computer-assisted methods to design low-noise products

The further reduction of the noise and vibration which are generated during the operation of our products is one of our priority goals. In order to cut development times and the costs of building samples, we apply computer-assisted methods early in the design phase. We are employing experimental modal analyses, finite-element calculations and sound-field simulations. We use the models of sound and vibration balanced by acoustical measuring methods to optimize noise characteristics. The effect of design measures is simulated in the computer.

Modelling and simulation of road traffic

An analysis of the effects on road traffic as a whole is often required when developing new systems for motor vehicles and traffic control. In addition to test drives and field tests, simulation calculations can also make a major contribution toward this goal.

We developed a software program which enables us to simulate traffic patterns without an elaborate test setup. The required models for different driver behavior patterns are constantly developed further in cooperation with outside research institutes.

Clean coating technology integrated in production flow

In order to reduce flow times and simplify production control during the manufacture of our products, we are increasingly integrating surface-technology processes in our production lines. We have developed coating processes with which the paint is cured in less than one minute under ultra-violet radiation. Painting takes place in small, compact coating equipment which can be integrated in the production lines. As a result of this process there are no solvent emissions, the energy requirement for curing the paint is low, and no paint is wasted. Initially, we will coat valve housings for our hydraulic products with this technology.

New measurement methods for quality improvement

The accuracy of measurement methods is decisive in the case of many quality-improvement projects. In order to be able to maintain very close tolerances, especially for the production of injection systems for diesel engines, together with a measuring-instrument manufacturer and the German Physical-Technical

Institute, we developed and tested a highly accurate method to measure cylindrical parts with an accuracy of 0.1 micrometer.

Intelligent image-processing systems for quality assurance

It is necessary to identify products and their components automatically, in order to be able to monitor assembly processes reliably. For this purpose, identification using digits is being employed more and more frequently. We developed a character-recognition system with which a so-called neural network provides the identification. Because of its ability to learn, this system is very adaptable. It is characterized by its highly reliable recognition capability. We have already started using the first devices in production to recognize numbers on ABS hydraulic modulators, ignition coil covers and injectors.

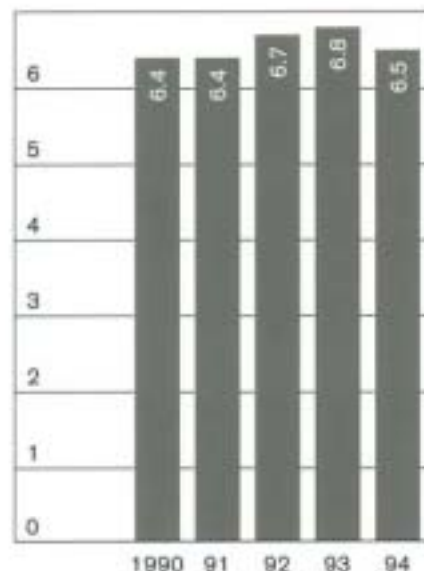
Video sensing with automatic image evaluation

We developed methods and systems for automatic image evaluation designed especially for compact and low-cost computers. These have been tested in numerous field tests for traffic guidance and security products.

A few traffic-guidance applications require the automatic identification of motor-vehicle license plates. The range of applications of our image-evaluation system encompasses traffic monitoring, and checkpoints for accessing company property and public garages.

Total expenditures for research and development¹⁾

As a percentage of sales
1990–1994



¹⁾ 10% thereof is spent for basic research and advance development, remaining expenditures for R+D at the divisions and foreign companies is for product development.

Employees of the Bosch Group



New approaches in training: At our Eisenach works, teams of six apprentices, comprising two apprentices from each of the three training years, work together in learning teams.

On January 1, 1995 the Bosch Group worldwide had a workforce of 153,794 employees, 2,821 or 1.8% fewer than the year before. As in the previous year, the cuts were made in Germany where the number of employees was reduced by 6,405 or 6.5% to 91,451. In contrast, the number of employees abroad increased by 3,584 or 6.1% to 62,343.

Because of the declining number of employees worldwide, labor costs decreased to 11.4 (1993: 11.7) billion DM. The increase in union scale pay in the Old States of Germany was in part offset by the one-time reduction of the standard Christmas bonus. As a result of union increases in monthly pay, the Christmas bonus and social contributions, labor costs per employee increased by about 20% compared to 1993 in the New States of Germany.

Employees again share in year-end results

Business performance throughout 1994 required special commitment on the part of our employees. After dis-

continuing the scheme the year before, the employees of our parent company and of most subsidiaries shared in the improved year-end result.

Team-oriented production and training improves cooperation

We gathered experience with team-oriented forms of work at almost all of our major manufacturing sites in Germany and at several foreign plants. The available results show that cooperation between manufacturing plants and manufacturing-related areas has improved. This is primarily attributable to the formation of product- and process-oriented organizational units, and the geographical concentration of various specialized functions in the workshop area.

We started to prepare our future skilled workers for these new forms of work during their technical/industrial training. At the Eisenach plant we created so-called learning teams which consist of six trainees at different stages in the curriculum. Project assignments from the specialized departments are worked on by these teams, and trainees from each apprenticeship year contribute jointly to their solution. This new form of training also promotes organizational and communications skills, as well as familiarity with problem-solving methods.

Creating part-time jobs

We set ourselves the goal of creating even more part-time jobs and started discussions with the shop council to promote part-time work. Part-time work not only meets the demands of many employees for individually tailored work hours, it also allows us to flexibly adjust working hours to company requirements. We increased the number of part-time jobs.

Skilled personnel with international experience

In order to meet future demands for employees with international experience, we started a special campaign and hired an additional 150 university graduates. Initially, these graduates will familiarize themselves at our foreign companies where they will acquire practical experience. They will return to Germany after a two to three-year stay. The purpose of this program is also to provide the university graduates with improved professional prospects.

In the past the German employees focused their international activity on North and Latin America as well as on countries of the European Union. Today, we are increasingly filling management positions in these regions with nationals from the respective countries. Simultaneously with the new activities in Eastern Europe and Asia, the demand for experienced German skilled and managerial personnel is rising in these countries. In addition we are increasingly filling management positions abroad with national managerial personnel from our other foreign companies.

In particular, successful work in an international environment requires that skilled and managerial personnel be able to adjust to other cultures. Through appropriate seminars and training we are sensitizing our employees to the effects of country-specific particularities on behavior, organizational structures and management styles. In 1994, approximately 500 employees took part in such events.

Learning programs for individualized training at the computer

We are increasingly employing electronic media to meet the growing demand for continuing training and

education. We developed an extensive series of learning programs for individualized training at the computer. This enables the employee to acquire knowledge from various areas tailored to his needs. Currently, about 70 learning programs are being offered on subjects such as PC application, technology, programming languages, foreign languages, economics and methods.

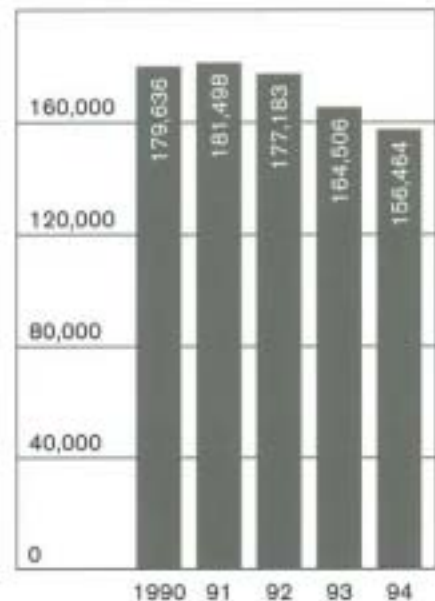
Job-change support

Structural changes in the company increasingly result in the change of management positions. We prepare our employees comprehensively for the associated adjustments. At seminars, managerial personnel is provided with an opportunity to learn how to cope with difficulties brought about by job changes and how to take advantage of the resultant opportunities. In addition, in workshops, managers and staff are able to get to know each other quickly and to jointly discuss tasks with which they are faced.

Expression of appreciation to our employees

To a great extent, the overall favorable performance of our company was attributable to the motivation and devotion of our employees. We want to thank them for this commitment. We would also like to express our appreciation to the labor representatives for their constructive cooperation. This enabled us to find workable solutions even in difficult situations and thus helped us improve our competitiveness.

Number of employees
Trend 1990–1994
(Annual averages)



Financial Statements of Bosch Group Worldwide

Consolidated Balance Sheet as of December 31, 1994

Assets

	Appendix	December 31, 1994 million DM	December 31, 1993 million DM
Fixed assets	(6)		
Intangible fixed assets		13	51
Tangible fixed assets		5,894	6,160
Financial investments		743	792
		6,650	7,003
Current assets			
Leased products		892	1,017
Inventories	(7)	4,079	3,779
Accounts receivable and other assets	(8)		
Trade accounts receivable		5,210	5,036
Other receivables		1,520	1,817
Marketable securities		6,536	4,624
Cash and cash equivalents		2,436	2,137
		20,673	18,410
Deferred expenses		50	34
		27,373	25,447

Liabilities

	Appendix	December 31, 1994 million DM	December 31, 1993 million DM
Equity capital	(9)		
Capital stock		1,500	1,500
Capital surplus		2,895	2,895
Earned surplus		3,652	3,381
Unappropriated earnings		60	60
Minority interests		456	468
		8,563	8,304
Accruals with valuation reserve portion	(10)	141	149
Accruals			
Accruals for pensions and similar obligations		5,045	4,816
Other accruals	(11)	8,962	7,732
		14,007	12,548
Liabilities	(12)		
Liabilities with banks and capital markets		1,011	1,227
Accounts payable trade		1,964	1,574
Other liabilities		1,675	1,608
		4,650	4,409
Deferred income		12	37
		27,373	25,447

Financial Statements of Bosch Group Worldwide

Consolidated Statement of Income
for the period from January 1 to December 31, 1994

	Appendix	1994 million DM	1993 million DM
Sales	(15)	34,478	32,469
Increase/Decrease in finished goods and work-in-progress inventories, and other capitalized costs	(16)	84	- 312
Total operating performance		34,562	32,157
Other operating income	(17)	1,798	1,788
Costs of materials	(18)	- 14,666	- 13,698
Personnel costs	(19)	- 11,439	- 11,692
Depreciation of intangible and tangible fixed assets		- 2,060	- 1,974
Other operating expenses	(17)	- 7,244	- 6,032
Income from affiliated companies	(20)	43	- 395
Amortization of financial investments and securities included with current assets		- 368	- 175
Interest income net	(21)	521	303
Income from ordinary activities		1,147	282
Taxes on income	(22)	- 635	144
Net income of the year		512	426
Including profits or losses attributable to other shareholders	(23)	68	40

Financial Statements of Bosch Group Worldwide

Capital Flow Statement

	1994 million DM	1993 million DM
Source of funds from business activities		
Cash flow from business activities		
Net income of the year	512	426
Increase of long-term accruals	990	748
Depreciation of fixed assets	2,271	2,524
Cash flow from business activities	3,773	3,698
Source of funds from financial transactions		
Increase of accruals with valuation reserve portion		19
Increase of short-term accruals	469	236
Increase of liabilities	216	
Decrease of inventories and leased products		543
Decrease of accounts receivable	107	
Retirements of fixed assets	164	185
Source of funds from financial transactions	956	983
Total funds available	4,729	4,681
Application of funds		
Additions to fixed assets	- 2,101	- 1,914
Increase of inventories	- 175	
Increase of receivables		- 783
Decrease of accruals with valuation reserve portion	- 8	
Decrease of liabilities		- 453
Dividends 1993/1992	- 60	- 60
Other changes in balance-sheet items	- 174	50
Total funds applied	- 2,518	- 3,160
Change in liquidity	2,211	1,521

Financial Statements of Bosch Group Worldwide

1994 Development of Fixed Assets

	Cost of acquisition or manufacture		Additions	Transfers
	Jan. 1, 1994	Changes in the consolidated group		
	million DM	million DM	million DM	million DM
Intangible fixed assets				
Concessions, patents, trademarks and similar rights and assets as well as licenses on such rights and assets	205		156	1
Goodwill	9	84	37	
Advance payments	1			- 1
	215	84	193	
Tangible fixed assets				
Land, leasehold rights and buildings, including buildings on land owned by others	4,603	62	133	136
Production equipment and machinery	7,032	69	652	193
Other equipment, fixtures and furniture	8,449	10	434	40
Advance payments and construction in progress	428	2	359	- 369
	20,512	143	1,578	
Financial investments				
Investments in affiliated companies	290	- 150	205	118
Loans to affiliated companies	19			
Investments in associated companies	883	- 25	47	- 118
Other financial investments	236		52	
Other loans	173	- 61	28	
	1,601	- 236	330	
Total fixed assets	22,328	- 9	2,101	

Retirements	Dec. 31, 1994	Depreciation cumulative	Net book value as of Dec. 31, 1994	Net book value as of Dec. 31, 1993	Depreciation current year
million DM	million DM	million DM	million DM	million DM	million DM
98	264	251	13	50	193
14	116	116		1	120
112	380	367	13	51	313
41	4,893	2,513	2,380	2,338	228
259	7,687	5,928	1,759	1,737	754
539	8,394	7,022	1,372	1,685	748
8	412	29	383	400	17
847	21,386	15,492	5,894	6,160	1,747
11	452	219	233	85	106
5	14	1	13	19	1
49	738	468	270	377	34
9	279	160	119	139	71
28	110	2	108	172	
102	1,593	850	743	792	211
1,061	23,359	16,709	6,650	7,003	2,271

Financial Statements of Bosch Group Worldwide

Balance Sheet Structure 1990-1994

Assets

	23,544	24,247	24,452	25,447	27,373
Total assets					6,650 24%
Fixed assets	7,147 30%	7,467 31%	7,769 32%	7,003 27%	4,971 18%
Inventories and leased products	5,340 23%	5,715 23%	5,339 22%	4,796 19%	6,780 25%
Receivables	5,682 24%	6,036 25%	5,930 24%	6,887 27%	
Liquid assets, marketable securities	5,375 23%	5,029 21%	5,414 22%	6,761 27%	8,972 33%

Liabilities

	23,544	24,247	24,452	25,447	27,373
Total liabilities and equity					8,563 31%
Equity capital	7,050 30%	7,471 31%	7,859 32%	8,304 33%	
Long-term liabilities	9,684 41%	10,083 41%	10,126 41%	10,569 41%	11,385 42%
Current liabilities	6,810 29%	6,693 28%	6,467 27%	6,574 26%	7,425 27%

Values in million DM

Financial Statements of Bosch Group Worldwide

Appendix 1994

(1) General remarks

The consolidated statements of the Bosch Group Worldwide conform to the regulations of the commercial code.

In order to ensure better understanding of these financial statements we combined a number of individual balance-sheet items and the profit and

loss statement items into key groupings. These items are stated separately in the appendix. Required comments for individual items are also contained in the appendix. The consolidated profit and loss statement follows the format of the total cost method.

(2) The consolidated group

The consolidated statements include Robert Bosch GmbH and 22 domestic as well as 82 foreign subsidiaries. For the first time we consolidated the Worcester Group plc, Warndon (Worcester) and also BG Automotive Motors Inc, Hendersonville. The newly founded Robert Bosch Finance Corporation, Denham, was also included in the consolidation. We sold Elektra Versicherungsgesellschaft, Frankfurt.

The financial statements of Bosch-Siemens Hausgeräte GmbH were included pro rata pursuant to Section 310 of the Commercial Code.

In accordance with Section 296, Paragraph 2 of the Commercial Code,

companies lacking operations or having insignificant business volume were not included with the consolidated financial statements. Regarding relief fund institutions, we waived inclusion pursuant to Section 296, Paragraph 1, digit 1 of the Commercial Code.

The equity valuation of significant interests in associated companies was applied in accordance with the book-value method. This valuation method pertained to four domestic and eight foreign companies.

(3) Principles of classification and evaluation

The financial statements of Bosch Group Worldwide include the individual statements of our subsidiaries which conform to uniform principles of classification and valuation. We adhered to evaluation of lower of cost or market and imparity of gain or loss recognition.

Financial statements of foreign associated companies were not modified to comply with the uniform consolidation principles of the consolidated group.

Intangible assets including goodwill resulting from the first-time consolidation of shares as well as tangible and financial fixed assets were valued at acquisition or cost of manufacture subject to depreciation.

Straight-line as well as accelerated

depreciation methods were applied. Items of minor value were depreciated during the year of acquisition. In addition we applied all special depreciation allowances according to tax regulations in all host countries.

Interest-free and low-interest loans were adjusted to reflect present values by application of a uniform discount rate domestically and prevailing rates in foreign countries.

Variations regarding interests in associated companies are a consequence of the first-time consolidation of a company. Additions contain capital contributions and prorated profits. Retirements include prorated deficits, dividend payments as well as the gross book value of a liquidated company. We value inventories at the

lower of average purchase or manufacturing cost or market. Manufacturing costs include costs of materials and reasonable overhead.

At domestic companies, the Lifo valuation method was used exclusively. We used this method also at foreign subsidiaries when accepted by taxing authorities.

We provided for risks inherent with warehousing and distribution through appropriate deductions. Additional depreciation was taken in cases of unfavorable returns.

Accounts receivable and other current assets were valued at nominal values less write-downs for individual risks and for general credit risks. Inte-

rest-free or low-interest receivables with maturities of more than one year were discounted.

Marketable securities included in current assets were valued at the lower of acquisition cost or market.

In determining the size of accruals, we provided for all identifiable risks.

Pension accruals and similar liabilities were determined by application of actuarial principles and were discounted to reflect present values. For domestic companies, we used a 6% discount rate, while regional subsidiaries used discount rates prevailing in their respective countries.

Liabilities were stated at the amounts owed.

(4) Currency translation

Accounts receivable and accounts payable stated in the respective foreign currencies were converted to DM equivalents at the lower of the exchange rate at the date of origin or at the balance-sheet date.

For the conversion to DM of the financial statements in foreign currencies and the related profits or losses, we applied, in principle, average exchange rates at the balance-sheet date. Transactions pertaining to fixed assets were converted at mean average quarterly or annual DM equivalents respectively. Resulting differences were included with beginning balances of cost of acquisition or

manufacture as well as in cumulative depreciations.

Tangible fixed assets of our subsidiaries in Brazil were valued at their original carried-forward DM equivalents of cost of acquisition or manufacture. Depreciation was based on historical values. As in the past, the equity capital of these companies is also stated at historical values.

Income and expenses were converted at average exchange rates. Differences resulting from the application of average exchange rates versus year-end exchange rates were included with other expenses.

(5) Consolidation principles

For capital consolidation of certain companies and for newly acquired capital shares, we applied the book-value method at the date of acquisition or at the date of first-time consolidation. As far as possible, amounts subject to capitalization were allocated to the respective assets. Remaining amounts were included with goodwill. Differences in liabilities subject to capital consolidation were included with earned surplus.

Receivables and payables, sales, expenses and profits, as well as interim results within the consolidated group were eliminated. Profits from sales to the consolidated group by associated companies were not eliminated since they were insignificant.

Deferred taxes resulting from consolidation measures in the amount of 76 million DM were included with other assets.

(6) Fixed assets

Extraordinary depreciation amounting to 325 million DM pertained mostly to financial investments.

In accordance with tax regulations, we additionally deducted 90 million DM directly from the acquisition cost of tangible fixed assets. The depreciation was taken pursuant to Section 6b of the Income Tax Law, Section 82a of the Income Tax Regulations, Sec-

tion 3 of the Law for the Promotion of the Economy of the Border Regions, Section 14 of the Berlin Development Law, Section 4 of the Development Area Law, and pursuant to local tax laws in the host countries of our regional subsidiaries.

The development of fixed assets is presented on pages 32 and 33.

(7) Inventories

Essentially, in accordance with Section 80 of the Income Tax Regulations, we depreciated 3 million DM. In this context, we also applied local regulations.

The stated value of inventories in the amount of 4,079 million DM

includes advance payments amounting to 36 million DM (1993: 37 million DM). On the other hand, advance payments received amounting to 436 million DM (prior year: 504 million DM) were deducted.

(8) Accounts receivable and other assets

Million DM	1994	1993
Accounts receivable	5,210	5,036
including maturities of more than one year	14	28
Other receivables and assets		
Receivables from affiliated companies	164	73
Receivables from companies in which interests are held	113	72
including maturities of more than one year	10	4
Other assets	1,243	1,672
including maturities of more than one year	290	285
	1,520	1,817
Receivables and other assets	6,730	6,853

(9) Equity capital

The subscribed capital stock of 1,500 million DM and the capital surplus of 2,895 million DM correspond to the

respective balance-sheet items of Robert Bosch GmbH. Revenue surplus accounts consist of the following:

Million DM	1994	1993
Earned surplus of Robert Bosch GmbH	485	260
Other earned surplus	3,167	3,121
	3,652	3,381

Unappropriated earnings of the consolidated group are identical to those of Robert Bosch GmbH.

(10) Accruals with valuation reserve portion	Accruals with valuation reserve portion were formed pursuant to Section 6b of the Income Tax Law, Section 3 of the Law for the Promotion of the Economy of the Border Regions, and	Section 1 of the DDR Investment Law. Our foreign subsidiaries followed local regulations with respect to such risks.
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(11) Other accruals	Million DM	1994	1993
	Accrued taxes	200	258
	Other accruals	8,762	7,474
		8,962	7,732

(12) Liabilities		1994	Including maturities of one year	1993	Including maturities of one year
	Million DM				
	Liabilities with banks and capital markets				
	Loans	1		1	
	Bank loans	992	430	1,191	535
	Other loans	18		35	35
		1,011	430	1,227	570
	Accounts payable trade	1,964	1,961	1,574	1,565
	Other liabilities				
	Liabilities from acceptances and drafts	15	15	10	9
	Liabilities with affiliated companies	121	33	132	43
	Liabilities with companies in which interests are held	72	72	71	71
	Other liabilities	1,467	1,062	1,395	908
		1,675	1,182	1,608	1,031
	Total liabilities	4,650	3,573	4,409	3,166

Of liabilities with banks, 160 million DM were secured by mortgages and another 154 million DM by other liens. Of other liabilities, 4 million DM were secured by mortgages.

Other liabilities contain obligations to shareholders (Robert Bosch Stiftung GmbH) amounting to 55 million DM, tax liabilities in the amount of 304 million DM (1993: 230 million DM)

and liabilities for social obligations in the amount of 374 million DM (1993: 321 million DM).

Liabilities with maturities of more than 5 years amounting to 428 million DM included 91 million DM of bank loans, 18 million DM liabilities with capital markets, 70 million DM with affiliated companies and 249 million DM of other liabilities.

(13) Contingent liabilities		Million DM
Contingent liabilities from the issuance or transfer of notes		225
including affiliated companies		1
Contingent liabilities from guarantees		312
including affiliated companies		41
Contingent liabilities from warranties		36
including affiliated companies		4
Contingent liabilities for third-party liabilities		10

According to Section 24 of the GmbH Law, there exists a secondary liability in the amount of 11 million DM. In addition, there exist joint and several obligations within the framework of a variety of different syndicate members

engaged in new projects and capital investments.

As a consequence of our partnership in two foreign companies, we are jointly and severally liable in accordance with legal requirements.

(14) Other financial obligations	Other financial obligations of significance for an opinion on the financial	condition of the company do not exist.
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(15) Breakdown of sales	Million DM		1994	%	1993	%
	Sales by business sectors					
	Automotive equipment	19,600 ¹⁾	56.8		16,140	49.7
	Communications technology	5,538 ²⁾	16.1		7,826	24.1
	Consumer goods	7,460	21.6		6,719	20.7
	Capital goods	1,880	5.5		1,784	5.5
		34,478	100.0		32,469	100.0
Sales by regions						
	EC countries	24,876	72.1		24,237	74.7
	Other European countries	2,647	7.7		2,380	7.3
	America	4,569	13.3		3,947	12.1
	Asia, Africa, Australia	2,386	6.9		1,905	5.9
		34,478	100.0		32,469	100.0

¹⁾ including sales of car radios, and automotive display and navigation technology

²⁾ excluding sales of car radios, and automotive display and navigation technology

(16) Increase/Decrease in finished goods and work-in-progress inventories, and other capitalized costs	Million DM		1994	1993
	Decrease of			
semi-finished and finished goods		- 114		- 535
Other capitalized costs		198		223
		84		- 312

(17) Other operating expenses and income	Expenses resulting from additions to accruals with valuation reserve portion are included with other operating expenses in the amount of 70 million DM. Income from the reversal of accruals with valuation reserve portion in the amount of	78 million DM is included with other operating income. Other taxes amounting to 235 million DM (1993: 228 million DM) were included with other operating expenses.
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(18) Costs of materials	Million DM		1994	1993	
	Costs of raw materials, supplies and merchandise		13,583	12,498	
	Purchased services		1,083	1,200	
			14,666	13,698	
(19) Personnel costs	Million DM		1994	1993	
	Wages and salaries		9,220	9,597	
	Social security, pension plans, and support payments including pension plans		2,219	2,095	
			569	501	
			11,439	11,692	
	Average numbers of employees during the year:				
		1994	including	1993	including
		Total	BSHG	Total	BSHG
			(prorated)		(prorated)
	Factory workers	97,055	7,416	100,917	7,276
	Salaried employees	53,926	3,692	57,395	3,857
	Apprentices	5,483	229	6,194	227
		156,464	11,337	164,506	11,360
(20) Income from investments	Million DM		1994	1993	
	Income from investments		19	21	
	including affiliated companies		3	6	
	Expenses from loss transfers		- 19		
	Profit/loss from associated companies		43	- 416	
			43	- 395	
(21) Interest	Million DM		1994	1993	
	Income from long-term loans included with financial investments		3	8	
	Other interest and similar income		671	527	
	including affiliated companies		1	3	
	Interest and similar expenses		- 153	- 232	
	including affiliated companies		- 7	- 8	
			521	303	
(22) Taxes	Million DM		1994	1993	
	Taxes on income		- 635	144	
	Other taxes		- 235	- 228	
			- 870	- 84	

Other taxes are included with other operating expenses.

The impact of tax allowances on the profit for the fiscal year as well as

in former years, and the size of future burdens from the respective valuations are of secondary significance.

(23) Profit or loss of minority stockholders	Million DM	1994	1993
	Shares of profits	68	43
	Losses	-	3
		68	40

(24) Compensation of the members of the Board of Management and of the Supervisory Council

In 1994, aggregate compensation of the members of the Board of Management of Robert Bosch GmbH amounted to 9 million DM. Former members of the Board of Management and their dependents received 9 million DM and the members of the Supervisory Council one million DM.

Accruals at Robert Bosch GmbH for pension liabilities for former members of the Board of Management and their dependents amounted to 68 million DM. The members of the Supervisory Council and the Board of Management of Robert Bosch GmbH are listed on page 47.

(25) Shareholdings of Bosch Group Worldwide

A listing of the shareholdings of the consolidated Bosch Group will be

deposited with the commercial registry of the Stuttgart Court.

Stuttgart, April 3, 1995

Robert Bosch GmbH
The Board of Management

Auditor's opinion

The accounting and the consolidated statements of Robert Bosch GmbH as of December 31, 1994, which we have audited in accordance with professional standards, comply with legal provisions. With due regard to generally accepted accounting principles the

consolidated financial statements give a true and fair view of the company's assets, liabilities, financial position and profit and loss. The management report to the consolidated financial statements is consistent with its content.

Stuttgart, April 3, 1995

Schitag Ernst & Young
Deutsche Allgemeine Treuhand AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dörner Dr. Pitzer
Wirtschaftsprüfer Wirtschaftsprüfer

Major Companies of the Bosch Group

(as of December 31, 1994)

Name	Location	Equity Capital % owned ¹⁾	Equity Capital ²⁾ million DM	Sales ³⁾ million DM	Profit or loss ⁴⁾ million DM
Germany					
ANT Nachrichtentechnik GmbH	Backnang	100	129	1,124	- 149
ANT Nachrichtentechnik Radeberg GmbH	Radeberg	100	10	95	EAV ⁵⁾
Blaupunkt-Werke GmbH	Hildesheim	100	183	1,614	EAV
Bosch-Siemens Hausgeräte GmbH ⁶⁾	Munich	50	943	6,881	109
Bosch Telecom Öffentliche Vermittlungstechnik GmbH	Eschborn	100	80	581	19
MotoMeter GmbH	Leonberg	100	25	259	EAV
Robert Bosch Elektronik GmbH	Salzgitter	100	23	573	EAV
Robert Bosch Elektrowerkzeuge GmbH	Sebnitz	100	15	189	EAV
Robert Bosch Fahrzeugelektrik Eisenach GmbH	Eisenach	100	71	352	EAV
Signalbau Huber AG	Munich	100 ⁷⁾	75	142	2
Teldix GmbH	Heidelberg	100	19	91	EAV
Telenorma GmbH	Frankfurt	100	293	1,991	EAV
VB Autobatterie GmbH	Hannover	35	182	435	- 37
Foreign Countries					
Europe					
Robert Bosch Produktie NV	Tienen/Belgium	100	173	334	34
Robert Bosch (France) SA ⁸⁾	Saint-Ouen(Paris)/France	100	520	2,085	46
Robert Bosch Ltd	Denham/Great Britain	100	225	646	13
Worcester Group plc ⁹⁾	Worcester/Great Britain	69	28	263	17
Robert Bosch SpA ¹⁰⁾	Milan/Italy	100	112	526	10
Robert Bosch Verpakkingsmachines BV	Weert/Netherlands	100	19	45	2
Robert Bosch AG	Vienna/Austria	100	100	502	19
Blaupunkt Auto-Rádio Portugal Lda	Braga/Portugal	70	29	268	2
Blaupunkt Electronica Lda	Braga/Portugal	100	3	39	1
Vulcano Termo-Domésticos SA	Aveiro/Portugal	90	45	115	11
Robert Bosch AB	Kista (Stockholm)/Sweden	100	22	197	11
Robert Bosch Internationale Beteiligungen AG	Zurich/Switzerland	90	614	0	47
Scintilla AG	Solothurn/Switzerland	85	370	1,005	47
Robert Bosch SA	Madrid/Spain	100	210	1,166	26
Robert Bosch spol. s.r.o.	Ceské Budějovice/ Czech Republic	91	42	53	- 1
Bosch Diesel spol. s.r.o.	Jihlava/Czech Republic	76	23	7	- 4
Bosch Sanayi ve Ticaret AS	Bursa/Turkey	100	49	173	32

Name	Location	Equity Capital % owned ¹	Equity Capital ² million DM	Sales ³ million DM	Profit or loss ⁴ million DM
America					
Robert Bosch Ltda ⁵	Campinas/Brazil	100	451	1,098	121
WAPSA Auto Peças Ltda	São Paulo/Brazil	100	112	274	10
Robert Bosch SA de CV	Toluca/Mexico	100	103	324	17
Robert Bosch Corporation ⁵	Broadview (Chicago)/USA	100	981	2,877	87
S-B Power Tool Company ⁵	Chicago/USA	50	401	966	58
Vermont American Corporation ⁵	Louisville/USA	50	243	819	30
Asia, Africa, Australia					
Motor Industries Co Ltd	Bangalore/India	51	95	371	18
Bosch KK	Yokohama/Japan	100	118	612	18
Nippon ABS Ltd	Tokyo/Japan	50	219	398	- 6
Doowon Precision Industry Co Ltd	Seoul/Korea	20	33	294	6
KEFICO Corporation	Kunpo-Si/Korea	25	76	275	11
Robert Bosch (Malaysia) Sdn Bhd	Penang/Malaysia	100	43	250	2
Robert Bosch (South East Asia) Pte Ltd	Singapore/Singapore	70	35	280	6
Robert Bosch (Pty) Ltd ⁵	Johannesburg/South Africa	64	38	204	3
Robert Bosch (Australia) Pty Ltd	Clayton (Melbourne)/Australia	100	114	410	17

¹ Shares held directly and indirectly by Robert Bosch GmbH

² Conversion of foreign currencies pertaining to equity capital and profit and loss stated at mean average values at the balance-sheet date; sales stated at mean average exchange rates of the year

³ Profit and loss transfer agreement

⁴ Statement of partial consolidation

⁵ Refers to shares with voting rights

Financial Statements of Robert Bosch GmbH

Balance Sheet as of December 31, 1994

Assets

	December 31, 1994 million DM	December 31, 1993 million DM
Fixed assets		
Tangible fixed assets	1,932	2,010
Financial investments	2,804	2,349
	4,736	4,359
Current assets		
Inventories	1,431	1,315
Accounts receivable and other assets	3,771	4,350
Marketable securities, cash and cash equivalents	6,086	4,281
	11,288	9,946
Deferred expenses	26	12
	16,050	14,317
Liabilities		
Equity capital		
Capital stock	1,500	1,500
Capital surplus	2,895	2,895
Earned surplus	485	260
Unappropriated earnings	60	60
	4,940	4,715
Accruals with valuation reserve portion	43	55
Accruals		
Accruals for pensions and similar obligations	3,606	3,447
Other accruals	5,581	4,776
	9,187	8,223
Liabilities	1,874	1,313
Deferred income	6	11
	16,050	14,317

Financial Statements of Robert Bosch GmbH

Statement of Income for the period from January 1 to December 31, 1994

	1994 million DM	1993 million DM
Sales	18,459	17,233
Increase/Decrease in finished goods and work-in-progress inventories, and other capitalized costs	80	- 80
Total operating performance	18,539	17,153
Other operating income	964	1,282
Costs of materials	- 9,259	- 8,720
Personnel costs	- 5,345	- 5,582
Depreciation of intangible and tangible fixed assets	- 802	- 804
Other operating expenses	- 3,644	- 2,828
Income from affiliated companies	157	- 8
Amortization of financial investments and securities included with current assets	- 407	- 182
Interest income net	433	315
Income from ordinary activities	636	626
Taxes on income	- 351	248
Net income of the year	285	874
Transfers from surplus accounts		1,461
Additions to surplus accounts	- 225	- 150
	60	2,185
Advanced distribution of dividends		- 2,125
Unappropriated earnings	60	60

Supervisory Council Report

In its sessions, the Supervisory Council of Robert Bosch GmbH concerned itself mainly with the business progress, the financial situation, capital investments, joint ventures and new technical developments. In addition to these sessions, the Supervisory Council was informed by the Board of Management by written monthly reports about business trends as well as the situation of and the business trends within the company.

Schitag Ernst & Young Deutsche Allgemeine Treuhand AG, Stuttgart, audited the accounting records and the financial statements of Robert Bosch GmbH and of the Bosch Group. The auditors gave their unqualified opinion in all cases. The Supervisory Council concurs with the findings, and recommends that the shareholders approve the financial statements of Robert Bosch GmbH and follow the proposal of the Board of Management regarding the application of net income.

Deputy Chairman of the Supervisory Council, Ludwig Vogt, retired from the Supervisory Council at the end of June 1994. The Supervisory Council wishes to thank Mr. Vogt for his constructive cooperation. Effective July 1, 1994, Mr. Walter Bauer was elected Deputy Chairman of the Supervisory Council. Effective also July 1, 1994, Mr. Gerhard Sautter was elected to the Council as a representative of the employees.

On December 31, 1994, Mr. Rudolf Bley retired and consequently also retired from the Supervisory Council.

In addition, Mr. Walter Riester resigned his mandate also as of Dec. 31, 1994. The Supervisory Council wishes to thank both gentlemen for their valuable cooperation.

The local district court of Stuttgart elected Mr. Hans Wolff and Ms. Ruth Fischer-Pusch as their successors to the Supervisory Council effective January 1, 1995.

As proposed by the shareholders, the Supervisory Council appointed Dr.-Ing. Heiner Gutberlet und Dr.-Ing. Rainer Hahn as full members of the Board of Management effective January 1, 1995. At the same time the associate members of the Board of Management, Dr. Clemens Börsig and Hubert Zimmerer were elected deputy members of the Board of Management.

Stuttgart, May 1995

For the Supervisory Council
of Robert Bosch GmbH
Dr. Marcus Bierich
Chairman

Supervisory Council

Dr. phil. Dr. rer. oec. h.c.

Marcus Bierich, Stuttgart

Chairman

Former Chairman of the Board of Management of Robert Bosch GmbH

Ludwig Vogt, Litzendorf-Püdelndorf

Deputy Chairman

Chairman of the Shop Council of the Bamberg Plant and Member of the Joint Shop Council of Robert Bosch GmbH as well as of the Combined Shop Council until June 30, 1994

Walter Bauer, Kohlberg

Deputy Chairman

Chairman of the Joint Shop Council of Robert Bosch GmbH and of Combined Shop Council effective July 1, 1994

Dr. jur. Peter Adolff, Stuttgart

Member of the Board of Management of Allianz Versicherungs-Aktiengesellschaft

Knut Angstenberger, Stuttgart

Department Manager at the Feuerbach plant of Robert Bosch GmbH and Chairman of the speaker panel

Rudolf Baron, Sibbesse

Chairman of the Shop Council of the Hildesheim Plant and Member of the Joint Shop Council of Blaupunkt-Werke GmbH

Dietfried Blanarsch, Stuttgart

Deputy Chairman of the Shop Council of the Feuerbach Plant and Member of the Joint Shop Council of Robert Bosch GmbH

Rudolf Bley, Immenstadt

Deputy Chairman of the Shop Council of the Blaichach Plant and Member of the Joint Shop Council of Robert Bosch GmbH until December 31, 1994

Dr. jur. Robert E. Ehret, Frankfurt/Main

Former Member of the Board of Management of Deutsche Bank AG

Dr.-Ing. Wolfgang Eychmüller, Ulm

Chairman of the Board of Management of Wieland-Werke AG

Ruth Fischer-Pusch, Stuttgart

Secretary of the Trade Unions of the Metal Industry Stuttgart District Management effective January 1, 1995

Hans-Henning Funk, Hildesheim

Chairman of the Shop Council of the Hildesheim Plant and Member of the Joint Shop Council of Robert Bosch GmbH

Dr. rer. pol. Johan M. Goudswaard,

Wassenaar/Netherlands

Former Deputy Chairman of the Board of Directors of Unilever NV

Dr. jur. Karl Gutbrod, Stuttgart

Former Member of the Board of Management of Robert Bosch GmbH Chairman of the Board of Trustees of Robert Bosch Stiftung GmbH

Gudrun Hamacher, Frankfurt/Main

Managing Member of the Board of Directors of the Trade Unions of the Metal Industry

Jörg A. Henle, Berlin

Chairman of the Board of Trustees of the Peter Klöckner-Stiftung

Dr. jur. Robert Holzach,

Zumikon/Switzerland

Honorary President of the Union Bank of Switzerland

Prof. Gero Madelung, Munich

Technical University Munich, Chair of Aviation Technology

Prof. Dr. rer. nat.

Hans-Joachim Queisser, Stuttgart
Director at the Max-Planck-Institut für Festkörperforschung

Walter Riestler, Frankfurt/Main

Deputy Chairman of the Trade Unions of the Metal Industry until December 31, 1994

Gerhard Sautter, Erdmannhausen

Chairman of the Shop Council of the Feuerbach Plant and Deputy Chairman of the Joint Shop Council and the Combined Shop Council effective July 1, 1994

Joachim Stöber, Frankfurt/Main

Secretary of the Board of Directors of the Trade Unions of the Metal Industry

Hans Wolff, Bamberg

Chairman of the Shop Council of the Bamberg Plant and Member of the Joint Shop Council of Robert Bosch GmbH effective January 1, 1995

Management

Hermann Scholl

Chairman

Friedrich Schiefer

Deputy Chairman

Hermann Eisele

Heiner Gutberlet

Rainer Hahn

Wolfgang Hugo

Hansjörg Manger

Tilman Todenhöfer

Clemens Börsig

effective January 1, 1995

Hubert Zimmerer

effective January 1, 1995

Ten Year Statistics Bosch Group Worldwide

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Sales	21,223	23,807	25,365	27,675	30,588	31,824	33,600	34,432	32,469	34,478
Foreign share as a percentage of sales	54	50	50	51	52	51	48	47	49	54
Expenditures for research and development										
	1,097	1,262	1,425	1,640	1,803	2,042	2,144	2,302	2,215	2,255
as a percentage of sales	5.2	5.3	5.6	5.9	5.9	6.4	6.4	6.7	6.8	6.5
Investments in tangible fixed assets										
	1,406	1,813	2,015	1,937	2,064	2,790	2,273	2,038	1,552	1,578
including domestic	1,031	1,407	1,576	1,390	1,259	1,708	1,464	1,347	990	960
including foreign	375	406	439	547	805	1,082	809	691	562	618
as a percentage of sales	6.6	7.6	7.9	7.0	6.7	8.8	6.8	5.9	4.8	4.6
as a percentage of depreciation	139	145	142	128	128	162	126	103	85	90
Depreciation on tangible fixed assets	1,009	1,254	1,416	1,511	1,607	1,725	1,799	1,978	1,836	1,747
Employees - annual average - (000 omitted)										
	140	158	161	166	175	180	181	177	165	158
including domestic	94	110	111	113	117	118	117	113	104	95
including foreign	46	48	50	53	58	62	64	64	61	61
as of January 1, of following year	143	149	161	168	178	181	177	170	157	154
Personnel expenses	6,983	8,139	8,782	9,277	10,202	10,718	11,403	11,838	11,692	11,439
Total assets	15,117	16,770	18,181	20,301	22,205	23,544	24,247	24,452	25,447	27,373
Fixed assets	3,698	3,773	4,580	5,732	6,064	7,147	7,467	7,769	7,003	6,650
as a percentage of total assets	24	22	25	28	27	30	31	32	27	24
Equity capital	4,664	5,177	5,623	6,174	6,668	7,050	7,471	7,859	8,304	8,563
as a percentage of total assets	31	31	31	30	30	30	31	32	33	31
Cash Flow	2,137	2,632	2,845	3,274	3,355	2,884	3,345	3,660	3,698	3,773
as a percentage of sales	10.1	11.1	11.2	11.8	11.0	9.1	10.0	10.6	11.4	10.9
Net income for the year	402	454	825	554	626	560	540	512	426	512
Unappropriated earnings (Dividends of Robert Bosch GmbH)	44	40	43	43	43	43	43	60	60	60

Values in million DM

Bosch-Group – Business Sectors

Automotive Equipment

**Automotive Equipment
Division 1**
ABS, chassis systems, safety systems

**Automotive Equipment,
Division 2**
Lighting technology

**Automotive Equipment
Division 3**
Management systems for gasoline engines

**Automotive Equipment
Division 4**
Bodywork electrics and electronics

**Automotive Equipment
Division 5**
Diesel fuel-injection equipment

**Automotive Equipment
Division 6**
Synthetic parts

**Automotive Equipment
Division 7**
Mobile communications

**Automotive Equipment
Division 8**
Semiconductors and electronic control units

**Automotive Equipment
Division 9**
Starting motors and alternators

**Automotive Aftermarket
Division**
Distribution of automotive equipment,
after-sales service

Communications Technology

Private mobile radio
Broadband communications
Terminals
Mobile radio technology (GSM infrastructure)

Multiplex systems/Network management
Public switching systems
Private communications – large-scale systems,
networks
Private communications – medium-size systems

Radio-relay systems
Satellite technology/Avionics
Security engineering
Traffic-control technology

Consumer Goods

**Bosch-Siemens
Hausgeräte GmbH¹⁾**
Electrical household appliances,
entertainment electronics

**Power Tools
Division**
Electric power tools for the trades, for industry,
and for the do-it-yourself markets. Accessories

**Junkers
Division²⁾**
Heating and hot-water equipment, controls,
blower burners, gas controls

Capital Goods

**Hydraulics and Pneumatics
Division**
Hydraulic and pneumatic products for
mobile and stationary applications,
electronic fluid-control technology

**Industrial Equipment
Division**
Industrial electronics, assembly and
handling equipment, deburring equipment,
test equipment and technology

**Packaging Machinery
Division**
Packaging machines and equipment. Machinery
for the production of candies

¹⁾ Bosch ownership 50%

²⁾ Since January 1, 1995: Bosch Thermetechnology



BOSCH

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